

Senate Bill No. 1435

Public Act No. 07-250

AN ACT CONCERNING THE FILING DEADLINE FOR CERTAIN TAX CREDITS OR PROPERTY TAX EXEMPTIONS, AN EXEMPTION FROM THE ADMISSIONS TAX, VALIDATION OF A TOWN REFERENDUM AND AN EXECUTIVE OR LEGISLATIVE NOMINATION, THE PROCEDURE FOR EXECUTIVE OR LEGISLATIVE NOMINATIONS, ELIGIBILITY FOR A REFUND OF THE MOTOR VEHICLE FUELS TAX, THE JOB CREATION TAX CREDIT PROGRAM, AND CREATION OF A MIXED-USE HISTORIC STRUCTURE REHABILITATION TAX CREDIT.

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

Section 1. (*Effective from passage*) Notwithstanding the provisions of section 12-225 of the general statutes, any company located in the town of Trumbull for the income year of 2002, that was otherwise eligible for a tax credit in 2002 pursuant to section 12-217j of the general statutes, except that such company failed to file an amended return within the time period prescribed, shall be regarded as having filed said amended return in a timely manner if such company files said amended return not later than thirty days after the effective date of this section.

Sec. 2. (*Effective from passage*) Notwithstanding the provisions of subparagraph (B) of subdivision (72) of section 12-81 of the general statutes, any person otherwise eligible for a 2006 grand list exemption pursuant to said subdivision (72) in the town of East Hartford, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section, and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the machinery and equipment included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the town of East Hartford shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of

subsection (c) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of East Hartford may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Sec. 3. (*Effective from passage*) Notwithstanding the provisions of subparagraph (B) of subdivision (72) of section 12-81 of the general statutes, any person otherwise eligible for a 2004 grand list exemption and a 2005 grand list exemption pursuant to said subdivision (72) in the town of Milford, except that such person failed to file the required exemption applications within the time period prescribed, shall be regarded as having filed said applications in a timely manner if such person files said applications not later than thirty days after the effective date of this section and pays the late filing fees pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fees and verification of the exemption eligibility of the machinery and equipment included in such applications, the assessor shall approve the exemptions for such property. If taxes have been paid on the property for which such exemptions are approved, the town of Milford shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the applications had been filed in a timely manner.

Notwithstanding the provisions of subsection (c) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of Milford may submit such approved exemption applications to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemptions. Subject to the secretary's review and approval of such exemptions, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Sec. 4. (*Effective from passage*) Notwithstanding the provisions of subparagraph (B) of subdivision (74) of section 12-81 of the general statutes, any person otherwise eligible for a 2005 grand list exemption and a 2006 grand list exemption pursuant to said subdivision (74) in the town of Stafford, except that such person failed to file the required exemption applications within the

time period prescribed, shall be regarded as having filed said applications in a timely manner if such person files said applications not later than thirty days after the effective date of this section and pays the late filing fees pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fees and verification of the exemption eligibility of the vehicle included in such applications, the assessor shall approve the exemptions for such property. If taxes have been paid on the property for which such exemptions are approved, the town of Stafford shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the applications had been filed in a timely manner. Notwithstanding the provisions of subsection (b) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of Stafford may submit such approved exemption applications to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemptions. Subject to the secretary's review and approval of such exemptions, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Sec. 5. (*Effective from passage*) Notwithstanding the provisions of subparagraph (B) of subdivision (72) of section 12-81 of the general statutes, any person otherwise eligible for a 2006 grand list exemption pursuant to said subdivision (72) in the town of Chester, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the machinery and equipment included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the town of Chester shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of subsection (c) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of Chester may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss

resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Sec. 6. (*Effective from passage*) Notwithstanding the provisions of subparagraph (C) of subdivision (59) of section 12-81 of the general statutes and subparagraph (C) of subdivision (60) of said section 12-81, any person otherwise eligible for a 2003 grand list exemption and a 2004 grand list exemption pursuant to said subdivisions (59) and (60) in the city of Bridgeport, except that such person failed to file the required exemption applications within the time period prescribed, shall be regarded as having filed said applications in a timely manner if such person files said applications not later than thirty days after the effective date of this section and pays the late filing fees pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fees and verification of the exemption eligibility of the real and personal property included in such applications, the assessor shall approve the exemptions for such property. If taxes have been paid on the property for which such exemptions are approved, the city of Bridgeport shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the applications had been filed in a timely manner. Notwithstanding the provisions of section 32-9s of the general statutes, the assessor of the city of Bridgeport may submit such approved exemption applications to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemptions. Subject to the secretary's review and approval of such exemptions, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of said section 32-9s.

