



General Assembly

February Session, 2014

Raised Bill No. 420

LCO No. 1925



Referred to Committee on COMMERCE

Introduced by:
(CE)

***AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP AND
NEIGHBORHOOD ASSISTANCE ACT TAX CREDITS TO PASS-
THROUGH ENTITIES.***

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

1 Section 1. Subsection (a) of section 12-217g of the 2014 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective July 1, 2014, and applicable to income and taxable*
4 *years commencing on or after January 1, 2014*):

5 (a) There shall be allowed a credit for any taxpayer against the tax
6 imposed under this chapter or chapter 229, other than the liability
7 imposed by section 12-707, for any income or taxable year with respect
8 to each apprenticeship in the manufacturing trades commenced by
9 such taxpayer in such year under a qualified apprenticeship training
10 program as described in this section, certified in accordance with
11 regulations adopted by the Labor Commissioner and registered with
12 the Connecticut State Apprenticeship Council established under
13 section 31-22n, in an amount equal to four dollars per hour multiplied
14 by the total number of hours worked during [the income] such year by
15 apprentices in the first half of a two-year term of apprenticeship and

16 the first three-quarters of a four-year term of apprenticeship, provided
17 the amount of credit allowed for any income or taxable year with
18 respect to each such apprenticeship may not exceed four thousand
19 eight hundred dollars or fifty per cent of actual wages paid in such
20 [income] year to an apprentice in the first half of a two-year term of
21 apprenticeship or in the first three-quarters of a four-year term of
22 apprenticeship, whichever is less. If such taxpayer is an S corporation
23 or an entity treated as a partnership for federal income tax purposes,
24 the shareholders or partners of such taxpayer may claim the credit. If
25 such taxpayer is a single-member limited liability company that is
26 disregarded as an entity separate from its owner, the limited liability
27 company's owner may claim the credit.

28 Sec. 2. Subsection (a) of section 12-217g of the 2014 supplement to
29 the general statutes, as amended by section 1 of public act 13-265, is
30 repealed and the following is substituted in lieu thereof (*Effective July*
31 *1, 2015, and applicable to income and taxable years commencing on or after*
32 *January 1, 2015*):

33 (a) There shall be allowed a credit for any taxpayer against the tax
34 imposed under this chapter or chapter 229, other than the liability
35 imposed by section 12-707, for any income or taxable year with respect
36 to each apprenticeship in the manufacturing trades commenced by
37 such taxpayer in such year under a qualified apprenticeship training
38 program as described in this section, certified in accordance with
39 regulations adopted by the Labor Commissioner and registered with
40 the Connecticut State Apprenticeship Council established under
41 section 31-22n, in an amount equal to six dollars per hour multiplied
42 by the total number of hours worked during [the income] such year by
43 apprentices in the first half of a two-year term of apprenticeship and
44 the first three-quarters of a four-year term of apprenticeship, provided
45 the amount of credit allowed for any income or taxable year with
46 respect to each such apprenticeship may not exceed seven thousand
47 five hundred dollars or fifty per cent of actual wages paid in such
48 [income] year to an apprentice in the first half of a two-year term of

49 apprenticeship or in the first three-quarters of a four-year term of
50 apprenticeship, whichever is less. If such taxpayer is an S corporation
51 or an entity treated as a partnership for federal income tax purposes,
52 the shareholders or partners of such taxpayer may claim the credit. If
53 such taxpayer is a single-member limited liability company that is
54 disregarded as an entity separate from its owner, the limited liability
55 company's owner may claim the credit.

56 Sec. 3. Section 12-632 of the general statutes is amended by adding
57 subsection (k) as follows (*Effective July 1, 2014, and applicable to income*
58 *and taxable years commencing on or after January 1, 2014*):

59 (NEW) (k) If any business firm granted a tax credit under this
60 chapter is an S corporation or an entity treated as a partnership for
61 federal income tax purposes, the shareholders or partners of such
62 business firm may claim the credit. If the business firm is a single-
63 member limited liability company that is disregarded as an entity
64 separate from its owner, the limited liability company's owner may
65 claim the credit.

66 Sec. 4. Section 12-633 of the general statutes is repealed and the
67 following is substituted in lieu thereof (*Effective July 1, 2014, and*
68 *applicable to income and taxable years commencing on or after January 1,*
69 *2014*):

70 The Commissioner of Revenue Services shall grant a credit against
71 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
72 212 or 229, other than the liability imposed by section 12-707, in an
73 amount not to exceed sixty per cent of the total cash amount invested
74 during the income or taxable year by the business firm in programs
75 operated or created pursuant to proposals approved pursuant to
76 section 12-632, as amended by this act, provided a tax credit not to
77 exceed one hundred per cent of the total cash amount invested during
78 [the taxable] such year by the business firm may be allowed for
79 investment in certain energy conservation projects as provided in
80 subdivisions (1) and (2) of section 12-635, as amended by this act.

