

State of Connecticut  
Department of Economic and Community Development

**Instructions for Completing Employment Reporting Forms –  
Job Expansion Tax Credit Program (JET) - (DECD Forms JET-1 and JET-2)**

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In order to determine the amount of the Job Expansion Tax Credits earned by the Company, DECD is requiring that you complete the enclosed reporting forms - **DECD Form JET-1 and JET-2** and submit these forms and the required supporting documentation to DECD as soon as possible after the Company's fiscal year end. At the Commissioners discretion, based on the availability of JET tax credits, the JET tax credits may be issued in order of priorities, based on the hiring of unemployed workers, vocational rehabilitation employees, military employees hired, or other criteria. Otherwise, the JET credits will be issued on a first-come, first-served basis.

➤ **The following information must be submitted in order to be considered a completed JET tax credit review package. DECD will not begin the JET tax credit review without the following information submitted at the same time:**

1. \_\_\_ A completed DECD JET-1 and JET-2 form must be filled out. The JET-2 form is the 4<sup>th</sup> tab worksheet on the JET reporting forms excel document.
  2. \_\_\_ A copy of the CT Department of Labor DOL UC-2 (Connecticut Employer Contributions Report) and UC-5 (Connecticut Employee Quarterly Earnings Reports) for all quarters covered in the reporting period. These reports may also be referred to as the *Connecticut Department of Labor: Internet Quarterly Tax and Wage Report*. A similar quarterly earnings report from a Payroll Service provider called the Statement of Deposits and Earnings or Statement of Deposits & Filings containing the same information will also be accepted in lieu of the actual DOL UC-2 and UC-5 forms.
  3. \_\_\_ Copy of a CT driver's license or other CT identification (i.e. copy of a W-2 form) for all new employees earning a JET tax credit identified on the JET-1 form must be submitted.
  4. \_\_\_ Signed ***DECD Tax Credit Self-Identification Information Sheet & Authorization for the Release of Confidential Data form*** (the reporting form is on the last page of these instructions) for a tax credit claimed on the unemployed worker(s). (Only required to be filled out when claiming a \$900 credit for a new employee that was collecting or had exhausted unemployment benefits prior to working for your company.)
  5. \_\_\_ Copy of a confirmation from the Dept of Social Services Bureau of Rehabilitation Services for the employee receiving Vocational Rehabilitation Services. (Only required to be submitted when claiming a \$900 credit for a new employee that was receiving Vocational Rehabilitation Services.)
  6. \_\_\_ Copy of an employee's *Discharge papers from the Department of Defense DD Form 214, DD Form 256* or other similar form. (Only required to be submitted when claiming a \$900 credit for a qualifying Veteran employee (a new employee who, at the time of hiring by the taxpayer, is a member of, was honorably discharged from or released under honorable conditions from active service in the armed forces, as defined in section 27-103 of the general statutes.)
- **As a reminder, any new Full-time (FT) employees hired on or after 1/1/14 will not be eligible for a JET tax credit, per the State Statute, but should be included on the JET-2 form, if they are still employed at the end of the reporting period. (This will**

**help increase the net new FT employee increase from the original baseline FT employee count through the end of the reporting period FT employee count, and thus allow eligible employees hired in prior years to be carried over for a JET tax credit in 2014, provided that there was a net new FT employee increase.)**

**DECD will not be issuing reminder notices for the submission of the DECD reporting forms. It will be the responsibility of the Company to submit these forms in order to receive a JET Tax Credit.**

DECD will advise you as to the results of its final job review when completed at which time a *Certificate of Eligibility* for the tax credits earned for such year will be issued. In addition, DECD may contact you if other documentation or information is required or if it is determined that an on-site job review needs to be scheduled.

**Eligibility Requirements:** Each full-time job to which the credit applies must (1) not have existed in Connecticut prior to the application date; (2) require at least 35 hours of full-time work per week for not less than forty-eight weeks in a calendar year and not be temporary or seasonal; (3) be filled with a newly hired full-time employee who was not employed in Connecticut by a related party during the prior twelve months; (4) must not be an owner, member or partner in the business; (5) must be employed at the close of the income year of the qualified business; (6) must be created on or after the later of January 1, 2012 or the Application Date and prior to January 1, 2014; (7) must reside in the State of Connecticut at the end of the reporting period; and (8) must result in a net increase in full-time employment from baseline start date (application date) to the end of the reporting period.

Businesses with up to 50 full-time employees at application date must hire at least 1 net-new full-time employee; businesses with more than 50 and up to 100 full-time employees at application date must hire at least 5 net-new full-time employees; and businesses with more than 100 full-time employees at application date must hire at least 10 net new full-time employees.

