



Senate Bill No. 391

Public Act No. 08-82

AN ACT CONCERNING THE INSURANCE REINVESTMENT ACT.

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

Section 1. Subsection (a) of section 38a-88a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2008*):

(a) As used in this section:

(1) "Facility" means an insurance business facility;

(2) "Insurance business" means a business with a North American Industry Classification System code of 524113 to 524298, inclusive, that is engaged in the business of insuring risks or of providing services necessary to the business of insuring risks;

(3) "New job" means a job that did not exist in the business of a subject insurance business in this state prior to the subject insurance business's application to the commissioner for an eligibility certificate under this section for a new facility and that is filled by a new employee, but does not include a job created when an employee is shifted from an existing location of the subject insurance business in this state to a new facility;

Senate Bill No. 391

(4) "New employee" means a person hired by a subject insurance business to fill a position for a new job or a person shifted from an existing location of the subject insurance business outside this state to a new facility in this state, provided (A) in no case shall the total number of new employees allowed for purposes of this credit exceed the total increase in the taxpayer's employment in this state, which increase shall be the difference between (i) the number of employees employed by the subject insurance business in this state at the time of application for an eligibility certificate to the commissioner plus the number of new employees who would be eligible for inclusion under the credit allowed under this section without regard to this calculation, and (ii) the highest number of employees employed by the subject insurance business in this state in the year preceding the subject insurance business's application for an eligibility certificate to the commissioner and (B) a person shall be deemed to be a "new employee" only if such person's duties in connection with the operation of the facility are on a regular, full-time, or equivalent thereof, and permanent basis;

(5) "New facility" means a facility which (A) is acquired by, leased to, or constructed by, a subject insurance business on or after the date of the subject insurance business's application to the commissioner for an eligibility certificate under this section, unless, upon application of the subject insurance business and upon good and sufficient cause shown, the commissioner waives the requirement that such activity take place after the application, and (B) was not in service or use during the one-year period immediately prior to the date of the subject insurance business's application to said commissioner for an eligibility certificate under this section, unless upon application of the subject insurance business and upon good and sufficient cause shown, the commissioner consents to waiving the one-year period;

(6) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the taxpayer

Senate Bill No. 391

or subject insurance business, as the case may be, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer or subject insurance business, as the case may be, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer or subject insurance business, as the case may be, or (D) a member of the same controlled group as the taxpayer or subject insurance business, as the case may be. For purposes of this section, "control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of such section;

(7) "Moneys of the taxpayer" means all amounts invested in a fund, directly or indirectly, on behalf of a taxpayer, including but not limited to (A) direct investments made by the taxpayer, and (B) loans made to the fund for the benefit of the taxpayer which loans are guaranteed by the taxpayer, provided no amounts represented by any such loan shall be used for the purpose of obtaining any tax credit by any person making such loan against any tax levied by this state;

(8) "Income year" means (A) with respect to corporations subject to taxation under chapter 208, the income year as determined under said

Senate Bill No. 391

chapter, (B) with respect to insurance companies, hospital and medical services corporations subject to taxation under chapter 207, the income year as determined under said chapter, and (C) with respect to taxpayers subject to taxation under chapter 229, the taxable year determined under said chapter;

(9) "Taxpayer" means any person as defined in section 12-1, whether or not subject to any taxes levied by this state; and

(10) "Commissioner" means the Commissioner of Economic and Community Development.

Approved May 27, 2008