



General Assembly

**Substitute Bill No. 5005**

*January Session, 2001*

**AN ACT CONCERNING CORPORATION TAX CREDITS FOR  
EDUCATIONAL TAX SCHOLARSHIPS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       (NEW) (a) As used in this section, "business firm" means any  
2 business entity authorized to do business in this state and subject to  
3 the corporation business tax imposed under chapter 208 of the general  
4 statutes, any company subject to a tax imposed under chapter 207 of  
5 the general statutes, any air carrier subject to the air carriers tax  
6 imposed under chapter 209 of the general statutes, any railroad  
7 company subject to the railroad companies tax imposed under chapter  
8 210 of the general statutes, any regulated telecommunications service,  
9 express, telegraph, cable or community antenna television company  
10 subject to the regulated telecommunications service, express,  
11 telegraph, cable and community antenna television companies tax  
12 imposed under chapter 211 of the general statutes or any utility  
13 company subject to the utility companies tax imposed under chapter  
14 212 of the general statutes.

15       (b) There shall be allowed as a credit against the tax imposed by  
16 chapter 207, 208, 209, 210, 211 or 212 of the general statutes in any  
17 income year an amount equal to the amount paid during such income  
18 year by a business firm into a revolving loan fund established to  
19 provide loans for scholarships to students for study on a full-time or  
20 part-time basis at any public or private institution of higher learning

21 within the state approved or accredited by the Board of Governors of  
22 Higher Education or by the State Board of Education for  
23 postsecondary study.

24 (c) The Board of Governors of Higher Education shall adopt  
25 regulations, in accordance with the provisions of chapter 54 of the  
26 general statutes, for establishment and operation of revolving loan  
27 funds eligible for the credit provided in this section. Such regulations  
28 shall (1) establish standards for student eligibility, (2) specify expenses  
29 for which loans may be made, (3) provide documentation and  
30 procedures necessary for a business firm to qualify for the tax credit,  
31 and (4) include provisions for evaluation of programs offered by such  
32 business firms for mentoring, internships and summer employment  
33 for high school and college students.

34 (d) Any business firm claiming the credit allowed by this section  
35 shall submit documentation to the Commissioner of Revenue Services  
36 that the revolving loan fund complies with regulations for revolving  
37 loan funds established by the board pursuant to subsection (c) of this  
38 section.

39 (e) Nothing in this section shall be construed to prevent two or more  
40 business firms from participating jointly in one or more programs  
41 under the provisions of this section. Such joint programs shall be  
42 submitted, and acted upon, as a single program by the business firms  
43 involved.

44 (f) Any business firm which desires to apply for the credit allowed  
45 by this section shall submit the documentation required under  
46 subsection (d) of this section to the board on or before November first  
47 of each year. The Board of Governors of Higher Education shall  
48 randomly select from among all qualified business firms, those firms  
49 allowed said credit. The credit shall be claimed on the tax return for  
50 the income year during which the selected business firm made  
51 payment into the revolving loan fund. The sum of all tax credits  
52 granted pursuant to the provisions of this section shall not exceed one

53 hundred thousand dollars annually per business firm. In no event shall  
54 the total amount of all tax credits allowed to all business firms  
55 pursuant to the provisions of this section exceed one million dollars in  
56 any one fiscal year.

57 (g) No tax credit shall be granted to any bank, bank and trust  
58 company, insurance company, trust company, national bank, savings  
59 association or building and loan association or any other business  
60 entity for activities that are a part of its normal course of business.

61 (h) Any tax credit not used in the period during which the  
62 investment was made may be carried forward or backward for the five  
63 immediately succeeding or preceding income years until the full credit  
64 has been allowed. For income years commencing on or after January 1,  
65 2005, if the board determines that sixty per cent or more of a revolving  
66 loan fund has not been loaned as provided in this section by a business  
67 firm on or before the date that is three years after the date that a  
68 revolving loan fund is established pursuant to this section by such  
69 business firm, the board of governors shall notify such firm and the  
70 Commissioner of Revenue Services that the authority has determined  
71 that sixty per cent or more of the fund has not been loaned as provided  
72 in this section, and such firm shall be required to recapture the credits  
73 previously granted under this section, to the extent provided for in  
74 regulations adopted under chapter 54 of the general statutes, on the  
75 first tax return required to be filed on or after the date of such notice  
76 for a tax imposed by chapter 207, 208, 209, 210, 211 or 212 of the  
77 general statutes. If any amount of such recaptured credit has not been  
78 paid to the commissioner on or before the due date of such return,  
79 such amount shall bear interest at the rate of one per cent per month or  
80 fraction thereof from such due date to the date of payment.

***Statement of Legislative Commissioners:***

In subsection (c) "and" was deleted before "(3)" and the phrase ", and (4) include provisions for" replaced "which shall include" for clarity, and in subsection (h) the reference to repealed chapter "210a" was deleted and "211" inserted for consistency with subsections (a) and (b)

and the "board of governors" replaced the "authority" for accuracy of reference.

**CE**      *JOINT FAVORABLE SUBST.-LCO*