- The Job Expansion Tax Credit Reporting Form (DECD Form JET-1) is a summary of employment from the baseline start date (the later of 1/1/12 or the Application Date) through the end of a reporting period, a determination of net-new full-time employees eligible for the job tax credit, and a reporting of all eligible net new full-time employee names hired and residing in Connecticut after the baseline start date and retained at the end of the reporting period (which may be less than a 12-month period) and two subsequent 12-month reporting periods. The DECD Form JET-2 is a schedule of all existing employees employed at the end of the reporting period.
- DECD Forms JET-1 and JET-2 must be signed and dated by a Company official.
- A job expansion tax credit will only be issued for **eligible net new full-time employees** hired and residing in Connecticut after the baseline start date (the later of 1/1/12 or the application date), and prior to 1/1/14, and retained through the end of the reporting period. (See Samples 1 & 2 of the DECD Form JET-1 to assist you in filling out the JET-1 form). (An example scenario would be- A Company has a baseline full-time employment total of 5 employees at application date and hires 7 new full-time employees, however 4 employees from the original baseline are no longer employed by the Company, there would be a net-new full-time employment increase of 3 employees (8 employees at fiscal year end minus 5 baseline employees.) (See Samples 1 & 2 of the DECD Form JET-1 for other employment situations.)
- The tax credit is available for income years **beginning** on or after January 1, 2012. For example, if a Company applied for the JET program on 3/5/12 and had a fiscal year beginning date of 7/1,

the first tax credit reporting period would be for the 12-month period 7/1/12 through 6/30/13 (the Company would receive 12 months of tax credits (7/1/12-6/30/13), however the baseline full-time employment start date would be 3/5/12 (the application date) in order to determine the net full-time employment increase. DECD will compare the number of full-time employees at the end of each reporting period to the number of full-time employees reported at the application date). The Company would also be eligible for the next two income years 7/1/13-6/30/14 and 7/1/14-6/30/15. Companies that applied for the JET program after their income year start date may receive less than 12 months tax credits for their first income year, but will be eligible for two immediately succeeding 12-month income years. An employee must also work a full calendar month in order to earn a JET tax credit. (For example, an employee that is hired on 3/5/12 must work a full calendar month; therefore the employee will be eligible for a tax credit starting on 4/1/12). See the following chart for further examples of the eligibility reporting period:

**Income Year End Dates other than December 31:**

JET Application Date (Baseline Start Date)	Income Year Start Date	Income Year End Date	Number of Eligible Months JET Tax Credits Earned
3/5/12	7/1/12	6/30/13	12 (7/1/12-6/30/13)
	7/1/13	6/30/14	12
	7/1/14	6/30/15	12
8/12/12	5/1/12	4/30/13	8 (9/1/12-4/30/13)
	5/1/13	4/30/14	12
	5/1/14	4/30/15	12

**Income Year End Dates of December 31:**

JET Application Date (Baseline Start Date)	Income Year Start Date	Income Year End Date	Number of Eligible Months JET Tax Credits Earned
3/5/12	1/1/12	12/31/12	9 (4/1/12-12/31/12)
	1/1/13	12/31/13	12
	1/1/14	12/31/14	12
8/12/12	1/1/12	12/31/12	4 (9/1/12-12/31/12)
	1/1/13	12/31/13	12
	1/1/14	12/31/14	12

➤ **The following supporting documentation must be submitted after the end of the Company’s fiscal year in order to be considered a completed JET credit review package.**

1. Completed DECD JET-1 and JET-2 forms (JET-2 form is the 4<sup>th</sup> tab on excel reporting form).
2. Copies of both Connecticut Department of Labor (DOL) UC-2 & UC-5 quarterly earnings reports that are filed with the State Department of Labor for all quarters covered by the reporting period (**social security numbers should be blacked out**). If the Company is on a fiscal year end date other than 12/31, payroll reports covering the months not covered by the DOL forms must be submitted by the Company and must include payroll records which contain the last day of the fiscal year end date. (For example, if the Company has a fiscal year end date of 7/31/13 (the reporting period would be 8/1/12-7/31/13), you would need to submit quarterly DOL UC-2 & 5 reports for

the period 7/1/12-6/30/13 and provide additional payroll reports for the month of July 2013 which must include payroll information that contains the last day in July 2013). The new employee must be employed at the close of the income year in order to qualify for the tax credit.

