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Hiring Incentive Tax Credit Program

Sec. 12-217y-1. Definitions

As used in sections 12-217y-1 through 12-217y-8, inclusive, of the Regulations of Connecticut State Agencies:

- (1) “Application period” means July 1 through December 31;
- (2) “Business firm” means a “business firm,” as defined in section 12-217y of the Connecticut General Statutes;
- (3) “Commissioner” or “Labor Commissioner” means the Commissioner of the Connecticut Department of Labor;
- (4) “Department” means the Connecticut Department of Labor;
- (5) “Employed” means being in the service of another under any contract of hire creating the relationship of employer and employee or participating in a job training program approved by the Labor Commissioner, as defined in subsection (8) of this section;
- (6) “Fiscal year” means the State’s fiscal year, which begins July 1 and ends June 30;
- (7) “Income year” means a specific twelve month period conforming to a taxable year established by the business firm for tax purposes under Chapter 208 of the Connecticut General Statutes;
- (8) “Job training program approved by the Labor Commissioner” means (A) training that is sponsored or approved by the State Department of Labor, (B) any training approved pursuant to Section 31-236b-1 of the Regulations of Connecticut State Agencies, or (C) training that is sponsored by any other department of state or federal government or municipality or regional workforce development board established under section 31-3k of the Connecticut General Statutes in the State, or any labor organization, or private employer which provides the individual with educational and/or skill development opportunities to enhance the individual’s employability and meets the approval of the Commissioner;
- (9) “Qualifying employee” means, for purposes of fiscal year 2000 or with respect to the business firm’s income year commencing in 2000 or thereafter, any employee who, upon the initial hiring of such employee, is employed not less than thirty hours per week for a full calendar month by the same business firm and who, at the time of being hired by such firm, is and has been receiving benefits from the temporary family assistance program for more than nine consecutive months immediately preceding the date of hire;
- (10) “Temporary family assistance program” means the program described in § 17b-112 of the Connecticut General Statutes;
- (11) “United States Mail” means mail delivered by the United States Postal Service or by any delivery service designated by the Secretary of the Treasury of the United States pursuant to Section 7502 of the Internal Revenue Code of 1986, or any subsequent corresponding Internal Revenue Code of the United States, as from time to time amended. Any reference in sections 12-217y-1 to 12-217y-8, inclusive, of the Regulations of Connecticut State Agencies to a postmark made by the United States Postal Service shall be treated as including a reference to any date recorded or marked in the manner described in said Section 7502 of said Internal Revenue Code by a designated delivery service, and any reference in sections 12-217y-1 to 12-217y-8, inclusive, of the Regulations of Connecticut State Agencies to United States registered or certified mail shall be treated as including a reference to any substantially equivalent service provided by a designated delivery service; and

(12) “Work site” means a distinct geographical location secured by the business firm where employment is regularly performed.

(Adopted effective October 5, 2000)

Sec. 12-217y-2. Program purpose

This program provides eligible business firms with a corporation business tax credit of \$125 for each full calendar month that the business firm employs an individual who has received for more than nine months, and continues to receive, benefits from the temporary family assistance program. The total amount of credits awarded to all eligible business firms through the Hiring Incentive Tax Credit Program is limited to \$1 million per fiscal year.

(Adopted effective October 5, 2000)

Sec. 12-217y-3. Application and approval process

(a) Business firms shall submit their applications for credits under the Hiring Incentive Tax Credit Program annually to the Commissioner within the application period. The Commissioner shall approve or disapprove each application within sixty (60) days of receipt based upon the information submitted, the timeliness of the application, and the amount of tax credits remaining in the annual allotment for the fiscal year.

(b) The Department shall process applications in the order which they are received.

(c) With its application for the Hiring Incentive Tax Credit, each business firm shall furnish to the Department:

(1) The business firm’s Connecticut Tax Registration Number and Federal Employer Identification number;

(2) The business firm’s principal place of business;

(3) The number of employees working in the State of Connecticut as of the time of application;

(4) The beginning and ending date of the business firm’s income year for tax purposes;

(5) The amount of tax credits requested by the business firm;

(6) The number of work sites located in Connecticut; and

(7) A job order for each position to be filled by a qualifying employee which indicates:

(A) The number of hours of work per week;

(B) The nature of the position;

(C) The nature of any job training involved with the position; and

(D) The projected employment starting date.

(d) Business firms seeking tax credit reservations should file their applications and accompanying information with the Connecticut Department of Labor, Program Support Unit, 200 Folly Brook Boulevard, Wethersfield, CT 06109 during the application period.

(e) Except as provided in subsection (f) of this section, the maximum number of tax credit reservations allocated to a business firm will be dependent on the size of the business firm at the time of application.

(1) Business firms with one (1) to two hundred and forty-nine (249) Connecticut employees may receive up to five (5) tax credit reservations.

(2) Business firms with two hundred and fifty (250) to four hundred and ninety-nine (499) Connecticut employees may receive up to ten (10) tax credit reservations.

(3) Business firms with five hundred (500) or more Connecticut employees may receive up to twenty-five (25) tax credit reservations.

(f) Any business firm with more than one work site located in Connecticut may receive five (5) tax credit reservations for each Connecticut work site, regardless of the number of Connecticut employees employed by the business firm.

