



General Assembly

January Session, 2003

Committee Bill No. 5197

LCO No. 4101

Referred to Committee on Commerce

Introduced by:

(CE)

AN ACT CONCERNING TAX INCREMENT FINANCING.

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

- 1 Section 1. (NEW) (*Effective July 1, 2004*) (a) As used in this section:
- 2 (1) "Sales tax increment" means an amount equal to the aggregate
3 revenue collected in a taxable year pursuant to chapter 219 of the
4 general statutes from the sales by any retailer, as defined in
5 subparagraph (B) of subdivision (12) of subsection (a) of section 12-407
6 of the general statutes, located within a project area, as defined in
7 section 8-187 of the general statutes, in excess of the aggregate amount
8 of such revenue collected for the twelve months before the effective
9 date of the adoption by the legislative body of a municipality of a
10 project plan under section 8-191 of the general statutes; and
- 11 (2) "Local sales tax increment" means an amount equal to one-sixth
12 of the sales tax increment.
- 13 (b) The Department of Revenue Services shall, monthly, disburse to
14 each municipality with an approved project plan under section 8-191
15 of the general statutes an amount equal to the local sales tax increment.

16 The municipality shall deposit all moneys received from the
17 Department of Revenue Services in accordance with this section into a
18 special fund of the municipality to be used for the purposes specified
19 under section 8-192a of the general statutes.

20 (c) The municipality shall provide the Department of Revenue
21 Services with the sales tax identification number of each retailer
22 located within the project area. If the retailer has another place of
23 business within the municipality but outside the project area, the
24 retailer shall certify to the Department of Revenue Services the amount
25 of the sales tax paid at the business located within the project area.

This act shall take effect as follows:	
Section 1	July 1, 2004

Statement of Purpose:

To provide an incentive for municipalities to fund development projects by authorizing part of the sales tax generated by those projects to be used as security for bonds issued for such development.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. PAWELKIEWICZ, 49th Dist.

H.B. 5197