



**AN ACT DEFERRING THE PHASE-DOWN OF THE GIFT TAX AND THE SALES AND USE TAX ON COMPUTER AND DATA PROCESSING SERVICES AND DEFERRING THE INCREASE IN THE SINGLES EXEMPTION UNDER THE INCOME TAX.**

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

1 Section 1. Section 12-642 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage and*  
3 *applicable to income years commencing on or after January 1, 2002*):

4 (a) (1) With respect to calendar years commencing prior to January  
5 1, 2001, the tax imposed by section 12-640 for the calendar year shall be  
6 at a rate of the taxable gifts made by the donor during the calendar  
7 year set forth in the following schedule:

T1	Amount of Taxable Gifts	Rate of Tax
T2	Not over \$25,000	1%
T3	Over \$25,000	\$250, plus 2% of the excess
T4	but not over \$50,000	over \$25,000
T5	Over \$50,000	\$750, plus 3% of the excess
T6	but not over \$75,000	over \$50,000
T7	Over \$75,000	\$1,500, plus 4% of the excess
T8	but not over \$100,000	over \$75,000
T9	Over \$100,000	\$2,500, plus 5% of the excess

T10	but not over \$200,000	over \$100,000
T11	Over \$200,000	\$7,500, plus 6% of the excess
T12		over \$200,000

8       (2) With respect to the calendar [year] years commencing January 1,  
 9       2001, January 1, 2002, and January 1, 2003, the tax imposed by section  
 10      12-640 for [the] each such calendar year shall be at a rate of the taxable  
 11      gifts made by the donor during the calendar year set forth in the  
 12      following schedule:

T13	Amount of Taxable Gifts	Rate of Tax
T14	Over \$25,000	\$250, plus 2% of the excess
T15	but not over \$50,000	over \$25,000
T16	Over \$50,000	\$750, plus 3% of the excess
T17	but not over \$75,000	over \$50,000
T18	Over \$75,000	\$1,500, plus 4% of the excess
T19	but not over \$100,000	over \$75,000
T20	Over \$100,000	\$2,500, plus 5% of the excess
T21	but not over \$675,000	over \$100,000
T22	Over \$675,000	\$31,250, plus 6% of the excess
T23		over \$675,000

13       (3) With respect to the calendar year commencing January 1, [2002]  
 14      2004, the tax imposed by section 12-640 for the calendar year shall be at  
 15      a rate of the taxable gifts made by the donor during the calendar year  
 16      set forth in the following schedule:

T24	Amount of Taxable Gifts	Rate of Tax
T25	Over \$50,000	\$750, plus 3% of the excess
T26	but not over \$75,000	over \$50,000
T27	Over \$75,000	\$1,500, plus 4% of the excess

T28	but not over \$100,000	over \$75,000
T29	Over \$100,000	\$2,500, plus 5% of the excess
T30	but not over \$700,000	over \$100,000
T31	Over \$700,000	\$32,500, plus 6% of the excess
T32		over \$700,000

17 (4) With respect to the calendar year commencing January 1, [2003]  
18 2005, the tax imposed by section 12-640 for the calendar year shall be at  
19 a rate of the taxable gifts made by the donor during the calendar year  
20 set forth in the following schedule:

T33	Amount of Taxable Gifts	Rate of Tax
T34	Over \$75,000	\$1,500, plus 4% of the excess
T35	but not over \$100,000	over \$75,000
T36	Over \$100,000	\$2,500, plus 5% of the excess
T37	but not over \$700,000	over \$100,000
T38	Over \$700,000	\$32,500, plus 6% of the excess
T39		over \$700,000

21 (5) With respect to the calendar year commencing January 1, [2004]  
22 2006, the tax imposed by section 12-640 for the calendar year shall be at  
23 a rate of the taxable gifts made by the donor during the calendar year  
24 set forth in the following schedule:

T40	Amount of Taxable Gifts	Rate of Tax
T41	Over \$100,000	\$2,500, plus 5% of the excess
T42	but not over \$850,000	over \$100,000
T43	Over \$850,000	\$40,000, plus 6% of the excess
T44		over \$850,000

