



General Assembly

February Session, 2008

Raised Bill No. 5883

LCO No. 3115

03115_____CE_

Referred to Committee on Commerce

Introduced by:

(CE)

AN ACT CONCERNING FUNDING FOR THE SILAS BRONSON LIBRARY, FOR WATERBURY INDUSTRIAL COMMONS, AND AMENDING THE URBAN AND INDUSTRIAL SITE REINVESTMENT PROGRAM.

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

1 Section 1. (*Effective July 1, 2008*) (a) For the purposes described in
2 subsection (b) of this section, the State Bond Commission shall have
3 the power, from time to time, to authorize the issuance of bonds of the
4 state in one or more series and in principal amounts not exceeding in
5 the aggregate fifteen million dollars.

6 (b) The proceeds of the sale of said bonds, to the extent of the
7 amount stated in subsection (a) of this section, shall be used by the
8 Department of Economic and Community Development for the city of
9 Waterbury to form a public-private partnership to remediate and
10 develop the Waterbury Industrial Commons. The focus of said
11 partnership shall include, but not be limited to, remediating the site,
12 expanding job growth, centralizing the Waterbury Public Works
13 location, and establishing a greenway biking and walking trail that
14 connects to Naugatuck.

15 (c) All provisions of section 3-20 of the general statutes, or the
16 exercise of any right or power granted thereby, which are not
17 inconsistent with the provisions of this section are hereby adopted and
18 shall apply to all bonds authorized by the State Bond Commission
19 pursuant to this section, and temporary notes in anticipation of the
20 money to be derived from the sale of any such bonds so authorized
21 may be issued in accordance with said section 3-20 and from time to
22 time renewed. Such bonds shall mature at such time or times not
23 exceeding twenty years from their respective dates as may be provided
24 in or pursuant to the resolution or resolutions of the State Bond
25 Commission authorizing such bonds. None of said bonds shall be
26 authorized except upon a finding by the State Bond Commission that
27 there has been filed with it a request for such authorization which is
28 signed by or on behalf of the Secretary of the Office of Policy and
29 Management and states such terms and conditions as said commission,
30 in its discretion, may require. Said bonds issued pursuant to this
31 section shall be general obligations of the state and the full faith and
32 credit of the state of Connecticut are pledged for the payment of the
33 principal of and interest on said bonds as the same become due, and
34 accordingly and as part of the contract of the state with the holders of
35 said bonds, appropriation of all amounts necessary for punctual
36 payment of such principal and interest is hereby made, and the State
37 Treasurer shall pay such principal and interest as the same become
38 due.

39 Sec. 2. (*Effective July 1, 2008*) (a) For the purposes described in
40 subsection (b) of this section, the State Bond Commission shall have
41 the power, from time to time, to authorize the issuance of bonds of the
42 state in one or more series and in principal amounts not exceeding in
43 the aggregate fifteen million dollars.

44 (b) The proceeds of the sale of said bonds, to the extent of the
45 amount stated in subsection (a) of this section, shall be used by the
46 State Library for the purpose of providing a grant-in-aid to the city of
47 Waterbury for improvements to the Silas Bronson Library.

48 (c) All provisions of section 3-20 of the general statutes, or the
49 exercise of any right or power granted thereby, which are not
50 inconsistent with the provisions of this section are hereby adopted and
51 shall apply to all bonds authorized by the State Bond Commission
52 pursuant to this section, and temporary notes in anticipation of the
53 money to be derived from the sale of any such bonds so authorized
54 may be issued in accordance with said section 3-20 and from time to
55 time renewed. Such bonds shall mature at such time or times not
56 exceeding twenty years from their respective dates as may be provided
57 in or pursuant to the resolution or resolutions of the State Bond
58 Commission authorizing such bonds. None of said bonds shall be
59 authorized except upon a finding by the State Bond Commission that
60 there has been filed with it a request for such authorization which is
61 signed by or on behalf of the Secretary of the Office of Policy and
62 Management and states such terms and conditions as said commission,
63 in its discretion, may require. Said bonds issued pursuant to this
64 section shall be general obligations of the state and the full faith and
65 credit of the state of Connecticut are pledged for the payment of the
66 principal of and interest on said bonds as the same become due, and
67 accordingly and as part of the contract of the state with the holders of
68 said bonds, appropriation of all amounts necessary for punctual
69 payment of such principal and interest is hereby made, and the State
70 Treasurer shall pay such principal and interest as the same become
71 due.

