

Sec. 12-217II-12. Transfers of tax credits

(a) Tax credit vouchers may be sold, assigned or otherwise transferred by the applicant to one or more taxpayers, in whole or in part, up to a maximum of three (3) times and to the extent the tax credit has not previously been claimed. Any taxpayer assigned a tax credit must claim such assigned credit in the same income year that the applicant was eligible to claim the tax credit.

(b) Each tax credit voucher transferor and transferee shall jointly provide written notice of such transfer to the Commission on such forms as may be prescribed by the Commission, not later than thirty (30) days after the transfer. For the purposes of subsections 12-217II(b)(2) and (d) of the Connecticut General Statutes, a taxpayer to which a tax credit evidenced by a tax credit voucher may be sold, assigned or otherwise transferred, or that may sell, assign or otherwise transfer such tax credit, shall include a corporation, partnership, limited liability company, or other business entity; provided, however, that the tax credits evidenced by such tax credit voucher may only be claimed against the taxes imposed under chapters 207 and 208 of the Connecticut General Statutes.

(c) The written notice to the Commission of transfer shall include the following:

- (1) The tax credit voucher number;
- (2) The date of transfer;
- (3) The total amount of credit transferred;
- (4) The tax credit voucher balance before and after the transfer;
- (5) The transferor's and transferee's federal tax identification numbers;
- (6) Consideration paid by the transferee for the transfer; and,
- (7) Such other information as the Commission may require.

(d) Failure to comply with all transfer notification requirements contained in this section and subsection (d) of section 12-217II of the Connecticut General Statutes shall result in the disallowance of the tax credit transfer until such time as the Commission determines that the transferor and transferee are in full compliance. The Commission shall provide notice to the Commissioner of any such disallowance and subsequent allowance of the tax credit transfer, if requested by the Commissioner.

(e) Failure to comply with the time limitation for notice to the Commission of such transfer in subsection (b) of this section and subsection (d) of section 12-217II of the Connecticut General Statutes shall result in the disallowance of such tax credit transfer unless the Commission determines that such failure was for good cause shown.

(f) In the event that a tax credit voucher is sold, assigned or otherwise transferred to a business entity that is treated as a pass-through entity for federal income tax purposes, the tax credits evidenced by such tax credit voucher shall not be deemed to be allocated or otherwise transferred to any partner, member, shareholder or other equity owner of such transferee (notwithstanding any provision of the governing documents of such entity), and such tax credits shall only be transferred to any such partner, member, shareholder or other equity owner by sale, assignment or other transfer of the tax credit voucher evidencing such tax credits in the manner provided for in this section, subject to the limitation that no tax credit voucher or any fractional part thereof may be assigned or otherwise transferred, in whole or in part, more than three times.

(Adopted effective February 5, 2009)