



General Assembly

Amendment

June Special Session, 2007

LCO No. **9596**

HB0743409596HDO

Offered by:

REP. BERGER, 73rd Dist.

SEN. LEBEAU, 3rd Dist.

To: House Bill No. **7434**

File No.

Cal. No. 732

"AN ACT CONCERNING ECONOMIC DEVELOPMENT AND JOB CREATION."

1 Strike lines 736 to 744, inclusive, and insert the following in lieu
2 thereof:

3 "(b) The proceeds of the sale of said bonds, to the extent of the
4 amount stated in subsection (a) of this section, shall be used by
5 Connecticut Innovations, Incorporated, for its corporate purposes as
6 set forth in section 32-39 of the general statutes to support the
7 programs of Connecticut Innovations, Incorporated, described in
8 sections 32-41b to 32-41u, inclusive, of the general statutes, provided
9 one million five hundred thousand dollars shall be used by
10 Connecticut Innovations, Incorporated, for the biobus mobile learning
11 laboratory for bioscience."

12 Strike section 18 in its entirety and insert the following in lieu
13 thereof:

14 "Sec. 18. (NEW) (*Effective from passage and applicable to income years*
15 *commencing on or after January 1, 2008*):

16 (a) As used in this section, the following terms shall have the
17 following meanings unless the context clearly indicates another
18 meaning:

19 (1) "Commission" means the Connecticut Commission on Culture
20 and Tourism established pursuant to section 10-392 of the general
21 statutes;

22 (2) "Certified historic structure" means an historic commercial or
23 industrial property that: (A) Is listed individually on the National or
24 State Register of Historic Places, or (B) is located in a district listed on
25 the National or State Register of Historic Places, and has been certified
26 by the commission as contributing to the historic character of such
27 district;

28 (3) "Certified rehabilitation" means any rehabilitation of a certified
29 historic structure for mixed residential and nonresidential uses
30 consistent with the historic character of such property or the district in
31 which the property is located as determined by regulations adopted by
32 the commission;

33 (4) "Owner" means any person, firm, limited liability company,
34 nonprofit or for-profit corporation or other business entity which
35 possesses title to an historic structure and undertakes the rehabilitation
36 of such structure;

37 (5) "Placed in service" means that substantial rehabilitation work has
38 been completed which would allow for issuance of a certificate of
39 occupancy for the entire building or, in projects completed in phases,
40 for individual residential units that are an identifiable portion of the
41 building;

42 (6) "Qualified rehabilitation expenditures" means any costs incurred
43 for the physical construction involved in the rehabilitation of a

44 certified historic structure for mixed residential and nonresidential
45 uses where at least thirty-three per cent of the total square footage of
46 the rehabilitation is placed into service for residential use, excluding:
47 (A) The owner's personal labor, (B) the cost of a new addition, except
48 as required to comply with any provision of the State Building Code or
49 the State Fire Safety Code, and (C) any nonconstruction cost such as
50 architectural fees, legal fees and financing fees;

51 (7) "Rehabilitation plan" means any construction plans and
52 specifications for the proposed rehabilitation of a certified historic
53 structure in sufficient detail for evaluation by compliance with the
54 standards developed under the provisions of subsections (b) to (d),
55 inclusive, of this section; and

56 (8) "Substantial rehabilitation" or "substantially rehabilitate" means
57 the qualified rehabilitation expenditures of a certified historic structure
58 that exceed twenty-five per cent of the assessed value of such
59 structure.

60 (b) (1) The commission shall administer a system of tax credit
61 vouchers within the resources, requirements and purposes of this
62 section for owners rehabilitating certified historic structures.

63 (2) The credit authorized by this section shall be available in the tax
64 year in which the substantially rehabilitated certified historic structure
65 is placed in service. In the case of projects completed in phases, the tax
66 credit shall be prorated to the substantially rehabilitated identifiable
67 portion of the building placed in service. If the tax credit is more than
68 the amount owed by the taxpayer for the year in which the
69 substantially rehabilitated certified historic structure is placed in
70 service, the amount that is more than the taxpayer's tax liability may be
71 carried forward and credited against the taxes imposed for the
72 succeeding five years or until the full credit is used, whichever occurs
73 first.

74 (3) Any credits allowed under this section that are provided to

75 multiple owners of certified historic structures shall be passed through
76 to persons designated as partners, members or owners, pro rata or
77 pursuant to an agreement among such persons designated as partners,
78 members or owners documenting an alternative distribution method
79 without regard to other tax or economic attributes of such entity. Any
80 owner entitled to a credit under this section may assign, transfer or
81 convey the credits, in whole or in part, by sale or otherwise to any
82 individual or entity and such transferee shall be entitled to offset the
83 tax imposed under chapter 207, 208, 209, 210, 211 or 212 of the general
84 statutes as if such transferee had incurred the qualified rehabilitation
85 expenditure.