25 (6) With respect to the calendar year commencing January 1, [2005]  
 26 2007, the tax imposed by section 12-640 for the calendar year shall be at  
 27 a rate of the taxable gifts made by the donor during the calendar year  
 28 set forth in the following schedule:

T45	Amount of Taxable Gifts	Rate of Tax
T46	Over \$950,000	\$45,000, plus 6% of the excess
T47		over \$950,000

29 (7) With respect to the calendar year commencing January 1, [2006]  
 30 2008, and each calendar year thereafter, the tax imposed by section 12-  
 31 640 for the calendar year shall be at a rate of the taxable gifts made by  
 32 the donor during the calendar year set forth in the following schedule:

T48	Amount of Taxable Gifts	Rate of Tax
T49	Over \$1,000,000	\$47,500, plus 6% of the excess
T50		over \$1,000,000

33 (b) The tax imposed by section 12-640 shall be paid by the donor. If  
 34 the gift tax is not paid when due the donee of any gift shall be  
 35 personally liable for the tax to the extent of the value of the gift.

36 Sec. 2. Subsection (a) of section 12-702 of the general statutes is  
 37 repealed and the following is substituted in lieu thereof (*Effective from*  
 38 *passage and applicable to taxable years commencing on or after January 1,*  
 39 *2002*):

40 (a) (1) (A) Any person, other than a trust or estate, subject to the tax  
 41 under this chapter for any taxable year who files under the federal  
 42 income tax for such taxable year as a married individual filing  
 43 separately or, for taxable years commencing prior to January 1, 2000,  
 44 who files income tax for such taxable year as an unmarried individual

45 shall be entitled to a personal exemption of twelve thousand dollars in  
46 determining Connecticut taxable income for purposes of this chapter.

47 (B) In the case of any such taxpayer whose Connecticut adjusted  
48 gross income for the taxable year exceeds twenty-four thousand  
49 dollars, the exemption amount shall be reduced by one thousand  
50 dollars for each one thousand dollars, or fraction thereof, by which the  
51 taxpayer's Connecticut adjusted gross income for the taxable year  
52 exceeds said amount. In no event shall the reduction exceed one  
53 hundred per cent of the exemption.

54 (2) For taxable years commencing on or after January 1, 2000, any  
55 person, other than a trust or estate, subject to the tax under this chapter  
56 for any taxable year who files under the federal income tax for such  
57 taxable year as an unmarried individual shall be entitled to a personal  
58 exemption in determining Connecticut taxable income for purposes of  
59 this chapter as follows:

60 (A) For taxable years commencing on or after January 1, 2000, but  
61 prior to January 1, 2001, twelve thousand two hundred fifty dollars. In  
62 the case of any such taxpayer whose Connecticut adjusted gross  
63 income for the taxable year exceeds twenty-four thousand five  
64 hundred dollars, the exemption amount shall be reduced by one  
65 thousand dollars for each one thousand dollars, or fraction thereof, by  
66 which the taxpayer's Connecticut adjusted gross income for the taxable  
67 year exceeds said amount. In no event shall the reduction exceed one  
68 hundred per cent of the exemption;

69 (B) For taxable years commencing on or after January 1, 2001, but  
70 prior to January 1, [2002] 2004, twelve thousand five hundred dollars.  
71 In the case of any such taxpayer whose Connecticut adjusted gross  
72 income for the taxable year exceeds twenty-five thousand dollars, the  
73 exemption amount shall be reduced by one thousand dollars for each  
74 one thousand dollars, or fraction thereof, by which the taxpayer's  
75 Connecticut adjusted gross income for the taxable year exceeds said  
76 amount. In no event shall the reduction exceed one hundred per cent

77 of the exemption;

78 (C) For taxable years commencing on or after January 1, [2002] 2004,  
79 but prior to January 1, [2003] 2005, twelve thousand seven hundred  
80 fifty dollars. In the case of any such taxpayer whose Connecticut  
81 adjusted gross income for the taxable year exceeds twenty-five  
82 thousand five hundred dollars, the exemption amount shall be  
83 reduced by one thousand dollars for each one thousand dollars, or  
84 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
85 income for the taxable year exceeds said amount. In no event shall the  
86 reduction exceed one hundred per cent of the exemption;