(g) Upon review of the business firm's application, the Department shall notify business firms in writing that their tax credit reservations have been approved or denied. If the application is approved, the notification shall specify the number of tax credit reservations approved. If the Department denies an application, it shall notify the business firm, in writing, of the reasons for the denial.

(h) If a business firm has received a tax credit reservation but fails to hire a qualified employee within thirty days of the projected hiring date as submitted to the Department on its application, the Department may reallocate the reservation to the next eligible firm based on the date of application submittal.

(Adopted effective October 5, 2000)

Sec. 12-217y-4. Allocation of tax credit

If the Commissioner approves the application, and the maximum number of allowable tax credit reservations for that fiscal year has not yet been allocated, the Commissioner shall allocate and reserve an amount of tax credits for such firm as provided in subsections (e) and (f) of section 12-217y-3 of the Regulations of Connecticut State Agencies. If tax credit reservations remain available at the close of the application period, additional tax credit reservations may then be approved by date of request up to the maximum available credits remaining.

(Adopted effective October 5, 2000)

Sec. 12-217y-5. Certification process

(a) Any business firm seeking the tax credit shall apply for and receive certification from the Department that the employee for whom it is seeking the tax credit is a qualifying employee before the business firm can claim the tax credit on its Connecticut corporation business tax return. To apply for certification, business firms shall submit, by letter postmarked not later than the twenty-first day after an employee's employment starting date:

(1) The name of the qualifying employee on the form provided by the Department and a statement indicating that the individual is and has been receiving Temporary Family Assistance for more than nine consecutive months at the time of the employment starting date; and

(2) The Social Security number of the qualifying employee.

(b) The Department shall issue to the business firm either a written tax credit certification of an employee's eligibility or a written denial of certification for each employee who is the subject of the tax credit eligibility application.

(c) The Department will issue additional tax credit certifications, if necessary, to replace certified employees who are terminated during the business firm's income year.

(Adopted effective October 5, 2000)

Sec. 12-217y-6. Business firm to submit report at end of income year

(a) Within thirty days of the end of its income year, the business firm which has received a tax credit certification shall submit a report to the Department of Labor, which specifies the number of full calendar months that it employed a qualifying employee during the income year, including a log of the specific dates of the weeks and number of hours per such weeks that the qualifying employee was employed and the name and Social Security number of each qualifying employee. The Depart-

ment shall notify eligible business firms in writing that they are approved to claim the credit. The notification shall specify the amount of credit the business firm may claim on behalf of each qualifying employee and the total amount of credit the business firm may claim under the Hiring Incentive Tax Credit Program. A copy of this notification shall be attached by the business firm to its corporate business tax return filed with the Department of Revenue Services.

(b) The Department will provide the Department of Revenue Services with a list of each business firm's certified employees and the amount of the firm's tax credit eligibility.

(Adopted effective October 5, 2000)

Sec. 12-217y-7. Timeliness; evidence of mailing

(a) Materials submitted by the business firm shall be filed timely if the materials are received by the Department's Office of Program Support within the specified time period or bear a legible United States mail postmark which indicates that within such time period it was placed in the possession of the postal authorities for delivery to the Department. If the postmark bears a date that falls beyond the specified time frame, the document shall be considered not timely filed. If the last day of the specified time frame for filing falls on a day when the Department was not open for business, the last day shall be extended to the next business day of the Department. Postage meter postmarks alone, other than those provided by the United States Postal Service, are not acceptable as evidence of timely filing unless received within a reasonable amount of time through the United States Postal Service.

(b) If the envelope has a United States Postal Services postmark in addition to another postmark, the postmark not made by the United States Postal Service or any designated delivery service described in subsection (11) of section 12-217y-1 of the Regulations of Connecticut State Agencies shall be disregarded. Whether the envelope was mailed in accordance with this subsection shall be determined solely on the basis of whether the document was deposited within the prescribed time in the mail in the United States with sufficient postage prepaid.

(c) If the document is sent by United States Registered mail, the date of the registration of the document shall be treated as the postmark date.

(d) If the document is sent by United States Certified mail and the sender's receipt is postmarked by the postal employee to whom such document is presented, the date of the United States postmark on such receipt shall be treated as the postmark date of the document.

(e) In cases where there are multiple United States Postal Service postmarks, the earliest postmark is used to determine the filing date, such as mail that is forwarded from the receiving office to the certifying office.

(f) If the postmark on the envelope is not legible, and the Department has no evidence of receipt within reasonable mail delivery time, the business firm or business firm representative who is required to file the document has the burden of proving the time when the postmark was made. If the cover containing a document bearing a timely postmark made by the United States Postal Service is received after the time when a document postmarked and mailed at such time would ordinarily be received, the sender may be required to prove that it was timely mailed. To establish that proof, the employer or his or her representative must show:

(1) that it was actually deposited in the mail before the last collection of the mail from the place of deposit not later than the last day of the prescribed time frame;

(2) that the delay in receiving the document was due to a delay in the transmission of the mail; and

(3) the cause of such delay.
(Adopted effective October 5, 2000)

Sec. 12-217y-8. Tax credit carry forwards

The amount of tax credit allowed to a business firm which is not used in the income year in which the expenditure was made may be carried forward for the five immediately succeeding income years until the full credit has been allowed.

(Adopted effective October 5, 2000)