Sec. 7. (*Effective from passage*) Notwithstanding the provisions of section 12-89 of the general statutes, any person otherwise eligible for a 2005 grand list exemption, pursuant to subdivision (58) of section 12-81 of the general statutes, in the city of Norwalk, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section. Upon confirmation of the receipt of such application and verification

of the exemption eligibility of the property included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the city of Norwalk shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner.

Sec. 8. (*Effective from passage*) Notwithstanding the provisions of subparagraph (C) of subdivision (59) of section 12-81 of the general statutes and subparagraph (C) of subdivision (60) of said section 12-81, any person otherwise eligible for a 2006 grand list exemption pursuant to said subdivisions (59) and (60) in the city of Norwalk, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the real and personal property included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the city of Norwalk shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of section 32-9s of the general statutes, the assessor of the city of Norwalk may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of said section 32-9s.

Sec. 9. (*Effective from passage*) Notwithstanding the provisions of subparagraph (B) of subdivision (72) of section 12-81 of the general statutes, any person otherwise eligible for a 1999 grand list exemption pursuant to said subdivision (72) in the town of South Windsor, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date

of this section, and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the machinery and equipment included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the town of South Windsor shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of subsection (c) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of South Windsor may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Sec. 10. (*Effective from passage*) Notwithstanding the provisions of section 12-541 of the general statutes, no tax shall be imposed upon any person making any admission charge at the Connecticut Convention Center in the city of Hartford on June 9, 2007, or June 10, 2007.

Sec. 11. (*Effective from passage*) Notwithstanding the provisions of section 7-7 of the general statutes, that the items on the call of a town meeting be submitted to the persons qualified to vote in such meeting not less than seven nor more than fourteen days thereafter, the vote cast by the voters of the town of Clinton at the referendum held on February 28, 2007, relating to the approval of an appropriation of six million three hundred seventy-two thousand five hundred dollars for various infrastructure improvements and the authorization of the issuance of bonds to defray said appropriation, otherwise valid except that the referendum vote was held twenty-one days after the item was discussed at a town meeting, is hereby validated. All acts, votes and proceedings of the officers and officials of the town of Clinton pertaining to or taken in reliance on said referendum are validated and effective as of the date so taken.

Sec. 12. (*Effective from passage*) Notwithstanding the provisions of subparagraph (B) of subdivision (74) of section 12-81 of the general statutes, any person otherwise eligible for a 2003 grand list exemption and a 2004

grand list exemption pursuant to said subdivision (74) in the town of Stafford, except that such person failed to file the required exemption applications within the time period prescribed, shall be regarded as having filed said applications in a timely manner if such person files said applications not later than thirty days after the effective date of this section and pays the late filing fees pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fees and verification of the exemption eligibility of the vehicle included in such applications, the assessor shall approve the exemptions for such property. If taxes have been paid on the property for which such exemptions are approved, the town of Stafford shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the applications had been filed in a timely manner.

Notwithstanding the provisions of subsection (b) of section 12-94b of the general statutes and section 12-94e of the general statutes, the assessor of the town of Stafford may submit such approved exemption applications to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemptions. Subject to the secretary's review and approval of such exemptions, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of section 12-94b of the general statutes.

Sec. 13. (*Effective from passage*) Notwithstanding the provisions of subparagraph (C) of subdivision (59) of section 12-81 of the general statutes and subparagraph (C) of subdivision (60) of said section 12-81, any person otherwise eligible for a 2005 grand list exemption pursuant to said subdivisions (59) and (60) in the town of East Hartford, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the real and personal property included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the town of East Hartford shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of section 32-9s of the general statutes, the

assessor of the town of East Hartford may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of said section 32-9s.