87 (D) For taxable years commencing on or after January 1, [2003] 2005,  
88 but prior to January 1, [2004] 2006, thirteen thousand dollars. In the  
89 case of any such taxpayer whose Connecticut adjusted gross income  
90 for the taxable year exceeds twenty-six thousand dollars, the  
91 exemption amount shall be reduced by one thousand dollars for each  
92 one thousand dollars, or fraction thereof, by which the taxpayer's  
93 Connecticut adjusted gross income for the taxable year exceeds said  
94 amount. In no event shall the reduction exceed one hundred per cent  
95 of the exemption;

96 (E) For taxable years commencing on or after January 1, [2004] 2006,  
97 but prior to January 1, [2005] 2007, thirteen thousand five hundred  
98 dollars. In the case of any such taxpayer whose Connecticut adjusted  
99 gross income for the taxable year exceeds twenty-seven thousand  
100 dollars, the exemption amount shall be reduced by one thousand  
101 dollars for each one thousand dollars, or fraction thereof, by which the  
102 taxpayer's Connecticut adjusted gross income for the taxable year  
103 exceeds said amount. In no event shall the reduction exceed one  
104 hundred per cent of the exemption;

105 (F) For taxable years commencing on or after January 1, [2005] 2007,  
106 but prior to January 1, [2006] 2008, fourteen thousand dollars. In the  
107 case of any such taxpayer whose Connecticut adjusted gross income  
108 for the taxable year exceeds twenty-eight thousand dollars, the

109 exemption amount shall be reduced by one thousand dollars for each  
110 one thousand dollars, or fraction thereof, by which the taxpayer's  
111 Connecticut adjusted gross income for the taxable year exceeds said  
112 amount. In no event shall the reduction exceed one hundred per cent  
113 of the exemption;

114 (G) For taxable years commencing on or after January 1, [2006] 2008,  
115 but prior to January 1, [2007] 2009, fourteen thousand five hundred  
116 dollars. In the case of any such taxpayer whose Connecticut adjusted  
117 gross income for the taxable year exceeds twenty-nine thousand  
118 dollars, the exemption amount shall be reduced by one thousand  
119 dollars for each one thousand dollars, or fraction thereof, by which the  
120 taxpayer's Connecticut adjusted gross income for the taxable year  
121 exceeds said amount. In no event shall the reduction exceed one  
122 hundred per cent of the exemption;

123 (H) For taxable years commencing on or after January 1, [2007] 2009,  
124 fifteen thousand dollars. In the case of any such taxpayer whose  
125 Connecticut adjusted gross income for the taxable year exceeds thirty  
126 thousand dollars, the exemption amount shall be reduced by one  
127 thousand dollars for each one thousand dollars, or fraction thereof, by  
128 which the taxpayer's Connecticut adjusted gross income for the taxable  
129 year exceeds said amount. In no event shall the reduction exceed one  
130 hundred per cent of the exemption.

131 Sec. 3. Subdivision (2) of subsection (a) of section 12-703 of the  
132 general statutes is repealed and the following is substituted in lieu  
133 thereof (*Effective from passage and applicable to taxable years commencing*  
134 *on or after January 1, 2002*):

135 (2) For taxable years commencing on or after January 1, 2000, any  
136 person, other than a trust or estate, subject to the tax under this chapter  
137 for any taxable year who files under the federal income tax for such  
138 taxable year as an unmarried individual shall be entitled to a credit in  
139 determining the amount of tax liability for purposes of this chapter in  
140 accordance with the following schedule:

141 (A) For taxable years commencing on or after January 1, 2000, but  
142 prior to January 1, 2001:

