



General Assembly

February Session, 2016

Raised Bill No. 5302

LCO No. 1512



Referred to Committee on COMMITTEE ON CHILDREN

Introduced by:
(KID)

AN ACT CONCERNING A TAX CREDIT FOR EMPLOYERS OFFERING ON-SITE CHILD CARE.

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

1 Section 1. (NEW) (*Effective January 1, 2017, and applicable to income or*
2 *taxable years commencing on or after said date*) (a) For the purposes of this
3 section:

4 (1) "Commissioner" means the Commissioner of Economic and
5 Community Development;

6 (2) "Income year" means, with respect to entities subject to the
7 insurance premiums tax under chapter 207 of the general statutes, the
8 corporation business tax under chapter 208 of the general statutes, the
9 utility companies tax under chapter 212 of the general statutes or the
10 income tax under chapter 229 of the general statutes, the income or
11 taxable year as determined under each of said chapters, as the case
12 may be;

13 (3) "Taxpayer" means a person that (A) has been in business for at

14 least twelve consecutive months prior to the date of the taxpayer's
15 application to the commissioner for certification under this section for
16 an on-site child care tax credit, and (B) is subject to tax under chapter
17 208 of the general statutes or chapter 207, 212 or 229 of the general
18 statutes; and

19 (4) "Qualifying employee" means an employee that is required to
20 work at least thirty-five hours per week for not less than forty-eight
21 weeks in a calendar year and who has enrolled one or more of his or
22 her minor dependents in a child care center licensed pursuant to
23 section 19a-80 of the general statutes that is located at or adjacent to the
24 employee's workplace and operated by the taxpayer for the exclusive
25 use of the taxpayer's employees.

26 (b) There is established an on-site child care tax credit program
27 under which a taxpayer may be allowed a credit against the tax
28 imposed under chapter 208 of the general statutes or chapter 207, 212
29 or 229 of the general statutes, other than the liability imposed by
30 section 12-707 of the general statutes, for each qualifying employee.

31 (c) The amount of the credit shall be five hundred dollars per month
32 for each minor dependent enrolled in the child care center by a
33 qualifying employee.

34 (d) (1) The taxpayer shall claim the credit in the income year in
35 which it is earned. Any credit not claimed by the taxpayer in such
36 income year shall expire and shall not be refundable.

37 (2) If the taxpayer is an S corporation or an entity treated as a
38 partnership for federal income tax purposes, the shareholders or
39 partners of such taxpayer may claim the credit. If the taxpayer is a
40 single member limited liability company that is disregarded as an
41 entity separate from its owner, the limited liability company's owner
42 may claim the credit.

43 (3) No taxpayer shall claim a credit for any qualifying employee

44 who is an owner, member or partner in the business or who is not
45 employed by the taxpayer at the close of the taxpayer's income year.

46 (4) No taxpayer claiming the credit under this section with respect
47 to a qualifying employee shall claim any credit against any tax under
48 any other provision of the general statutes with respect to the same
49 qualifying employee.

50 (e) (1) To be eligible to claim a credit under this section, a taxpayer
51 shall apply to the commissioner in accordance with this section. The
52 application shall be on a form provided by the commissioner and shall
53 contain sufficient information as required by the commissioner,
54 including, but not limited to, the activities that the taxpayer primarily
55 engages in, the North American Industrial Classification System code
56 of the taxpayer, the current number of employees employed by the
57 taxpayer as of the application date, and if applicable, the name and
58 position or job title of the qualifying employee. The commissioner may
59 impose an application fee as the commissioner deems appropriate.

60 (2) Upon receipt of an application, the commissioner shall render a
61 decision, in writing, on each completed application not later than thirty
62 days after the date the commissioner receives the application. If the
63 commissioner approves the application, the commissioner shall issue a
64 certification letter to the taxpayer indicating that the credit will be
65 available to be claimed by the taxpayer if the taxpayer and the
66 qualifying employee otherwise meet the requirements of this section.

67 (f) The total amount of credits granted under this section shall not
68 exceed one million dollars in any one fiscal year.

69 (g) No credit allowed under this section shall exceed the amount of
70 tax imposed on a taxpayer under chapter 208 of the general statutes or
71 chapter 207, 212 or 229 of the general statutes. The commissioner shall
72 annually provide to the Commissioner of Revenue Services a list
73 detailing all credits that have been approved and all taxpayers that
74 have been issued a certification letter under this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2017, and applicable to income or taxable years commencing on or after said date</i>	New section

Statement of Purpose:

To establish a tax credit for employers offering on-site child care.

[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.]