



General Assembly

January Session, 2013

Raised Bill No. 6600

LCO No. 4232



Referred to Committee on COMMERCE

Introduced by:
(CE)

**AN ACT CONCERNING A PILOT PROGRAM FOR THE TAXATION OF
PASS-THROUGH ENTITIES IN THE MANUFACTURING, BIOSCIENCE,
AND ALLIED HEALTH FIELDS.**

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

1 Section 1. (NEW) (*Effective July 1, 2013, and applicable to taxable years*
2 *commencing on or after January 1, 2013*) (a) As used in this section:

3 (1) "Department" means the Department of Economic and
4 Community Development;

5 (2) "Partner" means (A) a partner, as defined in Section 7701(a)(2) of
6 the Internal Revenue Code of 1986, or any subsequent corresponding
7 internal revenue code of the United States, as amended from time to
8 time, and any reference to a partner in this section shall include a
9 member of a limited liability company that is treated as a partnership
10 for federal income tax purposes, or (B) an individual shareholder of an
11 S corporation; and

12 (3) "Qualified business" means a business in the manufacturing,
13 bioscience or allied health field that is treated as a partnership or S
14 corporation for federal income tax purposes.

15 (b) (1) The Department of Economic and Community Development
16 shall administer a system of tax rate vouchers for the partners of
17 qualified businesses in the state in accordance with the provisions of
18 this section.

19 (2) (A) For the taxable year commencing on January 1, 2013, a
20 partner of a qualified business shall be eligible for a tax rate voucher
21 that provides a reduction of one-half of one per cent in such partner's
22 marginal rate of tax under section 12-700 of the general statutes.

23 (B) For the taxable year commencing on January 1, 2014, a partner of
24 a qualified business shall be eligible for a tax rate voucher that
25 provides a reduction of one per cent in such partner's marginal rate of
26 tax under section 12-700 of the general statutes.

27 (C) For the taxable year commencing on January 1, 2015, a partner of
28 a qualified business shall be eligible for a tax rate voucher that
29 provides a reduction of one and one-half per cent in such partner's
30 marginal rate of tax pursuant to section 12-700 of the general statutes.

31 (D) For the taxable year commencing on January 1, 2016, a partner
32 of a qualified business shall be eligible for a tax rate voucher that
33 provides a reduction of two per cent in such partner's marginal rate of
34 tax under section 12-700 of the general statutes.

35 (c) A partner of a qualified business may apply to the Department of
36 Economic and Community Development for a tax rate voucher on an
37 annual basis, and shall provide with such application such information
38 as the department may require to determine such partner's eligibility
39 to receive a voucher pursuant to this section. The department shall
40 charge a reasonable administrative fee sufficient to cover the
41 department's costs to analyze applications submitted under this
42 section.

43 (d) The Commissioner of Revenue Services shall reduce the
44 marginal rate of tax under section 12-700 of the general statutes of a
45 partner holding the tax credit voucher issued pursuant to subsections

46 (b) and (c) of this section by the percentage specified in the voucher for
47 the tax year in which the tax rate voucher is issued. The Department of
48 Economic and Community Development shall provide a copy of the
49 voucher to the Commissioner of Revenue Services upon the request of
50 the commissioner.

51 (e) The Department of Economic and Community Development
52 may, in consultation with the Commissioner of Revenue Services,
53 adopt regulations, in accordance with chapter 54 of the general
54 statutes, to carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to taxable years commencing on or after January 1, 2013</i>	New section

CE

Joint Favorable C/R

FIN