Sec. 14. (*Effective from passage*) Notwithstanding the provisions of subparagraph (C) of subdivision (59) of section 12-81 of the general statutes and subparagraph (C) of subdivision (60) of said section 12-81, any person otherwise eligible for a 2005 grand list exemption pursuant to said subdivisions (59) and (60) in the city of Bridgeport, except that such person failed to file the required exemption application within the time period prescribed, shall be regarded as having filed said application in a timely manner if such person files said application not later than thirty days after the effective date of this section and pays the late filing fee pursuant to section 12-81k of the general statutes. Upon confirmation of the receipt of such fee and verification of the exemption eligibility of the real and personal property included in such application, the assessor shall approve the exemption for such property. If taxes have been paid on the property for which such exemption is approved, the city of Bridgeport shall reimburse such person in an amount equal to the amount by which such taxes exceed the taxes payable if the application had been filed in a timely manner. Notwithstanding the provisions of section 32-9s of the general statutes, the assessor of the city of Bridgeport may submit such approved exemption application to the Secretary of the Office of Policy and Management together with a request for reimbursement of the tax loss resulting from such exemption. Subject to the secretary's review and approval of such exemption, such reimbursement shall be included in the next certification the secretary makes to the Comptroller under the provisions of said section 32-9s.

Sec. 15. Subsection (a) of section 12-459 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to claims for refund filed on or after that date*):

(a) The payment of the tax provided for by section 12-458 shall be subject to refund as provided herein when such fuel has been sold for use of any of the following: (1) Any person, other than one engaged in the business of farming, when such fuel is used other than in motor vehicles licensed or required to be

licensed to operate upon the public highways of this state, except that no tax paid on fuel which is taken out of this state in a fuel tank connected with the engine of a motor vehicle and which is consumed without this state shall be refunded; (2) any person engaged in the business of farming, when such fuel is used other than in motor vehicles licensed or required to be licensed to operate upon the public highways of this state or such fuel is used in motor vehicles registered exclusively for farming purposes, except that no tax paid on fuel which is taken out of this state in a fuel tank connected with the engine of a motor vehicle and which is consumed without this state shall be refunded; (3) the United States; (4) a Connecticut motor bus company, as defined in subsection (e) of section 12-455a, engaged in the business of carrying passengers for hire in this state in common carrier motor vehicles, or any person, association or corporation engaged in the business of operating taxicabs in this state pursuant to a certificate under chapter 244a, when such fuel is used in such common carrier motor vehicle or taxicab on roads in this state, except that with respect to such fuel used in a taxicab only fifty per cent of the tax paid on any purchase of fuel applicable to mileage on any roads in this state shall be refunded; (5) any person, association or corporation engaged in the business of operating a motor vehicle in livery service pursuant to a permit issued under chapter 244b, or a motor bus over highways within this state and between points within and without this state pursuant to a permit issued under chapter 244, when such fuel is used in such motor bus on roads in this state for the exclusive purpose of transporting passengers for hire to or from airport facilities, except that with respect to any such motor vehicle in livery service pursuant to a permit issued under chapter 244b only fifty per cent of the tax paid on any purchase of fuel applicable to mileage on any roads in this state shall be refunded; (6) this state or a municipality of this state, when such fuel is used in vehicles owned and operated, or leased and operated, by this state or municipality for governmental purposes; (7) any school bus, as defined in section 14-275; (8) a hospital, when such fuel is used in an ambulance owned by such hospital; (9) a nonprofit civic organization approved by the commissioner, when such fuel is used in an ambulance owned by such organization; (10) a transit district formed under chapter 103a or any special act, when such fuel is used in vehicles owned and operated, or leased and operated, by such transit district for the purposes of such transit district; (11) a corporation or an employee of a corporation or of the United States, this state or a municipality of this state, when such fuel is used in a high-occupancy commuter vehicle on roads in this

state, which vehicle is owned or leased by such corporation or such employee, seats at least ten but not more than fifteen passengers and has a minimum average daily passenger usage of nine persons to and from work, for the purpose of transporting such passengers to and from work daily; (12) a person, corporation or association operating a motor vehicle in livery service which is registered in accordance with the provisions of section 13b-83, when such fuel is used in such motor vehicle in livery service on roads in this state; **[and]** (13) a federally funded nutrition program approved by the commissioner, when such fuel is used in a delivery vehicle on roads in this state for the exclusive purpose of delivering meals to senior citizens; and (14) a company, when such fuel has been used and consumed exclusively for hauling waste for the Connecticut Resource Recovery Authority's Mid-Connecticut Project.