T51	Connecticut	
T52	Adjusted Gross Income	Amount of Credit
T53	Over \$12,250 but	
T54	not over \$15,300	75%
T55	Over \$15,300 but	
T56	not over \$15,800	70%
T57	Over \$15,800 but	
T58	not over \$16,300	65%
T59	Over \$16,300 but	
T60	not over \$16,800	60%
T61	Over \$16,800 but	
T62	not over \$17,300	55%
T63	Over \$17,300 but	
T64	not over \$17,800	50%
T65	Over \$17,800 but	
T66	not over \$18,300	45%
T67	Over \$18,300 but	
T68	not over \$18,800	40%
T69	Over \$18,800 but	
T70	not over \$20,400	35%
T71	Over \$20,400 but	
T72	not over \$20,900	30%
T73	Over \$20,900 but	
T74	not over \$21,400	25%
T75	Over \$21,400 but	
T76	not over \$21,900	20%
T77	Over \$21,900 but	
T78	not over \$25,500	15%
T79	Over \$25,500 but	
T80	not over \$26,000	14%

T81	Over \$26,000 but	
T82	not over \$26,500	13%
T83	Over \$26,500 but	
T84	not over \$27,000	12%
T85	Over \$27,000 but	
T86	not over \$27,500	11%
T87	Over \$27,500 but	
T88	not over \$49,000	10%
T89	Over \$49,000 but	
T90	not over \$49,500	9%
T91	Over \$49,500 but	
T92	not over \$50,000	8%
T93	Over \$50,000 but	
T94	not over \$50,500	7%
T95	Over \$50,500 but	
T96	not over \$51,000	6%
T97	Over \$51,000 but	
T98	not over \$51,500	5%
T99	Over \$51,500 but	
T100	not over \$52,000	4%
T101	Over \$52,000 but	
T102	not over \$52,500	3%
T103	Over \$52,500 but	
T104	not over \$53,000	2%
T105	Over \$53,000 but	
T106	not over \$53,500	1%

143 (B) For taxable years commencing on or after January 1, 2001, but  
 144 prior to January 1, [2002] 2004:

T107	Connecticut	
T108	Adjusted Gross Income	Amount of Credit
T109	Over \$12,500 but	

T110	not over \$15,600	75%
T111	Over \$15,600 but	
T112	not over \$16,100	70%
T113	Over \$16,100 but	
T114	not over \$16,600	65%
T115	Over \$16,600 but	
T116	not over \$17,100	60%
T117	Over \$17,100 but	
T118	not over \$17,600	55%
T119	Over \$17,600 but	
T120	not over \$18,100	50%
T121	Over \$18,100 but	
T122	not over \$18,600	45%
T123	Over \$18,600 but	
T124	not over \$19,100	40%
T125	Over \$19,100 but	
T126	not over \$20,800	35%
T127	Over \$20,800 but	
T128	not over \$21,300	30%
T129	Over \$21,300 but	
T130	not over \$21,800	25%
T131	Over \$21,800 but	
T132	not over \$22,300	20%
T133	Over \$22,300 but	
T134	not over \$26,000	15%
T135	Over \$26,000 but	
T136	not over \$26,500	14%
T137	Over \$26,500 but	
T138	not over \$27,000	13%
T139	Over \$27,000 but	
T140	not over \$27,500	12%
T141	Over \$27,500 but	
T142	not over \$28,000	11%
T143	Over \$28,000 but	
T144	not over \$50,000	10%

T145	Over \$50,000 but	
T146	not over \$50,500	9%
T147	Over \$50,500 but	
T148	not over \$51,000	8%
T149	Over \$51,000 but	
T150	not over \$51,500	7%
T151	Over \$51,500 but	
T152	not over \$52,000	6%
T153	Over \$52,000 but	
T154	not over \$52,500	5%
T155	Over \$52,500 but	
T156	not over \$53,000	4%
T157	Over \$53,000 but	
T158	not over \$53,500	3%
T159	Over \$53,500 but	
T160	not over \$54,000	2%
T161	Over \$54,000 but	
T162	not over \$54,500	1%

145       (C) For taxable years commencing on or after January 1, [2002] 2004,  
146       but prior to January 1, [2003] 2005:

T163	Connecticut	
T164	Adjusted Gross Income	Amount of Credit
T165	Over \$12,750 but	
T166	not over \$15,900	75%
T167	Over \$15,900 but	
T168	not over \$16,400	70%
T169	Over \$16,400 but	
T170	not over \$16,900	65%
T171	Over \$16,900 but	
T172	not over \$17,400	60%
T173	Over \$17,400 but	

