

STATE OF CONNECTICUT

Raised Committee Bill No. 5955

Page 1

Referred to Committee on FINANCE, REVENUE AND BONDING

LCO No. 2439

Introduced by (HSG)

General Assembly

February Session, A.D., 1988

AN ACT CONCERNING THE PROGRAM OF TAX CREDITS TO BUSINESS FIRMS FOR CONTRIBUTIONS TO LOW AND MODERATE INCOME HOUSING PROGRAMS.

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

Section 1. Section 1 of public act 87-377 is repealed and the following is substituted in lieu thereof:

(a) As used in this section, "business firm" means any business entity authorized to do business in the state and subject to the corporation business tax imposed under chapter 208, or any insurance company, hospital or medical services corporation subject to the insurance companies, hospital and medical services corporations tax imposed under chapter 207, or any air carrier subject to the air carriers tax imposed under chapter 209, or any railroad company subject to the railroad companies tax imposed under chapter 210, or any regulated telecommunications service, express, telegraph, cable, or community antenna television company subject to the regulated telecommunications service, express, telegraph, cable, and community antenna television companies tax imposed under chapter 211, or any telecommunications service company subject to the telecommunications service company tax imposed under chapter 210a, or any utility company subject to the utility companies tax imposed under chapter 212, or any public service company subject to the public service companies tax imposed under chapter 212a.

(b) The commissioner of revenue services shall grant a credit against any tax due under the provisions of chapter 207, 208, 209, 210, 210a, 211, 212 or 212a in an amount equal to the amount specified by the commissioner of housing in any tax credit voucher issued by said commissioner of housing pursuant to subsection (c) of this section.

(c) The commissioner of housing shall establish a system of tax credit vouchers for business firms making contributions to housing programs developed, sponsored or managed by a nonprofit corporation, as defined in subsection (w) of section 8-39, which benefit low and moderate income persons or families which have been approved prior to the date of any such contribution by said commissioner of housing. Such vouchers may be used as a credit against any of the taxes to which such business firm is subject and which are enumerated in subsection (b) of this section.

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

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

(f) The sum of all tax credit granted pursuant to the provisions of this section shall not exceed fifty thousand dollars annually per business firm and no tax credit shall be

granted to any business firm for any individual amount contributed of less than two hundred fifty dollars.

(g) No tax credit shall be granted to any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association or any other business entity for activities that are a part of its normal course of business.

(h) Any tax credit not used in the period during which the contribution was made may be carried forward or backward for the five immediately succeeding or preceding calendar or fiscal years until the full credit has been allowed.

(i) In no event shall the total amount of all tax credits allowed to all business firms pursuant to the provisions of this section exceed one million dollars in any one fiscal year.

(j) No tax credit shall be granted to any business firm unless such firm furnishes proof to the commissioner of [housing] REVENUE SERVICES that the amount of funds expended for [charitable purposes] CONTRIBUTIONS and for the support of housing programs by such business firm is not less in the year for which such credit is sought than the amount expended in the year immediately preceding the year for which such credit is sought.

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

(l) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PREVENT A BUSINESS FIRM FROM MAKING ANY CONTRIBUTION TO A HOUSING PROGRAM TO WHICH TAX CREDITS MAY BE APPLIED WHICH CONTRIBUTION MAY RESULT IN THE BUSINESS FIRM HAVING A LIMITED EQUITY INTEREST IN THE PROGRAM.

[(1)] (m) commissioner of housing, with the approval of the commissioner of revenue services, shall adopt regulations in accordance with chapter 54 to implement the provisions of this section.

Sec. 2. This act shall take effect from its passage and shall be applicable to income years of business firms, commencing on January 1, 1988 and thereafter.

STATEMENT OF PURPOSE: To provide that business firms making contributions to a nonprofit housing program may utilize the federal low income housing tax credit in conjunction with the state tax credit by allowing business firms to acquire a limited equity interest in the program.

[Proposed deletions are enclosed in brackets. Proposed additions are all capitalized or underlined where appropriate, except that when the entire text of a bill or resolution or a section thereof is new, it is not capitalized or underlined.]

Co-Sponsors: REP. PRAGUE, 8th DIST.
REP. BOWDEN, 31st DIST.
REP. SCHMIDLE, 106th DIST.
REP. WILBER, 133rd DIST.
REP. MADDOX, 66th DIST.
REP. RUWET, 64th DIST.
REP. YOUNG, 143rd DIST.
REP. RELL, 107th DIST.
REP. MEYER, 135th DIST.

REP. BENVENUTO, 151st DIST.
REP. PATTON, 119th DIST.
REP. NANIA, 63rd DIST.
REP. LERNER, 103rd DIST.
REP. FLEMING, 16th DIST.
REP. ZAJAC, 83rd DIST.
SEN. MALONEY, 24th DIST.
SEN. BLUMENTHAL, 27th DIST.