Sec. 16. (*Effective from passage*) Notwithstanding the provisions of section 4-7 of the general statutes, with respect to the confirmation by the Senate or the House of Representatives of an executive or legislative nomination within ten calendar days of the report of such nomination by the joint standing committee on executive and legislative nominations, any such nomination confirmed during the 2007 regular session of the General Assembly which is otherwise valid is hereby validated and confirmed.

Sec. 17. Subsection (a) of section 4-7 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On or before February 1, 1975, and quadrennially thereafter, the Governor shall submit each nomination for a department head to either house of the General Assembly. Such house shall immediately refer the nominations to its committee on executive nominations, which shall report thereon by resolution within fifteen calendar days from the date of reference. Such house, by resolution, shall confirm or reject the nomination. **[within ten calendar days of the committee's report.]** If confirmed, the nominee shall take office on the first day of March in the year in which the appointment is submitted, except as provided in section 4-6. If such house rejects the nomination before the first day of March in the year in which it is submitted, the procedure prescribed in subsection (b) of this section shall be followed.

Sec. 18. Section 12-217ii of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007, and applicable to income years commencing on or after January 1, 2007*):

(a) As used in this section:

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

[(2) "Relocation to Connecticut" or "relocation" means the taxpayer creating the new job shall not have been conducting business in Connecticut prior to the taxpayer's application to the commissioner for an eligibility certificate under this section;]

[(3)] (2) "Income year" means, with respect to entities subject to the insurance premiums tax under chapter 207, the corporation business tax under this chapter or the utilities company tax under chapter 212, the income year as determined under each of said chapters, as the case may be;

[(4)] (3) "Taxpayer" means a person subject to tax under chapter 207, this chapter or chapter 212; [who was not conducting business in Connecticut prior to relocation to Connecticut;]

[(5)] (4) "New job" means a full-time job which (A) did not exist in this state prior to a taxpayer's application to the commissioner for an eligibility certificate under this section for a job creation credit, and (B) is filled by a new employee;

[(6)] (5) "New employee" means a person hired by the taxpayer to fill a new full-time job. A new employee does not include a person who was employed in Connecticut by a related person with respect to the taxpayer during the prior twelve months;

[(7)] (6) "Full-time job" means a job in which an employee is required to work at least thirty-five or more hours per week. A full-time job does not include a temporary or seasonal job;

[(8)] (7) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the taxpayer, (B) an individual, corporation, limited liability company, partnership, association or trust that is

in control of the taxpayer, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer, or (D) a member of the same controlled group as the taxpayer; and

[(9)] (8) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c).

(b) (1) There is established a jobs creation tax credit program whereby a taxpayer who creates at least [fifty] ten new jobs [pursuant to a relocation to] in Connecticut may be allowed a credit against the tax imposed under chapter 207, this chapter or chapter 212, in an amount up to [twenty-five] sixty per cent of the income tax deducted and withheld from the wages of new employees and paid over to the state pursuant to chapter 229.

(2) For each new employee, credits may be granted for five successive years.

(3) The credit shall be claimed in the income year in which it is earned. Any credits not used in a tax year shall expire.

(c) Any taxpayer planning to [relocate to Connecticut and] claim a credit under the provisions of this section shall apply to the commissioner in accordance with the provisions of this section. The application shall be on a form provided by the commissioner, and shall contain sufficient information concerning the [nature of the relocation, including a detailed description of the type of business, the] number of new jobs to be created, feasibility studies or business plans for the [relocation] increased number of jobs, projected state and local revenue that might derive as a result of the [relocation] job

[growth](#) and other information necessary to demonstrate [the financial viability of the relocation and] that there will be net benefits to the economy of the municipality and the state. The commissioner shall impose a fee for such application as the commissioner deems appropriate.

(d) The commissioner shall determine whether (1) the taxpayer making the application is eligible for the tax credit, and (2) the proposed [relocation] [job growth](#) (A) is economically viable only with use of the tax credit, [and] (B) would provide a net benefit to economic development and employment opportunities in the state, [and \(C\) conforms to the state plan of conservation and development prepared pursuant to section 16a-24](#). The commissioner may require the applicant to submit such additional information as may be necessary to evaluate the application.

