



General Assembly

**Amendment**

February Session, 2018

LCO No. 4018



Offered by:  
REP. BERGER, 73<sup>rd</sup> Dist.

To: Subst. House Bill No. 5133      File No. 529      Cal. No. 355

**"AN ACT ESTABLISHING A TAX CREDIT FOR CERTAIN EMPLOYERS MAKING EDUCATION LOAN PAYMENTS FOR EMPLOYEES."**

1      After the last section, add the following and renumber sections and  
2      internal references accordingly:

3      "Sec. 501. Subsection (a) of section 12-81r of the 2018 supplement to  
4      the general statutes is repealed and the following is substituted in lieu  
5      thereof (*Effective October 1, 2018*):

6      (a) Any municipality may (1) enter into an agreement with the  
7      owner or prospective owner of any real property to abate the property  
8      tax due as of the date of the agreement for a period not to exceed seven  
9      years if the property has been subject to a spill, as defined in section  
10     22a-452c, and the owner or prospective owner agrees to conduct any  
11     environmental site assessment, demolition and remediation of the spill  
12     necessary to redevelop the property. Any such tax abatement shall  
13     only be for the period of remediation and redevelopment and shall be  
14     contingent upon the continuation and completion of the remediation

15 and redevelopment process with respect to the purposes specified in  
16 the agreement. The abatement shall cease upon the sale or transfer of  
17 the property for any other purpose unless the municipality consents to  
18 its continuation. The municipality may also establish a recapture  
19 provision in the event of sale provided such recapture shall not exceed  
20 the original amount of taxes abated and may not go back further than  
21 the date of the agreement; (2) enter into an agreement with a  
22 prospective purchaser of any real property that is a brownfield, as  
23 defined in section 32-760, or deemed by the municipality to be  
24 abandoned, to forgive all or a portion of the principal balance and  
25 interest due on delinquent property taxes for the benefit of [any] such  
26 prospective purchaser, [who has obtained an environmental  
27 investigation or remediation plan approved by the Commissioner of  
28 Energy and Environmental Protection or a licensed environmental  
29 professional under section 22a-133w, 22a-133x or 22a-133y and  
30 completes such remediation plan for an establishment, as defined in  
31 section 22a-134, deemed by the municipality to be abandoned or a  
32 brownfield, as defined in section 32-760] provided such prospective  
33 purchaser has agreed to (A) enter into a program for the remediation  
34 of the property pursuant to section 22a-133x, 22a-133y, 32-768 or 32-  
35 769, or (B) complete the investigation and remediation of the property  
36 pursuant to section 22a-134; (3) enter into an agreement with the  
37 owner or prospective owner of any real property to fix the assessment  
38 of the property as of the last assessment date prior to commencement  
39 of remediation activities for a period not to exceed seven years,  
40 provided the [property has been the subject of a remediation approved  
41 by the Commissioner of Energy and Environmental Protection or  
42 verified by a licensed environmental professional pursuant to section  
43 22a-133w, 22a-133x, 22a-133y or 22a-134] owner or prospective owner  
44 has agreed to (A) enter into a program for remediation of the property  
45 pursuant to section 22a-133x, 22a-133y, 32-768 or 32-769, or (B)  
46 complete the investigation and remediation of the property pursuant  
47 to section 22a-134; or (4) forgive all or a portion of the principal balance  
48 and interest due on delinquent property taxes for the benefit of any  
49 Connecticut brownfield land bank, as defined in section 32-760, that

50 has acquired or will acquire any real property within the municipality.