72 Sec. 3. Section 32-9t of the general statutes is repealed and the
73 following is substituted in lieu thereof (*Effective October 1, 2008*):

74 (a) As used in this section:

75 (1) "Commissioner" means the Commissioner of Economic and
76 Community Development.

77 (2) "Eligible industrial site investment project" means a project
78 located within this state for the development or redevelopment of real
79 property: (A) (i) That has been subject to a "spill", as defined in section

80 22a-452c, (ii) is an "establishment", as defined in subdivision (3) of
81 section 22a-134 of the 2008 supplement to the general statutes, or (iii) is
82 a "facility", as defined in 42 USC 9601(9); (B) that, if remediated,
83 renovated or demolished in accordance with applicable law and
84 regulations and the standards of remediation of the Department of
85 Environmental Protection and used for business purposes, will add
86 significant new economic activity and employment in the municipality
87 in which the investment is to be made, and will generate additional tax
88 revenues to the state; (C) for which the use of the urban and industrial
89 site reinvestment program will be necessary to attract private
90 investment to the project; (D) the business use of which would be
91 economically viable and would generate direct and indirect economic
92 benefits to the state that exceed the amount of the investment during
93 the period for which the tax credits granted pursuant to public act 00-
94 170* are granted; and (E) that is, in the judgment of the commissioner,
95 consistent with the strategic economic development priorities of the
96 state and the municipality.

97 (3) "Eligible urban reinvestment project" means a project: (A) That
98 would add significant new economic activity in the eligible
99 municipality in which the project is located, and will generate
100 significant additional tax revenues to the state or the municipality; (B)
101 for which the use of the urban and industrial site reinvestment
102 program will be necessary to attract private investment to an eligible
103 municipality; (C) that is economically viable; (D) for which the direct
104 and indirect economic benefits to the state outweigh the costs of the
105 project; and (E) that is, in the judgment of the commissioner, consistent
106 with the strategic economic development priorities of the state and the
107 municipality.

108 (4) "Related person" means: (A) A corporation, limited liability
109 company, partnership, association or trust controlled by the taxpayer;
110 (B) an individual, corporation, limited liability company, partnership,
111 association or trust that is in control of the taxpayer; (C) a corporation,
112 limited liability company, partnership, association or trust controlled

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

129 (5) "Investment" means all amounts invested in an eligible project by
130 or on behalf of a taxpayer, whether directly, through a fund, or
131 through a community development entity including, but not limited to,
132 to, (A) equity investments made by the taxpayer, and (B) loans.

133 (6) "Income year" means with respect to entities subject to taxation
134 under chapters 207 to 212a, the income year as determined under each
135 of said chapters, as the case may be.

136 (7) "Taxpayer" means any person, as defined in section 12-1,
137 whether or not subject to any taxes levied by this state.

138 (8) "Fund manager" means a fund manager registered in accordance
139 with subsection (d) of this section.

140 (9) "New job" means a job that did not exist in the business of a
141 subject business in this state prior to the subject business' application
142 to the commissioner for an eligibility certificate under this section for a
143 new facility and that is filled by a new employee, but does not mean a

144 job created when an employee is shifted from an existing location of
145 the subject business in this state to a new facility.

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

163 (11) "New facility" means a facility which (A) is acquired by, leased
164 to, or constructed by, a subject business on or after the date of the
165 subject business' application to the commissioner for an eligibility
166 certificate under this section, unless, upon application of the subject
167 business and upon good and sufficient cause shown, the commissioner
168 waives the requirement that such activity take place after the
169 application, and (B) was not in service or use during the one-year
170 period immediately prior to the date of the subject business'
171 application to the commissioner for an eligibility certificate under this
172 section, unless upon application of the subject business and upon good
173 and sufficient cause shown, the commissioner consents to waiving the
174 one-year period.

