



General Assembly

January Session, 2001

Amendment

LCO No. 8886

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 section 1 in its entirety, and insert the following in lieu
2 thereof:

3 "Section 1. Section 12-217p of the general statutes is repealed and the
4 following is substituted in lieu thereof:

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

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

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

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

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

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

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

70 (h) (1) Any tax credit not used in the period during which the
71 investment was made may be carried forward or backward for the five
72 immediately succeeding or preceding income years until the full credit
73 has been allowed. For income years commencing on or after January 1,
74 1998, if the Connecticut Housing Finance Authority determines that
75 sixty per cent or more of a revolving loan fund has not been loaned as
76 provided in this section by a business firm on or before the date that is
77 three years after the date that a revolving loan fund is established
78 pursuant to this section by such business firm, the authority shall
79 notify such firm and the commissioner that the authority has
80 determined that sixty per cent or more of the fund has not been loaned
81 as provided in this section, and such firm shall be required to
82 recapture the credits previously granted under this section, to the

83 extent provided for in written procedures of the authority adopted
84 under section 1-121, on the first tax return required to be filed on or
85 after the date of such notice for a tax imposed by this chapter or
86 chapter 207, 209, 210, 210a or 212. If any amount of such recaptured
87 credit has not been paid to the commissioner on or before the due date
88 of such return, such amount shall bear interest at the rate of one per
89 cent per month or fraction thereof from such due date to the date of
90 payment.

91 (2) The provisions of subdivision (1) of this subsection shall not
92 apply to any business firm that has loaned ninety-five per cent of the
93 original amount in the revolving loan fund not more than five years
94 after the date that such loan fund was established, provided such loan
95 fund was established on or before December 31, 1997."