51 Sec. 502. (NEW) (*Effective July 1, 2018, and applicable to income years*  
52 *commencing on or after January 1, 2018*) (a) As used in this section, the  
53 following terms shall have the following meanings unless the context  
54 clearly indicates another meaning:

55 (1) "Brownfield" has the same meaning as provided in section 32-760  
56 of the general statutes;

57 (2) "Brownfield remediation plan" means any written narrative or  
58 plan for the substantial remediation of a brownfield, including, but not  
59 limited to, the investigation and remediation of any release or  
60 threatened release of pollution to soil or groundwater at the  
61 brownfield or the abatement of hazardous building materials, that is  
62 submitted to and approved by the commissioner, in consultation with  
63 the Commissioner of Energy and Environmental Protection;

64 (3) "Commissioner" means the Commissioner of Economic and  
65 Community Development;

66 (4) "Completion of the brownfield remediation" means the  
67 documentation by an owner of the completion of a brownfield  
68 remediation plan to the satisfaction of the commissioner, including,  
69 but not limited to, the filing of either a verification or interim  
70 verification that meets the requirements of section 22a-133x, 22a-133y  
71 or 22a-134 of the general statutes, or the written determination by the  
72 Commissioner of Energy and Environmental Protection that (A) the  
73 investigation of the brownfield has been performed in accordance with  
74 prevailing standards and guidelines, and (B) the remediation has been  
75 completed in accordance with the remediation standards, except that,  
76 for remediation standards for groundwater: (i) The selected remedy is  
77 in operation but has not achieved the remediation standards for  
78 groundwater, (ii) there is an identified long-term remedy being  
79 implemented to achieve groundwater standards, along with an  
80 estimated duration for such remedy, and established ongoing  
81 operation and maintenance requirements for continued operation of

82 such remedy, and (iii) there are not current exposure pathways to the  
83 groundwater area that have not yet met the remediation standards;

84 (5) "Department" means the Department of Economic and  
85 Community Development;

86 (6) "Owner" means any person, firm, limited liability company,  
87 nonprofit or for-profit corporation or other business entity or  
88 municipality that (A) holds title to a brownfield and undertakes a  
89 brownfield remediation plan, and (B) did not establish, create or  
90 maintain a source of pollution to the waters of the state for purposes of  
91 section 22a-432 of the general statutes and is not responsible pursuant  
92 to any other provision of the general statutes for any pollution or  
93 source of pollution on such brownfield;

94 (7) "Qualified expenditures" means the expenditures associated with  
95 the investigation, assessment and remediation of a brownfield,  
96 including, but not limited to: (A) Soil, groundwater and infrastructure  
97 investigation; (B) assessment; (C) remediation of soil, sediments,  
98 groundwater or surface water; (D) abatement; (E) hazardous materials  
99 or waste removal and disposal; (F) long-term groundwater or natural  
100 attenuation monitoring; (G) (i) environmental land use restrictions, (ii)  
101 activity and use limitations, or (iii) other forms of institutional control;  
102 (H) reasonable attorneys' fees; (I) planning, engineering and  
103 environmental consulting; and (J) remedial activity to address building  
104 and structural issues, including, but not limited to, demolition,  
105 asbestos abatement, polychlorinated biphenyls removal, contaminated  
106 wood or paint removal and other infrastructure remedial activities.  
107 "Qualified expenditures" do not include expenditures funded for such  
108 investigation, assessment, remediation and development directly  
109 through other state brownfield programs administered by the  
110 commissioner.

111 (b) (1) The department shall administer a system of tax credit  
112 vouchers within the resources, requirements and purposes of this  
113 section for the remediation of a brownfield by an owner.

114 (2) The credit authorized by this section shall be available in the tax  
115 year in which the completion of the brownfield remediation takes  
116 place. In the case of a brownfield remediation plan that is completed in  
117 phases, the tax credit shall be prorated to the identifiable portion of the  
118 completed brownfield remediation. If the tax credit is more than the  
119 amount owed by the taxpayer for the year in which the completion of  
120 the brownfield remediation takes place, the amount that is more than  
121 the taxpayer's tax liability may be carried forward and credited against  
122 the taxes imposed for the succeeding five years or until the full credit  
123 is used, whichever occurs first. A tax credit that is reserved pursuant to  
124 this section may be carried forward (A) to the year in which the  
125 completion of the brownfield remediation takes place, (B) in the case of  
126 a brownfield remediation plan that is completed in phases, to the year  
127 in which the phase is completed, provided the tax credit is prorated to  
128 the identifiable portion of the completed brownfield remediation, or  
129 (C) as otherwise provided in this subdivision.

