



General Assembly

January Session, 2001

Amendment

LCO No. 7004

Offered by:

REP. FLAHERTY, 8th Dist.

To: Subst. House Bill No. 6791

File No. 737

Cal. No. 492

"AN ACT CONCERNING EMPLOYER-ASSISTED HOUSING."

1 Strike lines 3 to 70, inclusive, in their entirety, and insert the
2 following in lieu thereof:

3 "(a) As used in this section, "business firm" means any business
4 entity authorized to do business in this state and subject to the
5 corporation business tax imposed under this chapter, or any company
6 subject to a tax imposed under chapter 207, any air carrier subject to
7 the air carriers tax imposed under chapter 209, or any railroad
8 company subject to the railroad companies tax imposed under chapter
9 210, or any regulated telecommunications service, express, telegraph,
10 cable or community antenna television company subject to the
11 regulated telecommunications service, express, telegraph, cable and
12 community antenna television companies tax imposed under chapter
13 211, [or] any utility company subject to the utility companies tax
14 imposed under chapter 212, or any S corporation, as defined in
15 subsection (a) of section 12-213.

16 (b) There shall be allowed as a credit against the tax imposed by this

17 chapter or chapter 207, 209, 210, 211 or 212 in any income year an
18 amount equal to the amount paid during such income year by a
19 business firm into a revolving loan fund established to provide loans
20 for housing located in the state for low and moderate income
21 employees of the business firm or any subsidiary thereof. Loans from
22 any such fund shall be spent in this state and used for (1) the cost of
23 housing that is to be a principal residence and falls within one
24 hundred fifty per cent of the price guidelines established for programs
25 administered by the Connecticut Housing Finance Authority,
26 including costs for down payments, mortgage interest rate buy-downs,
27 closing costs and other costs determined to be eligible under written
28 procedures adopted by the Connecticut Housing Finance Authority
29 under subsection (c) of this section, and (2) payments for security
30 deposits and advance payments for rental housing.

31 (c) The Connecticut Housing Finance Authority shall adopt written
32 procedures in accordance with the provisions of section 1-121 for
33 establishment and operation of employer revolving loan funds eligible
34 for the credit provided in this section. Such procedures shall include
35 provisions for employee eligibility and shall specify expenses for
36 which loans may be made and provide the documentation and
37 procedures necessary for a business firm to qualify for the tax credit.

38 (d) Any business firm claiming the credit allowed by this section
39 shall submit documentation to the Commissioner of Revenue Services
40 that the revolving loan fund complies with written procedures for
41 revolving loan funds established by the Connecticut Housing Finance
42 Authority under subsection (c) of this section.

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

48 (f) Any business firm which desires to apply for the credit allowed

49 by this section shall submit the documentation required under
50 subsection (d) of this section to the authority on or before November
51 first of each year. The authority shall randomly select from among all
52 qualified business firms, those firms allowed said credit except that
53 thirty per cent of the credit may be set aside by the authority for
54 business firms that direct the loans provided from the revolving loan
55 funds, in whole or in part, to housing in urban areas. For purposes of
56 this subsection, "urban areas" shall have the same meaning as in
57 subsection (v) of section 8-243. The credit shall be claimed on the tax
58 return for the income year during which the selected business firm
59 made payment into the revolving loan fund. The sum of all tax credit
60 granted pursuant to the provisions of this section shall not exceed one
61 hundred thousand dollars annually per business firm. In no event shall
62 the total amount of all tax credits allowed to all business firms
63 pursuant to the provisions of this section exceed one million dollars in
64 any one fiscal year.

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

69 In line 94, strike "one hundred" and insert in lieu thereof "ninety-
70 five"

71 In line 95, strike "six" and insert in lieu thereof "five"

72 In line 96, before the period, insert ", provided such loan fund was
73 established on or before December 31, 1997"

74 After line 96, insert the following:

75 "(i) Any business firm qualifying for the credit allowed by this
76 section may transfer such credit to another business firm. Such
77 transferee business firm shall be entitled to claim such credit on its tax
78 return for the income year during which the transferor firm made
79 payment into the revolving loan fund. Such credit shall be subject to

80 recapture, as provided in subsection (h) of this section, to the same
81 extent it would have been if it had not been transferred."