T174	not over \$17,900	55%
T175	Over \$17,900 but	
T176	not over \$18,400	50%
T177	Over \$18,400 but	
T178	not over \$18,900	45%
T179	Over \$18,900 but	
T180	not over \$19,400	40%
T181	Over \$19,400 but	
T182	not over \$21,300	35%
T183	Over \$21,300 but	
T184	not over \$21,800	30%
T185	Over \$21,800 but	
T186	not over \$22,300	25%
T187	Over \$22,300 but	
T188	not over \$22,800	20%
T189	Over \$22,800 but	
T190	not over \$26,600	15%
T191	Over \$26,600 but	
T192	not over \$27,100	14%
T193	Over \$27,100 but	
T194	not over \$27,600	13%
T195	Over \$27,600 but	
T196	not over \$28,100	12%
T197	Over \$28,100 but	
T198	not over \$28,600	11%
T199	Over \$28,600 but	
T200	not over \$51,000	10%
T201	Over \$51,000 but	
T202	not over \$51,500	9%
T203	Over \$51,500 but	
T204	not over \$52,000	8%
T205	Over \$52,000 but	
T206	not over \$52,500	7%
T207	Over \$52,500 but	
T208	not over \$53,000	6%

T209	Over \$53,000 but	
T210	not over \$53,500	5%
T211	Over \$53,500 but	
T212	not over \$54,000	4%
T213	Over \$54,000 but	
T214	not over \$54,500	3%
T215	Over \$54,500 but	
T216	not over \$55,000	2%
T217	Over \$55,000 but	
T218	not over \$55,500	1%

147       (D) For taxable years commencing on or after January 1, [2003] 2005,  
 148       but prior to January 1, [2004] 2006:

T219	Connecticut	
T220	Adjusted Gross Income	Amount of Credit
T221	Over \$13,000 but	
T222	not over \$16,300	75%
T223	Over \$16,300 but	
T224	not over \$16,800	70%
T225	Over \$16,800 but	
T226	not over \$17,300	65%
T227	Over \$17,300 but	
T228	not over \$17,800	60%
T229	Over \$17,800 but	
T230	not over \$18,300	55%
T231	Over \$18,300 but	
T232	not over \$18,800	50%
T233	Over \$18,800 but	
T234	not over \$19,300	45%
T235	Over \$19,300 but	
T236	not over \$19,800	40%
T237	Over \$19,800 but	

T238	not over \$21,700	35%
T239	Over \$21,700 but	
T240	not over \$22,200	30%
T241	Over \$22,200 but	
T242	not over \$22,700	25%
T243	Over \$22,700 but	
T244	not over \$23,200	20%
T245	Over \$23,200 but	
T246	not over \$27,100	15%
T247	Over \$27,100 but	
T248	not over \$27,600	14%
T249	Over \$27,600 but	
T250	not over \$28,100	13%
T251	Over \$28,100 but	
T252	not over \$28,600	12%
T253	Over \$28,600 but	
T254	not over \$29,100	11%
T255	Over \$29,100 but	
T256	not over \$52,000	10%
T257	Over \$52,000 but	
T258	not over \$52,500	9%
T259	Over \$52,500 but	
T260	not over \$53,000	8%
T261	Over \$53,000 but	
T262	not over \$53,500	7%
T263	Over \$53,500 but	
T264	not over \$54,000	6%
T265	Over \$54,000 but	
T266	not over \$54,500	5%
T267	Over \$54,500 but	
T268	not over \$55,000	4%
T269	Over \$55,000 but	
T270	not over \$55,500	3%
T271	Over \$55,500 but	
T272	not over \$56,000	2%

T273	Over \$56,000 but	
T274	not over \$56,500	1%

149       (E) For taxable years commencing on or after January 1, [2004] 2006,  
 150       but prior to January 1, [2005] 2007:

