



Senate

General Assembly

File No. 516

February Session, 2004

Substitute Senate Bill No. 602

Senate, April 7, 2004

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT REQUIRING CERTAIN REPORTING BY CORPORATIONS SEEKING TAX CREDITS.

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

1 Section 1. (NEW) (*Effective from passage*) (a) Notwithstanding any
2 provision of the general statutes, along with any claim for any tax
3 credit under any provision of chapter 208 or title 32 of the general
4 statutes, any corporation claiming such credit shall submit a report to
5 the Department of Revenue Services indicating the extent to which the
6 purpose of the credit was achieved.

7 (b) On or before January 1, 2005, and annually thereafter, the
8 Department of Revenue Services shall submit a report, in accordance
9 with the provisions of section 11-4a of the general statutes, to the joint
10 standing committee of the General Assembly having cognizance of
11 matters relating to finance, revenue and bonding. Such report shall
12 provide a summary of the information received by said department

13 pursuant to subsection (a) of this section in the preceding year.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Revenue Serv., Dept.	GF - Cost	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill is anticipated to result in a minimal cost (less than \$1,000 per year) to the Department of Revenue Services associated with producing and distributing an annual report to the Finance, Revenue, and Bonding Committee.

OLR Bill Analysis

sSB 602

AN ACT REQUIRING CERTAIN REPORTING BY CORPORATIONS SEEKING TAX CREDITS**SUMMARY:**

The bill requires corporations claiming certain corporation tax credits to file a report with the Department of Revenue Services (DRS) along with the tax credit claim. The report must show the extent to which the purpose of the claimed credits is achieved.

The bill requires DRS to file an annual summary of the company reports with the Finance, Revenue and Bonding Committee. The first summary is due by January 1, 2005.

EFFECTIVE DATE: Upon passage

TAX CREDITS COVERED

The bill's reporting requirements apply to companies claiming corporation tax credits under Chapter 208 or Title 32 of the statutes. These credits are listed in Table 1.

Table 1: Chapter 208 and Title 32 Corporation Tax Credits

CHAPTER 208		
Citation	Credit For	Eligible Corporation
12-217e	Locating in an enterprise zone or in a municipality with an entertainment district and meeting employment criteria	Manufacturing
	Locating a manufacturing facility in a targeted investment community	Manufacturing
	Locating a service facility in a targeted investment community and hiring new employees	Service
12-217g	Apprenticeship training	Manufacturing, plastics, construction
12-217i	Expenses related to use of clean alternative fuel vehicles and related equipment (electric and natural gas)	All

12-217j	Increased spending for research and experiments	All
12-217l	Research and development grants to higher education institutions related to technology advancement	All
12-217n	Research and development expenses	All
12-217o	Increased spending on machinery and equipment	All
12-217p	Employer-assisted housing	All
12-217s	Expenses for traffic reduction programs	Companies employing at least 100 and located in a severe nonattainment area under the federal Clean Air Act
12-217t	Property taxes on electronic data processing equipment	All
12-217u	Financial institution building a new facility and creating at least 1,200 jobs	Financial
12-217v	Qualifying corporations hiring at least 150 qualifying local employees to work in an enterprise zone	Companies created after 1997
12-217w	Fixed capital investments	All
12-217x	Human capital investments (e.g., job training and work education, child care subsidies, establishing a day care center for employees, and technology donations to higher education institutions)	All
12-217y	Hiring Temporary Family Assistance recipients	All
12-217bb	Hiring workers displaced by electric industry restructuring	Electric suppliers
12-217cc	Amount paid to federal Small Business Administration to obtain guaranteed financing	Businesses with less than \$5 million in gross revenues
12-217dd	Donating land for open space	All
TITLE 32		
32-9t	Investments in eligible urban or industrial site reinvestment projects	All

BACKGROUND

Related Bill

sSB 500 (File 265), favorably reported by the Commerce Committee on March 9, requires the Department of Economic and Community Development commissioner to develop standards for assessing how the business tax credit programs he administers benefit the economy

and report annually on the programs to the Commerce; Appropriations; and Finance, Revenue and Bonding committees.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 39 Nay 4