175 (12) "Eligible municipality" means (A) a municipality with an area

176 designated as an enterprise zone pursuant to section 32-70, (B) a
177 distressed municipality, as defined in subsection (b) of section 32-9p,
178 (C) a municipality that has a population in excess of one hundred
179 thousand, or (D) any municipality that the commissioner determines is
180 connected with the relocation of an out-of-state operation or the
181 expansion of an existing facility that will result in a capital investment
182 by a company of not less than fifty million dollars.

183 (13) "Eligible project" means an eligible urban reinvestment project
184 or an eligible industrial site investment project or both.

185 (14) "Approved investment" means an investment approved by the
186 commissioner under subsection [(g)] (h) of this section.

187 (15) "Recapture amount" means the amount by which the total of tax
188 credits claimed with respect to any approved investment as of the date
189 of calculation exceeds the sum of all state revenue actually generated
190 through such date by the eligible project in which such approved
191 investment was made.

192 (16) "Pro rata share" means the percentage the amount of the
193 approved investment by an individual investor in an eligible project
194 bears to the total amount of the approved investment in such project,
195 or in the case of a taxpayer to whom credits are transferred under this
196 section, the percentage the amount of credits with respect to an
197 approved investment transferred bears to the total credits with respect
198 to such approved investment.

199 (17) "Community development entity" means any corporation,
200 limited partnership or limited liability company qualified to do
201 business in this state and which (A) is organized for the purpose of
202 providing investment capital or financing for eligible projects under
203 this section, (B) maintains accountability to residents of more than one
204 eligible municipality through representation on the governing board of
205 the entity, (C) is organized for the purpose of seeking certification and
206 an allocation of new markets tax credits as provided in Section 45D of

207 the Internal Revenue Code of 1986, or any subsequent corresponding
208 internal revenue code of the United States, as from time to time
209 amended, and (D) is registered in accordance with subsection (d) of
210 this section. No community development entity shall be eligible for
211 any tax credits under this section unless it is certified under said
212 Section 45D on the date any approved investment is made. A
213 community development entity shall not be deemed a "fund" for
214 purposes of this section.

215 (18) "Project" means the acquisition, leasing, demolition,
216 remediation, construction, renovation, expansion or other
217 development or redevelopment of real property and improvements
218 within this state, including furniture, fixtures, equipment and other
219 personal property which is reasonably necessary in connection
220 therewith, and associated interest and other financing costs and
221 charges, relocation and start-up costs, and architectural, engineering,
222 legal and other professional services, plans, specifications, surveys,
223 permits, studies and evaluations necessary or incident to the
224 development, financing, completion and placing in operation of such a
225 project.

226 (b) There is established an urban and industrial site reinvestment
227 program under which taxpayers who make investments in eligible
228 urban reinvestment projects or eligible industrial site investment
229 projects may be allowed a credit against the tax imposed under
230 chapters 207 to 212a, inclusive, or section 38a-743, or a combination of
231 said taxes, in an amount equal to the percentage of their approved
232 investment determined in accordance with subsection [(i)] (j) of this
233 section.

234 (c) No project shall be deemed an eligible project unless such project
235 shall, in the judgment of the commissioner, be of sufficient size, by
236 itself or in conjunction with related new investments, to generate a
237 substantial return to the state economy or unless such project involves
238 the production of electric energy for a region of the state.