	Connecticut Adjusted Gross Income	Amount Of Credit
T275	Over \$13,500 but	
T276	not over \$16,900	75%
T277	Over \$16,900 but	
T278	not over \$17,400	70%
T279	Over \$17,400 but	
T280	not over \$17,900	65%
T281	Over \$17,900 but	
T282	not over \$18,400	60%
T283	Over \$18,400 but	
T284	not over \$18,900	55%
T285	Over \$18,900 but	
T286	not over \$19,400	50%
T287	Over \$19,400 but	
T288	not over \$19,900	45%
T289	Over \$19,900 but	
T290	not over \$20,400	40%
T291	Over \$20,400 but	
T292	not over \$22,500	35%
T293	Over \$22,500 but	
T294	not over \$23,000	30%
T295	Over \$23,000 but	
T296	not over \$23,500	25%
T297	Over \$23,500 but	
T298	not over \$24,000	20%
T299	Over \$24,000 but	
T300	not over \$24,000	20%
T301	Over \$24,000 but	

T302	not over \$28,100	15%
T303	Over \$28,100 but	
T304	not over \$28,600	14%
T305	Over \$28,600 but	
T306	not over \$29,100	13%
T307	Over \$29,100 but	
T308	not over \$29,600	12%
T309	Over \$29,600 but	
T310	not over \$30,100	11%
T311	Over \$30,100 but	
T312	not over \$54,000	10%
T313	Over \$54,000 but	
T314	not over \$54,500	9%
T315	Over \$54,500 but	
T316	not over \$55,000	8%
T317	Over \$55,000 but	
T318	not over \$55,500	7%
T319	Over \$55,500 but	
T320	not over \$56,000	6%
T321	Over \$56,000 but	
T322	not over \$56,500	5%
T323	Over \$56,500 but	
T324	not over \$57,000	4%
T325	Over \$57,000 but	
T326	not over \$57,500	3%
T327	Over \$57,500 but	
T328	not over \$58,000	2%
T329	Over \$58,000 but	
T330	not over \$58,500	1%

151 (F) For taxable years commencing on or after January 1, [2005] 2007,  
152 but prior to January 1, [2006] 2008:

	Connecticut	
T331	Adjusted Gross Income	Amount of Credit
T332	Over \$14,000 but	
T333	not over \$17,500	75%
T334	Over \$17,500 but	
T335	not over \$18,000	70%
T336	Over \$18,000 but	
T337	not over \$18,500	65%
T338	Over \$18,500 but	
T339	not over \$19,000	60%
T340	Over \$19,000 but	
T341	not over \$19,500	55%
T342	Over \$19,500 but	
T343	not over \$20,000	50%
T344	Over \$20,000 but	
T345	not over \$20,500	45%
T346	Over \$20,500 but	
T347	not over \$21,000	40%
T348	Over \$21,000 but	
T349	not over \$23,300	35%
T350	Over \$23,300 but	
T351	not over \$23,800	30%
T352	Over \$23,800 but	
T353	not over \$24,300	25%
T354	Over \$24,300 but	
T355	not over \$24,800	20%
T356	Over \$24,800 but	
T357	not over \$29,200	15%
T358	Over \$29,200 but	
T359	not over \$29,700	14%
T360	Over \$29,700 but	
T361	not over \$30,200	13%
T362	Over \$30,200 but	
T363	not over \$30,700	12%
T364	Over \$30,700 but	
T365		

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T366	not over \$31,200	11%
T367	Over \$31,200 but	
T368	not over \$56,000	10%
T369	Over \$56,000 but	
T370	not over \$56,500	9%
T371	Over \$56,500 but	
T372	not over \$57,000	8%
T373	Over \$57,000 but	
T374	not over \$57,500	7%
T375	Over \$57,500 but	
T376	not over \$58,000	6%
T377	Over \$58,000 but	
T378	not over \$58,500	5%
T379	Over \$58,500 but	
T380	not over \$59,000	4%
T381	Over \$59,000 but	
T382	not over \$59,500	3%
T383	Over \$59,500 but	
T384	not over \$60,000	2%
T385	Over \$60,000 but	
T386	not over \$60,500	1%

153       (G) For taxable years commencing on or after January 1, [2006] 2008,  
 154       but prior to January 1, [2007] 2009:

T387	Connecticut	
T388	Adjusted Gross Income	Amount of Credit
T389	Over \$14,500 but	
T390	not over \$18,100	75%
T391	Over \$18,100 but	
T392	not over \$18,600	70%
T393	Over \$18,600 but	
T394	not over \$19,100	65%

