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**CITY OF DANBURY**  
**155 DEER HILL AVENUE**  
**DANBURY, CONNECTICUT 06810**

**DAVID W. ST. HILAIRE**  
**DIRECTOR FINANCE**

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**MEMORANDUM**

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**TO:** MARK D. BOUGHTON, VIA THE CITY COUNCIL  
**FROM:** DAVID W. ST. HILAIRE, DIRECTOR OF FINANCE *DWS*  
**SUBJECT:** RESOLUTION – 2014 NEIGHBORHOOD ASSISTANCE ACT  
**DATE:** 3/17/2014

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Attached for your review is a resolution that will allow local non-profit agencies, through the City of Danbury, to apply for and accept funding from the State of Connecticut Department of Revenue Services. This funding is provided through the Connecticut Neighborhood Assistance Act and will be in the form of tax credits for businesses that contribute to community programs. There is no local match required.

Please note that a public hearing is required by the State of Connecticut before this resolution can be adopted. As applications are still being accepted by the City, a list of funding requests will be provided to the City Council prior to a public hearing date to be determined.

Please include this item on the April 2014 City Council agenda and refer to a public hearing. Thank you.

DWS/sk

13-1



# RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

\_\_\_\_\_ A.D. 2014

**RESOLVED** BY THE CITY COUNCIL OF THE CITY OF DANBURY

**WHEREAS**, the Connecticut Neighborhood Assistance Act Program ("Act") is available for area non profits to submit applications for funding; and

**WHEREAS**, the Act provides tax credits for businesses which contribute to community programs having received both municipal and state approval; and

**WHEREAS**, certain local and area organizations will apply through the City of Danbury for such tax credits; and

**WHEREAS**, no local matching funds are required.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City of Danbury through its City Council, hereby approves, subject to a public hearing as required by law, those organizations who will apply for participation in the Neighborhood Assistance Program, and authorize Mark D. Boughton, Mayor of the City of Danbury to take such actions as may be necessary for the accomplishment of the purposes hereof.

13-2



25 Sigourney Street  
Hartford CT 06106-5032

INFORMATIONAL PUBLICATION

**The Connecticut Neighborhood Assistance Act Tax Credit Program**

**Purpose:** This Informational Publication explains the Connecticut Neighborhood Assistance Act (NAA) Tax Credit Program

**Effective Date:** upon issuance.

**Statutory Authority:** Conn. Gen. Stat. §12-630aa et. seq.

**Definitions:** For purposes of the NAA tax credit program:

**Business firm** means any business entity authorized to do business in the state and subject to the tax due under the provisions of Chapter 207, 208, 209, 210, 211, 212 or 213a. For purposes of a business entity subject to the provisions of Chapter 213a, the tax credit earned by such entity may be used by the members or partners of such entity that are subject to the Corporation Business tax under Chapter 208.

**Donation of money to an open space acquisition fund** means money contributed to an open space acquisition fund of any political subdivision of the state or any nonprofit land conservation organization.

The money must be used for the purchase of land, interest in land, or permanent conservation restriction on land to be permanently preserved as protected open space.

**Energy conservation projects** means programs to promote energy conservation that are directed toward properties where at least 75% of occupants are at an income level not exceeding 150% of the poverty level for the year immediately preceding the year during which the tax credit is to be granted or at properties owned or occupied by charitable corporations, foundations, trusts, or other entities. Such projects include, but are not limited to:

- Energy conserving modification or replacement of windows and doors;
- Caulking and weather-stripping;
- Insulation;
- Automatic energy control systems;

- Hot water systems;
- Equipment required to operate variable steam, hydraulic, and ventilating systems;
- Replacement of burners, furnaces, or boilers;
- Electrical or mechanical furnace ignition systems; or
- Replacement or modification of lighting fixtures.

**The Connecticut Neighborhood Assistance Act Tax Credit Program:** The NAA Tax Credit Program provides a tax credit to business firms that make cash investments in qualifying community programs conducted by tax exempt or municipal agencies. Such tax credit may be applied against the taxes due under the provisions of chapter 207, 208, 209, 210, 211, or 212. The community programs must be approved by both the municipality in which the programs are conducted and by the Department of Revenue Services (DRS).

**Community Programs That Qualify for the NAA Tax Credit Program:** Listed below are examples of the types of programs that qualify for the NAA tax credit and the amount of the available credit.

A tax credit equal to 100% of the cash invested is available to business firms that invest in energy conservation projects.

A tax credit equal to 60% of the cash invested is available to business firms that invest in programs that provide:

- Neighborhood assistance;
- Job training;
- Education;
- Community services;
- Crime prevention;
- Construction or rehabilitation of dwelling units for families of low and moderate income in the state;
- Donation of money to an open space acquisition fund;
- Child day care facilities;
- Child care services;