81 Sec. 5. Section 12-634 of the general statutes is repealed and the
82 following is substituted in lieu thereof (*Effective July 1, 2014, and*
83 *applicable to income and taxable years commencing on or after January 1,*
84 *2014*):

85 The Commissioner of Revenue Services shall grant a credit against
86 any tax due under the provisions of chapter 207, 208, 209, 210, 211, ~~[or]~~
87 212 or 229, other than the liability imposed by section 12-707, in an
88 amount not to exceed sixty per cent of the total cash amount invested
89 during the income or taxable year by the business firm in programs
90 operated or created pursuant to proposals approved pursuant to
91 section 12-632, as amended by this act, for planning, site preparation,
92 construction, renovation or acquisition of facilities for purposes of
93 establishing a child day care facility to be used primarily by the
94 children of such business firm's employees and equipment installed for
95 such facility, including kitchen appliances, to the extent that such
96 equipment or appliances are necessary in the use of such facility for
97 purposes of child day care, provided: (1) Such facility is operated
98 under the authority of a license issued by the Commissioner of Public
99 Health in accordance with sections 19a-77 to 19a-87, inclusive, (2) such
100 facility is operated without profit by such business firm related to any
101 charges imposed for the use of such facility for purposes of child day
102 care, and (3) the amount of tax credit allowed any business firm under
103 the provisions of this section for any income year may not exceed fifty
104 thousand dollars. If two or more business firms share in the cost of
105 establishing such a facility for the children of their employees, each
106 such taxpayer shall be allowed such credit in relation to the respective
107 share, paid or incurred by such taxpayer, of the total expenditures for
108 the facility in such income year. The commissioner shall not grant a
109 credit pursuant to this section to any taxpayer claiming a credit for the
110 same year pursuant to section 12-217x.

111 Sec. 6. Section 12-635 of the general statutes is repealed and the
112 following is substituted in lieu thereof (*Effective July 1, 2014, and*
113 *applicable to income and taxable years commencing on or after January 1,*

114 2014):

115 The Commissioner of Revenue Services shall grant a credit against
116 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
117 212 or 229, other than the liability imposed by section 12-707: (1) In an
118 amount not to exceed one hundred per cent of the total cash amount
119 invested during the income or taxable year by the business firm in
120 programs operated or created pursuant to proposals approved
121 pursuant to section 12-632, as amended by this act, for energy
122 conservation projects directed toward properties occupied by persons,
123 at least seventy-five per cent of whom are at an income level not
124 exceeding one hundred fifty per cent of the poverty level for the year
125 next preceding the year during which such tax credit is to be granted;
126 (2) in an amount equal to one hundred per cent of the total cash
127 amount invested during the income or taxable year by the business
128 firm in programs operated or created pursuant to proposals approved
129 pursuant to section 12-632, as amended by this act, for energy
130 conservation projects at properties owned or occupied by charitable
131 corporations, foundations, trusts or other entities as determined under
132 regulations adopted pursuant to this chapter; or (3) in an amount not
133 to exceed sixty per cent of the total cash amount invested during the
134 income or taxable year by the business firm (A) in employment and
135 training programs directed at youths, at least seventy-five per cent of
136 whom are at an income level not exceeding one hundred fifty per cent
137 of the poverty level for the year next preceding the year during which
138 such tax credit is to be granted; (B) in employment and training
139 programs directed at handicapped persons as determined under
140 regulations adopted pursuant to this chapter; (C) in employment and
141 training programs for unemployed workers who are fifty years of age
142 or older; (D) in education and employment training programs for
143 recipients in the temporary family assistance program; or (E) in child
144 care services. Any other program [which] that serves persons at least
145 seventy-five per cent of whom are at an income level not exceeding
146 one hundred fifty per cent of the poverty level for the year next
147 preceding the year during which such tax credit is to be granted and

148 [which] that meets the standards for eligibility under this chapter shall
 149 be eligible for a tax credit under this section in an amount equal to
 150 sixty per cent of the total cash invested by the business firm in such
 151 program.

152 Sec. 7. Section 12-635a of the general statutes is repealed and the
 153 following is substituted in lieu thereof (*Effective July 1, 2014, and*
 154 *applicable to income and taxable years commencing on or after January 1,*
 155 *2014*):

156 The Commissioner of Revenue Services shall grant a credit against
 157 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]
 158 212 or 229, other than the liability imposed by section 12-707, in an
 159 amount not to exceed sixty per cent of the total cash amount invested
 160 during the income or taxable year by the business firm in community-
 161 based alcoholism prevention or treatment programs operated or
 162 created pursuant to proposals approved pursuant to section 12-632, as
 163 amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-217g(a)
Sec. 2	<i>July 1, 2015, and applicable to income and taxable years commencing on or after January 1, 2015</i>	12-217g(a)
Sec. 3	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-632
Sec. 4	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-633

Sec. 5	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-634
Sec. 6	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-635
Sec. 7	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-635a

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Joint Favorable C/R

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