239 (d) (1) The commissioner may register managers of funds and
240 community development entities created for the purpose of investing
241 in eligible urban reinvestment projects and eligible industrial site
242 investment projects. Any manager or community development entity
243 registered under this subsection shall have its primary place of
244 business in this state. Each applicant shall submit an application under
245 oath to the commissioner to be registered and shall furnish evidence
246 satisfactory to the commissioner of its financial responsibility,
247 integrity, professional competence and experience in managing
248 investment funds. Failure to maintain adequate fiduciary standards
249 with respect to investments made under this section shall constitute
250 cause for the commissioner to revoke, after hearing, any registration
251 granted under this section or section 38a-88a. The fund manager or
252 community development entity shall make a report on or before the
253 first day of March in each year, under oath, to the Commissioner of
254 Economic and Community Development and the Commissioner of
255 Revenue Services specifying the name, address and Social Security
256 number or employer identification number of each investor, the year
257 during which each investment was made by each investor, the amount
258 of each investment, a description of the fund's investment objectives
259 and relative performance, or the entity's projects, as the case may be,
260 and a description, including amounts, of all fees received by such
261 manager or entity in relation to each such fund.

262 (2) Any manager of funds registered on or before July 1, 2000,
263 pursuant to section 38a-88a shall be deemed registered as a fund
264 manager for all purposes under the provisions of this section upon
265 submission, in writing, to the commissioner of such manager's
266 intention to act as a manager of funds under this section. The
267 commissioner may request from any such manager such information
268 as the commissioner may require relating to such manager's financial
269 responsibility, integrity, professional competence and experience in
270 managing investment funds.

271 (e) Any taxpayer or fund manager, or community development

272 entity wishing to make an investment under the provisions of this
273 section shall apply to the commissioner in accordance with the
274 provisions of this section. The application shall contain sufficient
275 information to establish that the project in which the proposed
276 investment will be made is an eligible industrial site investment project
277 or an urban reinvestment project, as appropriate, and information
278 concerning the type of investment proposed to be made, the location of
279 the project, the number of jobs to be created or retained, physical
280 infrastructure that might be created or preserved, feasibility studies or
281 business plans for the project, projected state and local revenue that
282 might derive as a result of the project and other information necessary
283 to demonstrate the financial viability of the project and to demonstrate
284 that the investment will provide net benefits to the economy of, and
285 employment for citizens of, the municipality and the state, and in the
286 case of an eligible industrial site investment project, how such project
287 will meet the standards of remediation of the Department of
288 Environmental Protection. The commissioner shall impose a fee for
289 such application as the commissioner deems appropriate.

290 (f) (1) The commissioner shall determine whether the project in
291 which the proposed investment is to be made is an eligible urban
292 reinvestment project or an eligible industrial site investment project,
293 whether the project is economically viable only with use of the urban
294 and industrial site reinvestment program, the effects of the project on
295 the municipality where the investment will be made, whether the
296 project will be a source of energy production within the state, and
297 whether the project would provide a net benefit to economic
298 development and employment opportunities in the state and whether
299 the project will conform to the state plan of conservation and
300 development. The commissioner may require the applicant to submit
301 such additional information as may be necessary to evaluate the
302 application.

303 (2) The commissioner shall prepare a revenue impact assessment
304 that estimates the state and local revenue that would be generated as a

305 result of the project. The commissioner shall prepare an economic
306 feasibility study relative to such project. The commissioner may retain
307 any such persons as the commissioner deems appropriate to conduct
308 such revenue impact assessment or economic feasibility study.

309 (g) The commissioner shall give priority consideration to any
310 application under this section that is for a project that will result in
311 increased energy production in the state.

312 ~~[(g)]~~ (h) (1) The commissioner, upon consideration of the
313 application, the revenue impact assessment and any additional
314 information that the commissioner requires concerning a proposed
315 investment, may approve an investment if the commissioner concludes
316 that the project in which such investment is to be made is an eligible
317 urban reinvestment project or an eligible industrial site investment
318 project. If the commissioner rejects an application, the commissioner
319 shall specifically identify the defects in the application and specifically
320 explain the reasons for the rejection. The commissioner shall render a
321 decision on an application not later than ninety days from its receipt.
322 The amount of the investment so approved shall not exceed the greater
323 of: (A) The amount of state revenue that will be generated according to
324 the revenue impact assessment prepared under this subsection; or (B)
325 the total of state revenue and local revenue generated according to
326 such assessment in the case of a manufacturing business with standard
327 industrial classification codes of 3999, 2099, 2992 and 2834 which is
328 relocating to a site in Connecticut from out-of-state, provided the
329 relocation will result in new development of at least seven hundred
330 twenty-five thousand square feet in a state-sponsored industrial park.