(e) (1) The commissioner, upon consideration of the application and any additional information the commissioner requires, [concerning a proposed relocation,] may approve the credit application, in whole or in part, if the commissioner concludes that the [relocation] [increase in the number of jobs](#) is economically viable only with the use of the tax credit and that the revenue generated due to economic development and employment opportunities created in the state exceeds the credit and any other credits to be taken. If the commissioner disapproves an application, the commissioner shall specifically identify the defects in the application and specifically explain the reasons for the disapproval. The commissioner shall render a decision on an application not later than ninety days after the date of its receipt by the commissioner.

(2) The total amount of credits granted to all taxpayers shall not exceed ten million dollars in any one fiscal year.

(3) A credit under this section may be granted to a taxpayer for not more than five successive income years.

(4) The commissioner may combine approval of a credit application with the exercise of any of the commissioner's other powers, including, but not limited to, the provision of other forms of financial assistance.

(f) Upon approving a taxpayer's credit application, the commissioner shall issue a credit allocation notice certifying that the credits will be available to be claimed by the taxpayer if the taxpayer otherwise meets the requirements of

this section. No later than thirty days after the close of the taxpayer's income year, the taxpayer shall provide information to the commissioner regarding the number of new jobs created for the year and the income tax deducted and withheld from the wages of such new employees and paid over to the state for such year. The commissioner shall issue a certificate of eligibility that includes the taxpayer's name, the number of new jobs created, and the amount of the credit certified for the year. The certificate shall be issued by the commissioner sixty days after the close of the taxpayer's income year or thirty days after the information is provided, whichever comes first.

(g) The commissioner shall, upon request, provide a copy of the certificate of eligibility issued under subsection (f) of this section to the Commissioner of Revenue Services.

(h) (1) If (A) the number of new employees on account of which a taxpayer claimed the credit allowed by this section decreases to less than the number for which the commissioner issued an eligibility certificate during any of the four years succeeding the first full income year following the issuance of an eligibility certificate, and (B) those employees are not replaced by other employees who have not been shifted from an existing location of the taxpayer or a related person in this state, the taxpayer shall be required to recapture a percentage of the credit allowed under this section on its tax return, as determined under the provisions of subdivision (2) of this subsection. The commissioner shall provide notice of the required recapture amount to both the taxpayer and the Commissioner of Revenue Services.

(2) If the taxpayer is required under the provisions of subdivision (1) of this subsection to recapture a portion of the credit during (A) the first of such four years, then ninety per cent of the credit allowed shall be recaptured on the tax return required to be filed for such year, (B) the second of such four years, then sixty-five per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year, (C) the third of such four years, then fifty per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year, (D) the fourth of such four years, then thirty per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year.

Sec. 19. (NEW) (*Effective from passage and applicable to income years commencing on or after January 1, 2008*):

(a) As used in this section, the following terms shall have the following meanings unless the context clearly indicates another meaning:

(1) "Commission" means the Connecticut Commission on Culture and Tourism established pursuant to section 10-392 of the general statutes;

(2) "Certified historic structure" means an historic commercial or industrial property that: (A) Is listed individually on the National or State Register of Historic Places, or (B) is located in a district listed on the National or State Register of Historic Places, and has been certified by the commission as contributing to the historic character of such district;

(3) "Certified rehabilitation" means any rehabilitation of a certified historic structure for mixed residential and nonresidential uses consistent with the historic character of such property or the district in which the property is located as determined by regulations adopted by the commission;

(4) "Owner" means any person, firm, limited liability company, nonprofit or for-profit corporation or other business entity which possesses title to an historic structure and undertakes the rehabilitation of such structure;

(5) "Placed in service" means that substantial rehabilitation work has been completed which would allow for issuance of a certificate of occupancy for the entire building or, in projects completed in phases, for individual residential units that are an identifiable portion of the building;

(6) "Qualified rehabilitation expenditures" means any costs incurred for the physical construction involved in the rehabilitation of a certified historic structure for mixed residential and nonresidential uses where at least thirty-three per cent of the total square footage of the rehabilitation is placed into service for residential use, excluding: (A) The owner's personal labor, (B) the cost of a new addition, except as required to comply with any provision of the State Building Code or the State Fire Safety Code, and (C) any nonconstruction cost such as architectural fees, legal fees and financing fees;

(7) "Rehabilitation plan" means any construction plans and specifications for the proposed rehabilitation of a certified historic structure in sufficient detail for evaluation by compliance with the standards developed under the provisions of subsections (b) to (d), inclusive, of this section; and

(8) "Substantial rehabilitation" or "substantially rehabilitate" means the qualified rehabilitation expenditures of a certified historic structure that exceed twenty-five per cent of the assessed value of such structure.

