



General Assembly

February Session, 2022

Raised Bill No. 5438

LCO No. 2760



Referred to Committee on COMMERCE

Introduced by:

(CE)

**AN ACT ESTABLISHING A CREDIT AGAINST THE CORPORATION
BUSINESS TAX AND PERSONAL INCOME TAX FOR
NONRESIDENTIAL BUILDING IMPROVEMENTS MADE TO REDUCE
THE SPREAD OF COVID-19.**

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

1 Section 1. (*Effective from passage*) (a) As used in this section, "COVID-
2 19" means the respiratory disease designated by the World Health
3 Organization on February 11, 2020, as coronavirus 2019, and any related
4 mutation thereof recognized by the World Health Organization as a
5 communicable respiratory disease.

6 (b) For income or taxable years commencing on or after January 1,
7 2020, but prior to January 1, 2023, there shall be allowed a credit against
8 the tax imposed under chapter 208 or 229 of the general statutes, other
9 than the liability imposed by section 12-707 of the general statutes, for
10 nonresidential building improvements to reduce the spread of COVID-
11 19. Nonresidential building improvements eligible for a credit pursuant
12 to this section include: (1) Bipolar ionization and ultraviolet lighting to
13 disinfect indoor air and surfaces; (2) infrared thermometers for
14 screening visitors in common areas; (3) transparent sneeze guards or

15 shields; (4) touchless entryways and security devices; (5) ventilation
16 improvements; and (6) other materials, supplies and equipment that are
17 necessary to create a safe environment for employers and employees to
18 return to their work spaces.

19 (c) (1) The amount of the credit shall be (A) seventy-five per cent of
20 the taxpayer's expenditures for a work location of less than thirty
21 thousand square feet, provided the credit for such expenditures shall
22 not exceed one hundred thousand dollars per location; and (B) fifty per
23 cent of the taxpayer's expenditures for a work location of thirty
24 thousand square feet or more, provided the credit for such expenditures
25 shall not exceed two hundred fifty thousand dollars per location. Any
26 credit not used in the income or taxable year for which it was allowed
27 may be carried forward for the seven immediately succeeding income
28 or taxable years until the full credit has been claimed. Any taxpayer
29 claiming the credit shall provide the Department of Revenue Services
30 documentation supporting such claim in the form and manner
31 prescribed by the Commissioner of Revenue Services.

32 (2) If the taxpayer is an S corporation or an entity treated as a
33 partnership for federal income tax purposes, the credit may be claimed
34 by the taxpayer's shareholders or partners. If the taxpayer is a single
35 member limited liability company that is disregarded as an entity
36 separate from its owner, the credit may be claimed by such limited
37 liability company's owner, provided such owner is subject to the tax
38 imposed under chapter 208 or 229 of the general statutes.

39 (d) The amount of such credit allowed to any taxpayer under this
40 section shall not exceed the amount of tax due from such taxpayer under
41 chapter 208 or 229 of the general statutes with respect to such income or
42 taxable year.

43 (e) No taxpayer claiming the credit under this section with respect to
44 a nonresidential building improvement may claim a credit against any
45 tax under any other provision of the general statutes with respect to the
46 same improvement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Purpose:

To establish for certain taxable years a credit against the corporation business tax and personal income tax for nonresidential building improvements made to reduce the spread of COVID-19.

[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.]