331 (2) The approval of an investment by the commissioner may be
332 combined with the exercise of any of the commissioner's other powers,
333 including, but not limited to, the provision of other forms of financial
334 assistance.

335 (3) The commissioner shall require the applicant to reimburse the
336 commissioner for all or any part of the cost of any revenue impact

337 assessment, economic feasibility study or other activities performed in
338 the exercise of due diligence pursuant to subsection (f) of this section.

339 (4) There is established an account to be known as the "Connecticut
340 economic impact and analysis account" which shall be a separate,
341 nonlapsing account within the General Fund. The account shall
342 contain any moneys required by law to be deposited in the account
343 and shall be held separate and apart from other moneys, funds and
344 accounts. There shall be deposited in the account any proceeds
345 realized by the state from activities pursuant to this section.
346 Investment earnings credited to the account shall become part of the
347 assets of the account. Any balance remaining in the account at the end
348 of any fiscal year shall be carried forward in the account for the next
349 fiscal year. Amounts in the account may be used by the Department of
350 Economic and Community Development to fund the cost of any
351 activities of the department pursuant to this section, including
352 administrative costs related to such activities.

353 [(h)] (i) Upon approving an investment, the commissioner shall
354 issue a certificate of eligibility certifying that the applicant has
355 complied with the provisions of this section.

356 [(i)] (j) (1) There shall be allowed as a credit against the tax imposed
357 under chapters 207 to 212a, inclusive, or section 38a-743, or a
358 combination of said taxes, an amount equal to the following
359 percentage of approved investments made by or on behalf of a
360 taxpayer with respect to the following income years of the taxpayer:
361 (A) With respect to the income year in which the investment in the
362 eligible project was made and the two next succeeding income years,
363 zero per cent; (B) with respect to the third full income year succeeding
364 the year in which the investment in the eligible project was made and
365 the three next succeeding income years, ten per cent; (C) with respect
366 to the seventh full income year succeeding the year in which the
367 investment in the eligible project was made and the next two
368 succeeding years, twenty per cent. The sum of all tax credits granted

369 pursuant to the provisions of this section shall not exceed one hundred
370 million dollars with respect to a single eligible urban reinvestment
371 project or a single eligible industrial site investment project approved
372 by the commissioner. The sum of all tax credits granted pursuant to
373 the provisions of this section shall not exceed five hundred million
374 dollars.

375 (2) Notwithstanding the provisions of subdivision (1) of this
376 subsection, any applicant may, at the time of application, apply to the
377 commissioner for a credit that exceeds the limitations established by
378 this subsection. The commissioner shall evaluate the benefits of such
379 application and make recommendations to the General Assembly
380 relating to changes in the general statutes which would be necessary to
381 effect such application if the commissioner determines that the
382 proposal would be of economic benefit to the state.

383 ~~[(j)]~~ (k) The credits allowed by this section may be claimed by a
384 taxpayer who has made an investment (1) directly only if such
385 investment has a total asset value, either alone or in conjunction with
386 other taxpayer investments in an eligible project, of not less than five
387 million dollars or, in the case of an investment in an eligible project for
388 the preservation of an historic facility and redevelopment of the facility
389 for mixed uses that includes at least four housing units, a total asset
390 value of not less than two million dollars; (2) through a fund managed
391 by a fund manager registered under this section only if such fund: (A)
392 Has a total asset value of not less than sixty million dollars for the
393 income year for which the initial credit is taken; and (B) has not less
394 than three investors who are not related persons with respect to each
395 other or to any person in which any investment is made other than
396 through the fund at the date the investment is made; or (3) through a
397 community development entity.

398 ~~[(k)]~~ (l) The commissioner shall, upon request, provide a copy of the
399 eligibility certificate issued under subsection ~~[(h)]~~ (i) of this section to
400 the Commissioner of Revenue Services.

