



General Assembly

Amendment

February Session, 2006

LCO No. 4092

SB0043504092SR0

Offered by:

SEN. DELUCA, 32nd Dist.
SEN. MCKINNEY, 28th Dist.
SEN. NICKERSON, 36th Dist.
SEN. FREEDMAN, 26th Dist.

SEN. COOK, 18th Dist.
SEN. RORABACK, 30th Dist.
SEN. CAPPIELLO, 24th Dist.

To: Senate Bill No. 435

File No. 475

Cal. No. 340

"AN ACT CONCERNING THE SALES TAX EXEMPTION FOR SERVICES PROVIDED BY PARTICIPANTS IN CERTAIN JOINT VENTURES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (Effective July 1, 2006, and applicable to income years
4 commencing on or after January 1, 2006) (a) For the purposes of this
5 section:

6 (1) "Displaced worker" means any person employed in Connecticut
7 whose (A) position was terminated by his or her former employer as a
8 direct result of a business restructuring in which the positions of at
9 least ten persons employed in Connecticut by the former employer
10 were terminated, and (B) wages or salary for the first twelve months of
11 his or her new employment are at least seventy-five per cent of the

12 displaced worker's previous annual wages or salary. "Displaced
13 worker" shall not include any person whose former employer is, or
14 was at the time of termination of the position, a related person with
15 respect to the taxpayer;

16 (2) "Related person" means (A) a corporation, limited liability
17 company, partnership, association or trust controlled by the taxpayer,
18 (B) an individual, corporation, limited liability company, partnership,
19 association or trust that is in control of the taxpayer, (C) a corporation,
20 limited liability company, partnership, association or trust controlled
21 by an individual, corporation, limited liability company, partnership,
22 association or trust that is in control of the taxpayer, or (D) a member
23 of the same controlled group as the taxpayer;

24 (3) "Control", with respect to a corporation, means ownership,
25 directly or indirectly, of stock possessing fifty per cent or more of the
26 total combined voting power of all classes of the stock of such
27 corporation entitled to vote. "Control", with respect to a trust, means
28 ownership, directly or indirectly, of fifty per cent or more of the
29 beneficial interest in the principal or income of such trust. The
30 ownership of stock in a corporation, of a capital or profits interest in a
31 partnership, limited liability company, or association or of a beneficial
32 interest in a trust shall be determined in accordance with the rules for
33 constructive ownership of stock provided in Section 267 (c) of the
34 Internal Revenue Code of 1986, or any subsequent corresponding
35 internal revenue code of the United States, as from time to time
36 amended, other than paragraph (3) of said Section 267(c).

37 (b) There shall be allowed a credit against the insurance premiums
38 tax imposed under chapter 207 of the general statutes, the corporation
39 business tax imposed under chapter 208 of the general statutes, or the
40 utilities company tax imposed under chapter 212 of the general
41 statutes, as provided in subsections (c) and (d) of this section with
42 respect to each displaced worker hired by a taxpayer on or after
43 January 1, 2006.

44 (c) The amount of the credit shall be one thousand five hundred
45 dollars with respect to each displaced worker hired by a taxpayer on or
46 after January 1, 2006. The credit shall be allowed for the income year
47 during which such displaced worker first completes twelve full
48 months of full-time employment with the taxpayer.

49 (d) The amount of credit allowed any taxpayer under this section for
50 any income year shall not exceed the amount of tax due from such
51 taxpayer under chapter 207, 208 or 212 of the general statutes with
52 respect to such income year. The credit allowed under this section shall
53 be taken only once with respect to any displaced worker. No taxpayer
54 may claim the credit under this section and under section 12-217bb of
55 the general statutes, for the same displaced worker."