130 (3) In the case of a brownfield remediation plan that is completed in  
131 phases, the department may issue vouchers for the identifiable portion  
132 of the completed brownfield remediation.

133 (4) If a credit is allowed under this section for the remediation of a  
134 brownfield with multiple owners, such credit shall be passed through  
135 to such owners, or persons designated as partners or members of such  
136 owners, pro rata or pursuant to an agreement among such owners, or  
137 persons designated as partners or members of such owners,  
138 documenting an alternative distribution method without regard to  
139 other tax or economic attributes of such owners.

140 (5) Any owner entitled to a credit under this section may sell, assign  
141 or otherwise transfer such credit, in whole or in part, to one or more  
142 persons, as defined in section 12-1 of the general statutes, provided  
143 any credit, after issuance, may be sold, assigned or otherwise  
144 transferred, in whole or in part, not more than three times. Such  
145 transferee shall be entitled to offset the tax imposed under chapter 207,  
146 208, 209, 210, 211 or 212 of the general statutes as if such transferee had

147 incurred the qualified expenditure.

148 (6) If a credit under this section is sold, assigned or otherwise  
149 transferred, whether by the owner or any subsequent transferee, the  
150 transferor and transferee shall jointly submit written notification of  
151 such transfer to the department not later than thirty days after such  
152 transfer. The notification after each transfer shall include the credit  
153 voucher number, the date of the transfer, the amount of the credit  
154 transferred, the tax credit balance before and after the transfer, the tax  
155 identification numbers for both the transferor and the transferee and  
156 any other information required by the Commissioner of Revenue  
157 Services. Failure to comply with this subsection shall result in a  
158 disallowance of the tax credit until there is full compliance on the part  
159 of the transferor and the transferee, and for a second or third transfer,  
160 on the part of all subsequent transferors and transferees.

161 (7) The department shall provide a list to the Commissioner of  
162 Revenue Services, on an annual basis, detailing the credits that have  
163 been approved for the most recent fiscal year and all sales,  
164 assignments and transfers thereof that were made under this section  
165 for said fiscal year.

166 (c) For the purpose of seeking a tax credit voucher pursuant to  
167 subsection (b) of this section, prior to beginning any brownfield  
168 remediation, the owner shall submit to the commissioner a tax credit  
169 application on forms provided by the commissioner and with such  
170 information the commissioner deems necessary, including, but not  
171 limited to: (1) A brownfield remediation plan; (2) a description of the  
172 proposed brownfield remediation and redevelopment project; (3) an  
173 explanation of the expected benefits of the proposed project; (4)  
174 information concerning the financial and technical capacity of the  
175 applicant to undertake the proposed project; (5) an estimate of the  
176 qualified expenditures; and (6) if the owner plans to undertake the  
177 brownfield remediation in phases, a complete description of each such  
178 phase, with anticipated schedules for the completion of brownfield  
179 remediation and an estimate of the qualified expenditures in each

180 phase. The commissioner may charge any owner seeking a tax credit  
181 voucher pursuant to this subsection an application fee in an amount  
182 not to exceed five thousand dollars to cover the cost of administering  
183 the program established pursuant to this section. If an application is  
184 not approved in one fiscal year but is resubmitted in a subsequent  
185 fiscal year, the commissioner may waive the application fee for the  
186 resubmitted application.