(b) (1) The commission shall administer a system of tax credit vouchers within the resources, requirements and purposes of this section for owners rehabilitating certified historic structures.

(2) The credit authorized by this section shall be available in the tax year in which the substantially rehabilitated certified historic structure is placed in service. In the case of projects completed in phases, the tax credit shall be prorated to the substantially rehabilitated identifiable portion of the building placed in service. If the tax credit is more than the amount owed by the taxpayer for the year in which the substantially rehabilitated certified historic structure is placed in service, the amount that is more than the taxpayer's tax liability may be carried forward and credited against the taxes imposed for the succeeding five years or until the full credit is used, whichever occurs first.

(3) Any credits allowed under this section that are provided to multiple owners of certified historic structures shall be passed through to persons designated as partners, members or owners, pro rata or pursuant to an agreement among such persons designated as partners, members or owners documenting an alternative distribution method without regard to other tax or economic attributes of such entity. Any owner entitled to a credit under this section may assign, transfer or convey the credits, in whole or in part, by sale or otherwise to any individual or entity and such transferee shall be entitled to offset the tax imposed under chapter 207, 208, 209, 210, 211 or 212 of the general statutes as if such transferee had incurred the qualified rehabilitation expenditure.

(c) The commission shall develop standards for the approval of rehabilitation of certified historic structures for which a tax credit voucher is sought. Such standards shall take into account whether the rehabilitation of a certified historic structure will preserve the historic character of the building.

(d) The commission shall adopt regulations, in accordance with chapter 54 of the general statutes, to carry out the purposes of this section. Such regulations shall include provisions for the filing of applications, rating criteria and for timely approval by the commission.

(e) Prior to beginning any rehabilitation work on a certified historic structure, the owner shall submit (1) a rehabilitation plan to the commission for a determination of whether or not such rehabilitation work meets the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, (2) an estimate of the qualified rehabilitation expenditures, and (3) for projects pursuant to subdivision (2) of subsection (f) of this section, (A) the number of units of affordable housing, as defined in section 8-39a of the general statutes, to be created, (B) the proposed rents or sale prices of such units, and (C) the median income for the municipality where the project is located. In the case of a project pursuant to subdivision (2) of subsection (f) of this section the owner shall submit a copy of data required under subdivision (3) of this subsection to the Department of Economic and Community Development.

(f) If the commission certifies that the rehabilitation plan conforms to the standards developed under the provisions of subsections (b) to (d), inclusive, of this section, the commission shall reserve for the benefit of the owner an allocation for a tax credit equivalent to (1) twenty-five per cent of the projected qualified rehabilitation expenditures, or (2) for rehabilitation plans submitted pursuant to subsection (e) of this section on or after the effective date of this section, thirty per cent of the projected qualified rehabilitation expenditures if (A) at least twenty per cent of the units are rental units and qualify as affordable housing, as defined in section 8-39a of the general statutes, or (B) at least ten per cent of the units are individual homeownership units and qualify as affordable housing, as defined in section 8-39a of the general statutes. No tax credit shall be allocated for the purposes of this subdivision unless an applicant has submitted to the commission a certificate from the Department of Economic and Community Development pursuant to section 21 of this act confirming that the project complies with affordable housing requirements under section 8-39a of the general statutes.

(g) Following the completion of rehabilitation of a certified historic structure, the owner shall notify the commission that such rehabilitation has been completed. The owner shall provide the commission with documentation of

work performed on the certified historic structure and shall submit certification of the costs incurred in rehabilitating the certified historic structure. The commission shall review such rehabilitation and verify its compliance with the rehabilitation plan. Following such verification, the commission shall issue a tax credit voucher to the owner rehabilitating the certified historic structure or to the taxpayer named by the owner as contributing to the rehabilitation. The tax credit voucher shall be in an amount equivalent to the lesser of the tax credit reserved upon certification of the rehabilitation plan under the provisions of subsection (f) of this section or (1) twenty-five per cent of the actual qualified rehabilitation expenditures, or (2) for projects including affordable housing pursuant to subdivision (2) of subsection (f) of this section, thirty per cent of the actual qualified rehabilitation expenditures. In order to obtain a credit against any state tax due that is specified in subsection (h) of this section, the holder of the tax credit voucher shall file the voucher with the holder's state tax return.

