



General Assembly

Substitute Bill No. 75

February Session, 2014



AN ACT INCREASING THE CAP ON THE NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT PROGRAM AND EXTENDING THE PROGRAM TO PASS-THROUGH ENTITIES.

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

1 Section 1. Subsection (i) of section 12-632 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2014*):

4 (i) In no event shall the total amount of all tax credits allowed to all
5 business firms pursuant to the provisions of this chapter exceed [five]
6 ten million dollars in any one fiscal year. Three million dollars of the
7 total amount of tax credits allowed shall be granted to business firms
8 eligible for tax credits pursuant to section 12-635, as amended by this
9 act.

10 Sec. 2. Section 12-632 of the general statutes is amended by adding
11 subsection (k) as follows (*Effective July 1, 2014, and applicable to income*
12 *and taxable years commencing on or after January 1, 2014*):

13 (NEW) (k) If any business firm granted a tax credit under this
14 chapter is an S corporation or an entity treated as a partnership for
15 federal income tax purposes, the shareholders or partners of such
16 business firm may claim the credit. If the business firm is a single-
17 member limited liability company that is disregarded as an entity

18 separate from its owner, the limited liability company's owner may
19 claim the credit.

20 Sec. 3. Section 12-633 of the general statutes is repealed and the
21 following is substituted in lieu thereof (*Effective July 1, 2014, and*
22 *applicable to income and taxable years commencing on or after January 1,*
23 *2014*):

24 The Commissioner of Revenue Services shall grant a credit against
25 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
26 212 or 229, other than the liability imposed by section 12-707, in an
27 amount not to exceed sixty per cent of the total cash amount invested
28 during the income or taxable year by the business firm in programs
29 operated or created pursuant to proposals approved pursuant to
30 section 12-632, as amended by this act, provided a tax credit not to
31 exceed one hundred per cent of the total cash amount invested during
32 [the taxable] such year by the business firm may be allowed for
33 investment in certain energy conservation projects as provided in
34 subdivisions (1) and (2) of section 12-635, as amended by this act.

35 Sec. 4. Section 12-634 of the general statutes is repealed and the
36 following is substituted in lieu thereof (*Effective July 1, 2014, and*
37 *applicable to income and taxable years commencing on or after January 1,*
38 *2014*):

39 The Commissioner of Revenue Services shall grant a credit against
40 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
41 212 or 229, other than the liability imposed by section 12-707, in an
42 amount not to exceed sixty per cent of the total cash amount invested
43 during the income or taxable year by the business firm in programs
44 operated or created pursuant to proposals approved pursuant to
45 section 12-632, as amended by this act, for planning, site preparation,
46 construction, renovation or acquisition of facilities for purposes of
47 establishing a child day care facility to be used primarily by the
48 children of such business firm's employees and equipment installed for
49 such facility, including kitchen appliances, to the extent that such

50 equipment or appliances are necessary in the use of such facility for
51 purposes of child day care, provided: (1) Such facility is operated
52 under the authority of a license issued by the Commissioner of Public
53 Health in accordance with sections 19a-77 to 19a-87, inclusive, (2) such
54 facility is operated without profit by such business firm related to any
55 charges imposed for the use of such facility for purposes of child day
56 care, and (3) the amount of tax credit allowed any business firm under
57 the provisions of this section for any income year may not exceed fifty
58 thousand dollars. If two or more business firms share in the cost of
59 establishing such a facility for the children of their employees, each
60 such taxpayer shall be allowed such credit in relation to the respective
61 share, paid or incurred by such taxpayer, of the total expenditures for
62 the facility in such income year. The commissioner shall not grant a
63 credit pursuant to this section to any taxpayer claiming a credit for the
64 same year pursuant to section 12-217x.

65 Sec. 5. Section 12-635 of the general statutes is repealed and the
66 following is substituted in lieu thereof (*Effective July 1, 2014, and*
67 *applicable to income and taxable years commencing on or after January 1,*
68 *2014*):

69 The Commissioner of Revenue Services shall grant a credit against
70 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
71 212 or 229, other than the liability imposed by section 12-707: (1) In an
72 amount not to exceed one hundred per cent of the total cash amount
73 invested during the income or taxable year by the business firm in
74 programs operated or created pursuant to proposals approved
75 pursuant to section 12-632, as amended by this act, for energy
76 conservation projects directed toward properties occupied by persons,
77 at least seventy-five per cent of whom are at an income level not
78 exceeding one hundred fifty per cent of the poverty level for the year
79 next preceding the year during which such tax credit is to be granted;
80 (2) in an amount equal to one hundred per cent of the total cash
81 amount invested during the income or taxable year by the business
82 firm in programs operated or created pursuant to proposals approved

83 pursuant to section 12-632, as amended by this act, for energy
84 conservation projects at properties owned or occupied by charitable
85 corporations, foundations, trusts or other entities as determined under
86 regulations adopted pursuant to this chapter; or (3) in an amount not
87 to exceed sixty per cent of the total cash amount invested during the
88 income or taxable year by the business firm (A) in employment and
89 training programs directed at youths, at least seventy-five per cent of
90 whom are at an income level not exceeding one hundred fifty per cent
91 of the poverty level for the year next preceding the year during which
92 such tax credit is to be granted; (B) in employment and training
93 programs directed at handicapped persons as determined under
94 regulations adopted pursuant to this chapter; (C) in employment and
95 training programs for unemployed workers who are fifty years of age
96 or older; (D) in education and employment training programs for
97 recipients in the temporary family assistance program; or (E) in child
98 care services. Any other program [which] that serves persons at least
99 seventy-five per cent of whom are at an income level not exceeding
100 one hundred fifty per cent of the poverty level for the year next
101 preceding the year during which such tax credit is to be granted and
102 [which] that meets the standards for eligibility under this chapter shall
103 be eligible for a tax credit under this section in an amount equal to
104 sixty per cent of the total cash invested by the business firm in such
105 program.

106 Sec. 6. Section 12-635a of the general statutes is repealed and the
107 following is substituted in lieu thereof (*Effective July 1, 2014, and*
108 *applicable to income and taxable years commencing on or after January 1,*
109 *2014*):

110 The Commissioner of Revenue Services shall grant a credit against
111 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
112 212 or 229, other than the liability imposed by section 12-707, in an
113 amount not to exceed sixty per cent of the total cash amount invested
114 during the income or taxable year by the business firm in community-
115 based alcoholism prevention or treatment programs operated or

116 created pursuant to proposals approved pursuant to section 12-632, as
 117 amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	12-632(i)
Sec. 2	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-632
Sec. 3	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-633
Sec. 4	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-634
Sec. 5	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-635
Sec. 6	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-635a

CE *Joint Favorable Subst.*

FIN *Joint Favorable*