187 (d) The commissioner may approve, reject or modify any  
188 application properly submitted in accordance with the provisions of  
189 this section. In reviewing an application and determining whether to  
190 issue tax credit vouchers, the commissioner shall consider the  
191 following criteria: (1) The availability of tax credits for the applicable  
192 fiscal year; (2) the estimated eligible costs; (3) the relative economic  
193 condition of the municipality in which the brownfield is located; (4)  
194 the degree to which a tax credit under this section is necessary to  
195 induce the applicant to undertake the project; (5) the public health and  
196 environmental benefits of the project; (6) the relative benefits of the  
197 project to the municipality, the region and the state, including, but not  
198 limited to, the extent to which the project will likely result in a  
199 contribution to the municipality's tax base, the retention and creation  
200 of jobs and the reduction of blight; (7) the time frame in which the  
201 contamination occurred; (8) the length of time the brownfield has been  
202 abandoned; and (9) such other criteria as the commissioner may  
203 establish consistent with the purposes of this section.

204 (e) The commissioner shall issue tax credit vouchers on a  
205 competitive basis, based on a request for applications occurring  
206 semiannually in April and October. The commissioner may increase  
207 the frequency of requests for applications and awards depending on  
208 the number of applicants and the availability of tax credits for the  
209 applicable fiscal year.

210 (f) If the commissioner approves an application for a tax credit  
211 voucher, the department shall reserve for the benefit of the owner an  
212 allocation for a tax credit equivalent to the lesser of (1) fifty per cent of

213 the projected qualified expenditures, or (2) two million dollars.

214 (g) Following the completion of the brownfield remediation plan in  
215 its entirety or in phases to an identifiable portion of the brownfield,  
216 any owner who seeks a tax credit voucher pursuant to subsection (b) of  
217 this section shall notify the commissioner that such completion of the  
218 brownfield remediation has occurred. Such owner shall provide the  
219 department with documentation of the remediation performed on the  
220 brownfield, evidence of the completion of the brownfield remediation  
221 and certification by a licensed environmental professional of the  
222 qualified expenditures incurred as part of the completion of the  
223 brownfield remediation plan. The commissioner, in consultation with  
224 the Commissioner of Energy and Environmental Protection, shall  
225 review such remediation and verify its compliance with the brownfield  
226 remediation plan. Following such verification, the department shall  
227 issue a tax credit voucher to such owner in an amount equivalent to  
228 the amount of the qualified expenditure, provided such amount does  
229 not exceed the amount reserved under subsection (f) of this section. In  
230 order to obtain a credit against any state tax due that is specified in  
231 subsection (h) of this section, the holder of the tax credit voucher shall  
232 file the voucher with the holder's state tax return.

233 (h) The Commissioner of Revenue Services shall grant a tax credit to  
234 a taxpayer holding the tax credit voucher issued in accordance with  
235 subsections (b) to (g), inclusive, of this section against any tax due  
236 under chapter 207, 208, 209, 210, 211 or 212 of the general statutes in  
237 the amount specified in the tax credit voucher. Such taxpayer shall  
238 submit the voucher and the corresponding tax return to the  
239 Department of Revenue Services.

240 (i) The aggregate amount of all tax credit vouchers that may be  
241 reserved by the department upon approval of tax credit applications  
242 pursuant to subsections (b) to (h), inclusive, of this section shall not  
243 exceed ten million dollars in any fiscal year. No project may receive tax  
244 credits in an amount exceeding two million dollars.



245 (j) The commissioner may adopt regulations, in accordance with  
246 chapter 54 of the general statutes, to implement the provisions of this  
247 section.

248 (k) Not later than October 1, 2019, and annually thereafter, the  
249 department shall report, in accordance with section 11-4a of the  
250 general statutes, the total amount of tax credit vouchers reserved for  
251 the prior fiscal year pursuant to subsections (b) to (j), inclusive, of this  
252 section, to the joint standing committees of the General Assembly  
253 having cognizance of matters relating to commerce and finance,  
254 revenue and bonding. Each such report shall include the following  
255 information for each project for which a tax credit voucher has been  
256 reserved: (1) The total project costs; and (2) the value of the tax credit  
257 vouchers reserved pursuant to subsection (f) of this section."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>October 1, 2018</i>	12-81r(a)
Sec. 502	<i>July 1, 2018, and applicable to income years commencing on or after January 1, 2018</i>	New section