(h) The Commissioner of Revenue Services shall grant a tax credit to a taxpayer holding the tax credit voucher issued under subsections (e) to (i), inclusive, of this section against any tax due under chapter 207, 208, 209, 210, 211 or 212 of the general statutes in the amount specified in the tax credit voucher. Such taxpayer shall submit the voucher and the corresponding tax return to the Department of Revenue Services.

(i) The commission may charge an application fee in an amount not to exceed ten thousand dollars to cover the cost of administering the program established pursuant to this section.

Sec. 20. (NEW) (*Effective from passage and applicable to income years commencing on and after January 1, 2008*) The aggregate amount of all tax credits which may be reserved by the Commission on Culture and Tourism upon certification of rehabilitation plans under section 19 of this act shall not exceed fifty million dollars for the fiscal three-year period beginning July 1, 2008, and ending June 30, 2011, inclusive, and each fiscal three-year period thereafter. No project may receive tax credits in an amount exceeding ten per cent of such aggregate amount.

Sec. 21. (NEW) (*Effective from passage*) (a) On or before October 1, 2009, and annually thereafter, the Commission on Culture and Tourism shall report the total amount of historic preservation tax credits and affordable housing tax

credits reserved for the previous fiscal year under section 19 of this act, to the joint standing committees of the General Assembly having cognizance of matters relating to commerce and to finance, revenue and bonding. Each such report shall include the following information for each project for which tax credit has been reserved: (1) The total project costs, (2) the value of the tax credit reservation for the purpose of historic preservation, (3) a statement whether the reservation is for mixed-use and if so, the proportion of the project that is not residential, and (4) the number of residential units to be created, and, for affordable housing reservations, the value of the reservation and percentage of residential units that will qualify as affordable housing, as defined in section 8-39a of the general statutes.

(b) (1) If the total amount of such tax credits reserved in the first fiscal year of a fiscal three-year period is more than sixty-five per cent of the aggregate amount of tax credits reserved under section 19 of this act, then no additional reservation shall be allowed for the second fiscal year of such fiscal three-year period unless the joint standing committees of the General Assembly having cognizance of matters relating to commerce and to finance, revenue and bonding each vote separately to authorize continuance of tax credit reservations under the program.

(2) If the total amount of such credits reserved in the second year of a fiscal three-year period exceeds ninety per cent of the aggregate amount of tax credits reserved under section 19 of this act, then no additional reservation shall be allowed for the third fiscal year of such fiscal three-year period unless the joint standing committees of the General Assembly having cognizance of matters relating to commerce and to finance, revenue and bonding each vote separately to authorize the continuance of tax credit reservations under the program.

(3) Any tax credit reservations issued before a suspension of additional tax credit reservations under subdivisions (1) and (2) of this subsection shall remain in place.

Sec. 22. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of Economic and Community Development shall review applications for affordable housing tax credits submitted pursuant to subsection (e) of section 19 of this act. Upon determination that an application contains affordable housing as required by said section the commissioner shall issue a certificate to that effect. The

commissioner shall monitor projects certified under this section to ensure that the affordable housing units are maintained as affordable for a minimum of ten years and may require deed restrictions or other fiscal mechanisms designed to ensure compliance with project requirements. The commissioner may impose a fee in an amount not exceeding two thousand dollars to cover the cost of reviewing applications and monitoring projects that qualify for affordable housing tax credits pursuant to section 19 of this act.

(b) The Commissioner of Economic and Community Development, in consultation with the Commission on Culture and Tourism, may adopt regulations, pursuant to chapter 54 of the general statutes, for monitoring of projects that qualify for affordable housing tax credits pursuant to section 19 of this act, by the Department of Economic and Community Development, or by local housing authorities, municipalities, other public agencies or quasi-public agencies, as defined in section 1-120 of the general statutes, designated by the department. Such regulations shall include provisions for ensuring that affordable units developed under subdivision (3) of subsection (e) of section 19 of this act, are maintained as affordable for a minimum of ten years and may require deed restrictions or other fiscal mechanisms designed to ensure compliance with project requirements.

Approved June 14, 2007