401 [(l)] (m) The tax credit allowed by this section, when made through
402 a fund, shall only be available for investments in funds that are not
403 open to additional investments or investors beyond the amount
404 subscribed at the formation of the fund.

405 [(m)] (n) (1) The Commissioner of Revenue Services may treat one
406 or more corporations that are properly included in a combined
407 corporation business tax return under section 12-223a as one taxpayer
408 in determining whether the appropriate requirements under this
409 section are met. Where corporations are treated as one taxpayer for
410 purposes of this subsection, then the credit shall be allowed only
411 against the amount of the combined tax for all corporations properly
412 included in a combined return that, under the provisions of
413 subdivision (2) of this subsection, is attributable to the corporations
414 treated as one taxpayer.

415 (2) The amount of the combined tax for all corporations properly
416 included in a combined corporation business tax return that is
417 attributable to the corporations that are treated as one taxpayer under
418 the provisions of this subsection shall be in the same ratio to such
419 combined tax that the net income apportioned to this state of each
420 corporation treated as one taxpayer bears to the net income
421 apportioned to this state, in the aggregate, of all corporations included
422 in such combined return. Solely for the purposes of computing such
423 ratio, any net loss apportioned to this state by a corporation treated as
424 one taxpayer or by a corporation included in such combined return
425 shall be disregarded.

426 [(n)] (o) Any taxpayer allowed a credit under this section may
427 assign such credit to another taxpayer or taxpayers, provided such
428 other taxpayer or taxpayers may claim such credit only with respect to
429 a taxable year for which the assigning taxpayer would have been
430 eligible to claim such credit and such other taxpayer or taxpayers may
431 not further assign such credit. The taxpayer or taxpayers allowed such
432 credit, the fund manager or the community development entity shall

433 file with the Commissioner of Revenue Services information requested
434 by the commissioner regarding such assignments, including, but not
435 limited to, the current holders of credits as of the end of the preceding
436 calendar year.

437 ~~[(o)]~~ (p) No taxpayer shall be eligible for a credit under (1) this
438 section, and (2) section 12-217e or 38a-88a, for the same investment. No
439 two taxpayers shall be eligible for any tax credit with respect to the
440 same investment or the same project costs.

441 ~~[(p)]~~ (q) Any credit not used in the income year for which it was
442 allowed may be carried forward for the five immediately succeeding
443 income years until the full credit has been allowed.

444 ~~[(q)]~~ (r) (1) Any tax credits approved under this section that would
445 constitute in excess of twenty million dollars in total for a single
446 investment shall be submitted by the Commissioner of Economic and
447 Community Development to the joint standing committee of the
448 General Assembly having cognizance of matters relating to finance,
449 revenue and bonding prior to the issuance of a certificate of eligibility
450 for such investment. Said committee shall have thirty days from the
451 date such project is submitted to convene a meeting to recommend
452 approval or disapproval of such investment. If such submittal is
453 withdrawn, altered, amended or otherwise changed, and resubmitted,
454 said committee shall have thirty days from the date of such resubmittal
455 to convene a meeting to recommend approval or disapproval of such
456 investment. If said committee does not act on a submittal or
457 resubmittal, as the case may be, within that time, the investment shall
458 be deemed to be approved by said committee.

459 (2) While the General Assembly is in session, the House of
460 Representatives or the Senate, or both, may meet not later than thirty
461 days following the date said committee makes a recommendation
462 pursuant to subdivision (1) of this subsection. If such submission is not
463 disapproved by the House of Representatives or the Senate, or both,
464 within such time, the commissioner may issue such certificate.

465 (3) While the General Assembly is not in regular session, the House
466 of Representatives or the Senate, or both, may meet not later than
467 thirty days following the date said committee makes a
468 recommendation pursuant to subdivision (1) of this subsection. If such
469 submission is not disapproved by the House of Representatives, the
470 Senate, or both, within such time, the commissioner may issue such
471 certificate.