3. Copies of a Connecticut Drivers License or a substitute Connecticut State Identification Card for all eligible net new full-time employees hired after the baseline start date that the Company is claiming a credit for on the DECD Form JET-1 must also be included along with the DECD Forms JET-1 and JET-2.
4. The following documentation must be submitted for all Qualifying Employees earning a tax credit of \$900.00 per month. (Only required when claiming a \$900 credit for a new qualifying employee.)
  - A *DECD Tax Credit Self-Identification Information Sheet & Authorization for the Release of Confidential Data* (see attached form) must be filled out by each qualifying employee who is receiving Connecticut unemployment compensation, or has exhausted Connecticut unemployment compensation benefits and has not had an intervening full-time job.
    - The first section of the form “Affidavit” allows an individual to self disclose and provide proof of benefits. All claimants have access to their records through the DOL internet system and would have the ability to provide a printout of the benefits that they would have received. This would be the easiest method for an individual to verify with DECD that they received benefits. The individual would only have to show proof of the most recent dates that they received benefits (the last month they received benefits would be sufficient). The individual would sign and date the form on the bottom of the page. This form and the Benefit Screens documentation would be submitted by the Company along with the DECD Forms JET-1 and JET-2.
    - The second section of the form is the “Release”. Should the individual not provide the printout verification, then the individual would need to fill out the information in the “Affidavit” section, then check off the box next to the Unemployment Insurance records area on the “Release” section, and list the most recent dates that they received unemployment benefits (the last month they received benefits would be sufficient). The individual would sign and date the form on the bottom of the page. This form would be submitted by the Company along with the DECD Forms JET-1 and JET-2. DECD would then verify the unemployment information with the DOL.
  - Confirmation from the Bureau of Rehabilitative Services for each qualifying employee currently receiving Vocational Rehabilitation Services from the Bureau of Rehabilitative Services.
  - Verification of a qualifying Veteran employee (a new employee who, at the time of hiring by the taxpayer, is a member of, was honorably discharged from or released under honorable conditions from active service in the armed forces, as defined in section 27-103 of the general statutes). Confirmation can be in the form of an employee’s *Discharge papers from the Department of Defense (DD Form 214, DD Form 256 or other similar form)*.
  - Any additional information as may be requested by DECD in order to verify employment status.

### **How to Claim the Tax Credit:**

DECD will advise you as to the results of its final job review when completed at which time a *Certificate of Eligibility Letter* for the tax credits earned for such year will be issued. Please refer to the Department of Revenue Services *Guide to Connecticut Business Tax Credits* (Informational Publication 2010(13), Issued 03/01/12) for further guidance in obtaining the JET tax credit from the CT Dept. of Revenue Services (DRS). <http://www.ct.gov/drs/lib/drs/publications/pubsip/2010/ip2010-13.pdf>

The Company will be required to complete Form CT-1120 JET, *Job Expansion Tax Credit*, and attach it to Form CT-1120K, *Business Tax Credit Summary*, and/or Form CT-207K, *Insurance/Health Care Tax Credit Schedule* in order to claim the JET tax credit when filing the CT tax return. You must contact DRS at 860-297-5962 with any questions related to the filing of your CT State Tax return.

If you have any questions with respect to the completion of the DECD reporting forms or the requested documentation, please contact Steve Pons at 860-270-8209 or by email at [Steve.pons@ct.gov](mailto:Steve.pons@ct.gov), Tina Neborsky at 860-270-8210 or by email at [tina.neborsky@ct.gov](mailto:tina.neborsky@ct.gov) or Robert Hohman at 860-270-8066 or by email at [Robert.Hohman@ct.gov](mailto:Robert.Hohman@ct.gov).

The DECD Forms JET-1, JET-2 and all other required documentation must be submitted to DECD electronically at [JET.Program@ct.gov](mailto:JET.Program@ct.gov) or mailed to DECD at the following address as soon as possible after the Company's income year end:

Steve Pons  
Department of Economic and Community Development  
Office of Financial Review and Special Projects  
505 Hudson Street,  
Hartford, CT 06106

**DECD TAX CREDIT  
SELF-IDENTIFICATION INFORMATION SHEET &  
AUTHORIZATION FOR THE RELEASE  
OF CONFIDENTIAL DATA**

To be completed by new employee. Affidavit and Release not valid unless signed individually by employee.

**AFFIDAVIT:**

I certify that I am currently receiving or have exhausted unemployment compensation benefits. I further certify that I have not had intervening employment between the date that I exhausted unemployment benefits until the date of this application for employment.

Your Name:	
Your Signature:	
Social Security Number:	
Home Address:	
First Date of Employment:	
Name of Employer:	

Attached are the requisite printouts from the Benefit Screens verifying my receipt of unemployment compensation benefits from  /  /  to  /  / .

**RELEASE:**

I understand that my wage and unemployment insurance records that are maintained at the Connecticut Department of Labor are protected under state and federal statute, and that they cannot be disclosed to anyone outside of the Connecticut Department of Labor, except to a public official in the course of his or her public duties, without my written consent.

Should additional verification be required, I therefore authorize the **Connecticut Department of Labor** to release to the Department of Economic Development, for redisclosure to the applicant employer, verification of the following records to be used solely for the purposes of the administration of the Tax Credit Program:

Unemployment Insurance records for the period of time from  /  /  to  /  / .

Wage records dating from  /  /  to  /  / .

I understand that the above confidential information will only be used by such entity for the specific reasons outlined above and that all records will be destroyed upon the expiration of this release. I further understand that I can revoke this authorization at any time, except to the extent that action has already been taken in reliance on it. This authorization will expire on , or three months after I sign this release.

I am signing this form voluntarily, of my own free will.

Date:		Signature:	
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