

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 296
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Clearance Expenses” and substitute “Clearances – Employer Costs”; in line 5, after “clearances” insert “and to construct or renovate certain sensitive compartmented information facilities”; strike beginning with “requiring” in line 5 down through “certificates” in line 9, and substitute “providing for applications to the Department of Business and Economic Development for approval of the credit and certification by the Department to taxpayers of approved credit amounts; limiting the total amount of credits that the Department may approve for any calendar year to a certain amount; requiring the Department to approve a prorated credit for each applicant if the total amount applied for exceeds the maximum that may be approved; requiring certain individuals or certain corporations to file amended tax returns in a certain manner to claim a certain tax credit”; strike beginning with “providing” in line 9 down through “years,” in line 21; and in line 26, strike “incurred to obtain” and substitute “related to”.

AMENDMENT NO. 2

On page 2, strike beginning with “THE” in line 23 down through “CLEARANCE” in line 24 and substitute “COSTS, AS DEFINED UNDER § 10-731 OF THIS TITLE, FOR SECURITY CLEARANCE ADMINISTRATIVE EXPENSES AND CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE A SENSITIVE COMPARTMENTED INFORMATION FACILITY”; in line 24, strike the first “THE” and substitute “AN”; and in line 25, strike “CERTIFICATE”.

On page 3, in line 5, strike beginning with “INCURRED” through “CLEARANCE” and substitute “FOR SECURITY CLEARANCE ADMINISTRATIVE EXPENSES AND”

(Over)

CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR
RENOVATE A SENSITIVE COMPARTMENTED INFORMATION FACILITY”.

AMENDMENT NO. 3

On page 3, after line 8, insert:

“(2) “COSTS” MEANS THE COSTS TO AN INDIVIDUAL OR
CORPORATION FOR:

(I) SECURITY CLEARANCE ADMINISTRATIVE EXPENSES
INCURRED WITH REGARD TO AN EMPLOYEE IN THE STATE INCLUDING, BUT NOT
LIMITED TO:

1. PROCESSING APPLICATION REQUESTS FOR
CLEARANCES FOR EMPLOYEES IN THE STATE;

2. MAINTAINING, UPGRADING, OR INSTALLING
COMPUTER SYSTEMS IN THE STATE REQUIRED TO OBTAIN FEDERAL SECURITY
CLEARANCES; AND

3. TRAINING EMPLOYEES IN THE STATE TO
ADMINISTER THE APPLICATION PROCESS; AND

(II) CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO
CONSTRUCT OR RENOVATE A SENSITIVE COMPARTMENTED INFORMATION
FACILITY (“SCIF”) LOCATED IN THE STATE AS REQUIRED BY THE FEDERAL
GOVERNMENT.”;

in line 9, strike “(2)” and substitute “(3)”; strike in their entirety lines 11 through 13, inclusive; and strike in their entirety lines 16 through 32, inclusive, and substitute:

“(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2012, BUT BEFORE JANUARY 1, 2019, AN INDIVIDUAL OR A CORPORATION MAY CLAIM CREDITS AGAINST THE STATE INCOME TAX FOR:

(1) SECURITY CLEARANCE ADMINISTRATIVE EXPENSES, NOT TO EXCEED \$100,000; AND

(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE A SINGLE SCIF IN AN AMOUNT EQUAL TO THE LESSER OF 50% OF THE COSTS OR \$100,000.

(II) THE TOTAL AMOUNT OF CONSTRUCTION AND EQUIPMENT COSTS INCURRED TO CONSTRUCT OR RENOVATE MULTIPLE SCIFs FOR WHICH AN INDIVIDUAL OR A CORPORATION IS ELIGIBLE TO CLAIM AS A CREDIT AGAINST THE STATE INCOME TAX IS \$250,000.

(C) (1) BY SEPTEMBER 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE COSTS WERE INCURRED, AN INDIVIDUAL OR A CORPORATION SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT FOR THE CREDITS ALLOWED UNDER SUBSECTION (B)(1) AND (2) OF THIS SECTION.

(2) (I) THE TOTAL AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED \$2,000,000 FOR ANY CALENDAR YEAR.

(Over)

(II) IF THE TOTAL AMOUNT OF CREDITS APPLIED FOR BY ALL INDIVIDUALS AND CORPORATIONS UNDER SUBSECTION (B) OF THIS SECTION EXCEEDS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT SHALL APPROVE A CREDIT UNDER SUBSECTION (B) OF THIS SECTION FOR EACH APPLICANT IN AN AMOUNT EQUAL TO THE PRODUCT OF MULTIPLYING THE CREDIT APPLIED FOR BY THE APPLICANT TIMES A FRACTION:

1. THE NUMERATOR OF WHICH IS THE MAXIMUM SPECIFIED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH; AND

2. THE DENOMINATOR OF WHICH IS THE TOTAL OF ALL CREDITS APPLIED FOR BY ALL APPLICANTS UNDER SUBSECTION (B) OF THIS SECTION IN THE CALENDAR YEAR.

(3) BY DECEMBER 15 OF THE CALENDAR YEAR FOLLOWING THE END OF THE TAXABLE YEAR IN WHICH THE COSTS WERE INCURRED, THE DEPARTMENT SHALL CERTIFY TO THE INDIVIDUAL OR CORPORATION THE AMOUNT OF TAX CREDITS APPROVED BY THE DEPARTMENT FOR THE INDIVIDUAL OR CORPORATION UNDER THIS SECTION.

(4) TO CLAIM THE APPROVED CREDITS ALLOWED UNDER THIS SECTION, AN INDIVIDUAL OR A CORPORATION SHALL:

(I) FILE AN AMENDED INCOME TAX RETURN FOR THE TAXABLE YEAR IN WHICH THE COSTS WERE INCURRED; AND

**(II) ATTACH A COPY OF THE DEPARTMENT'S
CERTIFICATION OF THE APPROVED CREDIT AMOUNT TO THE AMENDED INCOME
TAX RETURN.**

On page 4, strike in their entirety lines 1 and 2, inclusive; in line 3, strike “(C)” and substitute “(D)”; in the same line, strike beginning with “(1)” in line 3 down through “(2)” in line 7; and strike in their entirety lines 12 through 33, inclusive.

On page 5, strike in their entirety lines 1 through 13, inclusive; in lines 14 and 17, strike “(F)” and “(G)” respectively, and substitute “(E)” and “(F)” respectively; in line 16, strike beginning with “AND” through “CREDIT”; in line 20, strike beginning with “CREDIT” through “ISSUED” and substitute “CREDITS CERTIFIED”; in the same line, strike “FISCAL” and substitute “CALENDAR”; and strike beginning with “, and” in line 22 down through “2011” in line 23.