



General Assembly

Amendment

February Session, 2010

LCO No. 5011

HB0537405011HDO

Offered by:

REP. GREEN, 1st Dist.

SEN. GOMES, 23rd Dist.

To: Subst. House Bill No. 5374

File No. 155

Cal. No. 109

"AN ACT PROMOTING AND SUSTAINING AFFORDABLE HOUSING IN CONNECTICUT AND CONCERNING REAL ESTATE LICENSING FOR NONPROFIT HOUSING CORPORATIONS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 8-395 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2010*):

5 (a) As used in this section, (1) "business firm" means any business
6 entity authorized to do business in the state and subject to the
7 corporation business tax imposed under chapter 208, or any company
8 subject to a tax imposed under chapter 207, or any air carrier subject to
9 the air carriers tax imposed under chapter 209, or any railroad
10 company subject to the railroad companies tax imposed under chapter
11 210, or any regulated telecommunications service, express, telegraph,
12 cable, or community antenna television company subject to the
13 regulated telecommunications service, express, telegraph, cable, and

14 community antenna television companies tax imposed under chapter
15 211, or any utility company subject to the utility companies tax
16 imposed under chapter 212, and (2) "nonprofit corporation" means a
17 nonprofit corporation incorporated pursuant to chapter 602 or any
18 predecessor statutes thereto, having as one of its purposes the
19 construction, rehabilitation, ownership or operation of housing and
20 having articles of incorporation approved by the executive director of
21 the Connecticut Housing Finance Authority in accordance with
22 regulations adopted pursuant to section 8-79a or 8-84.

23 (b) The Commissioner of Revenue Services shall grant a credit
24 against any tax due under the provisions of chapter 207, 208, 209, 210,
25 211 or 212 in an amount equal to the amount specified by the
26 Connecticut Housing Finance Authority in any tax credit voucher
27 issued by said authority pursuant to subsection (c) of this section.

28 (c) The Connecticut Housing Finance Authority shall administer a
29 system of tax credit vouchers within the resources, requirements and
30 purposes of this section, for business firms making cash contributions
31 to housing programs developed, sponsored or managed by a nonprofit
32 corporation, as defined in subsection (a) of this section, which benefit
33 low and moderate income persons or families which have been
34 approved prior to the date of any such cash contribution by the
35 authority. Such vouchers may be used as a credit against any of the
36 taxes to which such business firm is subject and which are enumerated
37 in subsection (b) of this section. For income years commencing on or
38 after January 1, 1998, to be eligible for approval a housing program
39 shall be scheduled for completion not more than three years from the
40 date of approval. Each program shall submit to the authority quarterly
41 progress reports and a final report upon completion, in a manner and
42 form prescribed by the authority. If a program fails to be completed
43 after three years, or at any time the authority determines that a
44 program is unlikely to be completed, the authority may reclaim any
45 remaining funds contributed by business firms and reallocate such
46 funds to another eligible program.

47 (d) No business firm shall receive a credit pursuant to both this
48 section and chapter 228a in relation to the same cash contribution.

49 (e) Nothing in this section shall be construed to prevent two or more
50 business firms from participating jointly in one or more programs
51 under the provisions of this section. Such joint programs shall be
52 submitted, and acted upon, as a single program by the business firms
53 involved.

54 (f) No tax credit shall be granted to any business firm for any
55 individual amount contributed of less than two hundred fifty dollars.

56 (g) Any tax credit not used in the period during which the cash
57 contribution was made may be carried forward or backward for the
58 five immediately succeeding or preceding income years until the full
59 credit has been allowed.

60 (h) In no event shall the total amount of all tax credits allowed to all
61 business firms pursuant to the provisions of this section exceed ten
62 million dollars in any one fiscal year, provided, [until November first
63 of] each year until the date sixty days after the date the Connecticut
64 Housing Finance Authority publishes the list of housing programs that
65 will receive tax credit reservations, two million dollars of the total
66 amount of all tax credits under this section shall be set aside for the
67 Supportive Housing Pilots Initiative, [or] the Next Steps Initiative
68 established pursuant to section 17a-485c or any other supportive
69 housing initiative, and one million dollars of the total amount of all tax
70 credits under this section shall be set aside for workforce housing, as
71 defined by the Connecticut Housing Finance Authority through
72 written procedures adopted pursuant to subsection (k) of this section.
73 [On or after November first of each year] Each year, on or after the
74 date sixty days after the date the Connecticut Housing Finance
75 Authority publishes the list of housing programs that will receive tax
76 credit reservations, any unused portion of such tax credits shall
77 become available for any housing program eligible for tax credits
78 pursuant to this section.

79 (i) No organization conducting a housing program or programs
80 eligible for funding with respect to which tax credits may be allowed
81 under this section shall be allowed to receive an aggregate amount of
82 such funding for any such program or programs in excess of five
83 hundred thousand dollars for any fiscal year.

84 (j) Nothing in this section shall be construed to prevent a business
85 firm from making any cash contribution to a housing program to
86 which tax credits may be applied which cash contribution may result
87 in the business firm having a limited equity interest in the program.

88 (k) The Connecticut Housing Finance Authority, with the approval
89 of the Commissioner of Revenue Services, shall adopt written
90 procedures in accordance with section 1-121 to implement the
91 provisions of this section. Such procedures shall include provisions for
92 issuing tax credit vouchers for cash contributions to housing programs
93 based on a system of ranking housing programs. In establishing such
94 ranking system, the authority shall consider the following: (1) The
95 readiness of the project to be built; (2) use of the funds to build or
96 rehabilitate a specific housing project or to capitalize a revolving loan
97 fund providing low-cost loans for housing construction, repair or
98 rehabilitation to benefit persons of very low, low and moderate
99 income; (3) the extent the project will benefit families at or below
100 twenty-five per cent of the area median income and families with
101 incomes between twenty-five per cent and fifty per cent of the area
102 median income, as defined by the United States Department of
103 Housing and Urban Development; (4) evidence of the general
104 administrative capability of the nonprofit corporation to build or
105 rehabilitate housing; (5) evidence that any funds received by the
106 nonprofit corporation for which a voucher was issued were used to
107 accomplish the goals set forth in the application; and (6) with respect
108 to any income year commencing on or after January 1, 1998: (A) Use of
109 the funds to provide housing opportunities in urban areas and the
110 impact of such funds on neighborhood revitalization; and (B) the
111 extent to which tax credit funds are leveraged by other funds.

112 (l) Vouchers issued or reserved by the Department of Housing
113 under the provisions of this section prior to July 1, 1995, shall be valid
114 on and after July 1, 1995, to the same extent as they would be valid
115 under the provisions of this section in effect on June 30, 1995.

116 (m) The credit which is sought by the business firm shall first be
117 claimed on the tax return for such business firm's income year during
118 which the cash contribution to which the tax credit voucher relates was
119 paid."

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2010</i> | 8-395 |