472 ~~[(r)]~~ (s) Not later than July first in each year that credits allowed by
473 this section are claimed by a taxpayer with respect to an approved
474 investment, the commissioner may retain such persons as said
475 commissioner may deem appropriate to conduct a study to estimate
476 the state revenue that is being and will be generated by the eligible
477 project in which such investment is made. Such economic impact study
478 shall determine whether the state revenue actually generated by such
479 eligible project is equal to the estimate of state revenue made at the
480 time the investment in such eligible project was approved. If the sum
481 of all state revenue actually generated by such eligible project is less
482 than the amount of the total sum of tax credits claimed with respect to
483 the approved investment in such project on the date of such analysis,
484 the commissioner may determine from the person retained pursuant to
485 this subsection the applicable recapture amount and may revoke the
486 certificate of eligibility issued under subsection ~~[(h)]~~ (i) of this section.
487 The commissioner may require the taxpayer, the fund manager or
488 community development entity that made such approved investment
489 to reimburse the commissioner for all or any part of the cost of any
490 economic impact study performed under this subsection.

491 ~~[(s)]~~ (t) (1) Any taxpayer which has claimed credits allowed by this
492 section related to an investment concerning which the commissioner
493 has revoked the certificate of eligibility issued under subsection ~~[(h)]~~ (i)
494 of this section, shall be required to recapture such taxpayer's pro rata
495 share of the recapture amount as determined under the provisions of
496 subdivision (2) of this subsection and no subsequent credit shall be
497 allowed unless such certificate of eligibility is reinstated under the

498 provisions of subdivision (3) of this subsection.

499 (2) If the taxpayer is required under the provisions of subdivision
500 (1) of this subsection to recapture its pro rata share of the recapture
501 amount during (A) the first year such credit was claimed, then ninety
502 per cent of such share shall be recaptured on the tax return required to
503 be filed for such year, (B) the second of such years, then sixty-five per
504 cent of such share shall be recaptured on the tax return required to be
505 filed for such year, (C) the third of such years, then fifty per cent of
506 such share shall be recaptured on the tax return required to be filed for
507 such year, (D) the fourth of such years, then thirty per cent of such
508 share shall be recaptured on the tax return required to be filed for such
509 year, (E) the fifth of such years, then twenty per cent of such share
510 shall be recaptured on the tax return required to be filed for such year,
511 and (F) the sixth or subsequent of such years, then ten per cent of such
512 share shall be recaptured on the tax return required to be filed for such
513 year. The Commissioner of Revenue Services may recapture such share
514 from the taxpayer who has claimed such credits. If the commissioner is
515 unable to recapture all or part of such share from such taxpayer, the
516 commissioner may seek to recapture such share from any taxpayer
517 who has assigned credits in an amount at least equal to such share to
518 another taxpayer. If the commissioner is unable to recapture all or part
519 of such share from any such taxpayer, the commissioner may
520 recapture such share from any fund through which the investment was
521 made.

522 (3) If the commissioner has revoked the certificate of eligibility
523 issued under subsection [(h)] (i) of this section, such certificate of
524 eligibility shall be reinstated by the commissioner if, upon a request
525 made by the taxpayer, fund manager or community development
526 entity who made such approved investment, an economic impact
527 study conducted pursuant to subsection [(r)] (s) of this section shall
528 determine that the sum of all state revenue actually generated by the
529 project in which such investment was made is greater than the amount
530 of the total sum of tax credits claimed on the date of such analysis,

531 provided no such request shall be made pursuant to this subsection
532 during the calendar year in which such certificate was revoked. For the
533 purpose of determining whether such certificate shall be reinstated, the
534 commissioner shall, upon receipt of a request made under this
535 subsection, obtain one such economic impact study per calendar year
536 and may obtain additional such economic impact studies as the
537 commissioner deems appropriate.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>July 1, 2008</i>	New section
Sec. 3	<i>October 1, 2008</i>	32-9t

Statement of Purpose:

To provide funding for the Silas Bronson Library in Waterbury and for the Waterbury Industrial Commons, and to ensure that projects that will contribute to the production of energy in Connecticut are given priority consideration under the Urban and Industrial Site Reinvestment Program.

[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.]