86 (c) The commission shall develop standards for the approval of
87 rehabilitation of certified historic structures for which a tax credit
88 voucher is sought. Such standards shall take into account whether the
89 rehabilitation of a certified historic structure will preserve the historic
90 character of the building.

91 (d) The commission shall adopt regulations, in accordance with
92 chapter 54 of the general statutes, to carry out the purposes of this
93 section. Such regulations shall include provisions for the filing of
94 applications, rating criteria and for timely approval by the
95 commission.

96 (e) Prior to beginning any rehabilitation work on a certified historic
97 structure, the owner shall submit (1) a rehabilitation plan to the
98 commission for a determination of whether or not such rehabilitation
99 work meets the standards developed under the provisions of
100 subsections (b) to (d), inclusive, of this section, (2) an estimate of the
101 qualified rehabilitation expenditures, and (3) for projects pursuant to
102 subdivision (2) of subsection (f) of this section, (A) the number of units
103 of affordable housing, as defined in section 8-39a of the general
104 statutes, to be created, (B) the proposed rents or sale prices of such
105 units, and (C) the median income for the municipality where the
106 project is located. In the case of a project pursuant to subdivision (2) of
107 subsection (f) of this section the owner shall submit a copy of data

108 required under subdivision (3) of this subsection to the Department of
109 Economic and Community Development.

110 (f) If the commission certifies that the rehabilitation plan conforms
111 to the standards developed under the provisions of subsections (b) to
112 (d), inclusive, of this section, the commission shall reserve for the
113 benefit of the owner an allocation for a tax credit equivalent to (1)
114 twenty-five per cent of the projected qualified rehabilitation
115 expenditures, or (2) for rehabilitation plans submitted pursuant to
116 subsection (e) of this section on or after the effective date of this
117 section, thirty per cent of the projected qualified rehabilitation
118 expenditures if (A) at least twenty per cent of the units are rental units
119 and qualify as affordable housing, as defined in section 8-39a of the
120 general statutes, or (B) at least ten per cent of the units are individual
121 homeownership units and qualify as affordable housing, as defined in
122 section 8-39a of the general statutes. No tax credit shall be allocated for
123 the purposes of this subdivision unless an applicant has submitted to
124 the commission a certificate from the Department of Economic and
125 Community Development pursuant to section 21 of this act confirming
126 that the project complies with affordable housing requirements under
127 section 8-39a of the general statutes.

128 (g) Following the completion of rehabilitation of a certified historic
129 structure, the owner shall notify the commission that such
130 rehabilitation has been completed. The owner shall provide the
131 commission with documentation of work performed on the certified
132 historic structure and shall submit certification of the costs incurred in
133 rehabilitating the certified historic structure. The commission shall
134 review such rehabilitation and verify its compliance with the
135 rehabilitation plan. Following such verification, the commission shall
136 issue a tax credit voucher to the owner rehabilitating the certified
137 historic structure or to the taxpayer named by the owner as
138 contributing to the rehabilitation. The tax credit voucher shall be in an
139 amount equivalent to the lesser of the tax credit reserved upon
140 certification of the rehabilitation plan under the provisions of

141 subsection (f) of this section or (1) twenty-five per cent of the actual
142 qualified rehabilitation expenditures, or (2) for projects including
143 affordable housing pursuant to subdivision (2) of subsection (f) of this
144 section, thirty per cent of the actual qualified rehabilitation
145 expenditures. In order to obtain a credit against any state tax due that
146 is specified in subsection (h) of this section, the holder of the tax credit
147 voucher shall file the voucher with the holder's state tax return.

148 (h) The Commissioner of Revenue Services shall grant a tax credit to
149 a taxpayer holding the tax credit voucher issued under subsections (e)
150 to (i), inclusive, of this section against any tax due under chapter 207,
151 208, 209, 210, 211 or 212 of the general statutes in the amount specified
152 in the tax credit voucher. Such taxpayer shall submit the voucher and
153 the corresponding tax return to the Department of Revenue Services.

154 (i) The commission may charge an application fee in an amount not
155 to exceed ten thousand dollars to cover the cost of administering the
156 program established pursuant to this section."

157 In lines 1115 and 1159, strike "19" and insert "18" in lieu thereof