T395	Over \$19,100 but	
T396	not over \$19,600	60%
T397	Over \$19,600 but	
T398	not over \$20,100	55%
T399	Over \$20,100 but	
T400	not over \$20,600	50%
T401	Over \$20,600 but	
T402	not over \$21,100	45%
T403	Over \$21,100 but	
T404	not over \$21,600	40%
T405	Over \$21,600 but	
T406	not over \$24,200	35%
T407	Over \$24,200 but	
T408	not over \$24,700	30%
T409	Over \$24,700 but	
T410	not over \$25,200	25%
T411	Over \$25,200 but	
T412	not over \$25,700	20%
T413	Over \$25,700 but	
T414	not over \$30,200	15%
T415	Over \$30,200 but	
T416	not over \$30,700	14%
T417	Over \$30,700 but	
T418	not over \$31,200	13%
T419	Over \$31,200 but	
T420	not over \$31,700	12%
T421	Over \$31,700 but	
T422	not over \$32,200	11%
T423	Over \$32,200 but	
T424	not over \$58,000	10%
T425	Over \$58,000 but	
T426	not over \$58,500	9%
T427	Over \$58,500 but	
T428	not over \$59,000	8%
T429	Over \$59,000 but	

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T430	not over \$59,500	7%
T431	Over \$59,500 but	
T432	not over \$60,000	6%
T433	Over \$60,000 but	
T434	not over \$60,500	5%
T435	Over \$60,500 but	
T436	not over \$61,000	4%
T437	Over \$61,000 but	
T438	not over \$61,500	3%
T439	Over \$61,500 but	
T440	not over \$62,000	2%
T441	Over \$62,000 but	
T442	not over \$62,500	1%

155 (H) For taxable years commencing on or after January 1, [2007] 2009:

T443	Connecticut	
T444	Adjusted Gross Income	Amount of Credit
T445	Over \$15,000 but	
T446	not over \$18,800	75%
T447	Over \$18,800 but	
T448	not over \$19,300	70%
T449	Over \$19,300 but	
T450	not over \$19,800	65%
T451	Over \$19,800 but	
T452	not over \$20,300	60%
T453	Over \$20,300 but	
T454	not over \$20,800	55%
T455	Over \$20,800 but	
T456	not over \$21,300	50%
T457	Over \$21,300 but	
T458	not over \$21,800	45%
T459	Over \$21,800 but	

T460	not over \$22,300	40%
T461	Over \$22,300 but	
T462	not over \$25,000	35%
T463	Over \$25,000 but	
T464	not over \$25,500	30%
T465	Over \$25,500 but	
T466	not over \$26,000	25%
T467	Over \$26,000 but	
T468	not over \$26,500	20%
T469	Over \$26,500 but	
T470	not over \$31,300	15%
T471	Over \$31,300 but	
T472	not over \$31,800	14%
T473	Over \$31,800 but	
T474	not over \$32,300	13%
T475	Over \$32,300 but	
T476	not over \$32,800	12%
T477	Over \$32,800 but	
T478	not over \$33,300	11%
T479	Over \$33,300 but	
T480	not over \$60,000	10%
T481	Over \$60,000 but	
T482	not over \$60,500	9%
T483	Over \$60,500 but	
T484	not over \$61,000	8%
T485	Over \$61,000 but	
T486	not over \$61,500	7%
T487	Over \$61,500 but	
T488	not over \$62,000	6%
T489	Over \$62,000 but	
T490	not over \$62,500	5%
T491	Over \$62,500 but	
T492	not over \$63,000	4%
T493	Over \$63,000 but	
T494	not over \$63,500	3%

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T495	Over \$63,500 but	
T496	not over \$64,000	2%
T497	Over \$64,000 but	
T498	not over \$64,500	1%

156 Sec. 4. Subdivision (1) of subsection (c) of section 12-704c of the  
157 general statutes is repealed and the following is substituted in lieu  
158 thereof (*Effective from passage and applicable to taxable years commencing*  
159 *on or after January 1, 2002*):

160 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in  
161 the case of any such taxpayer who files under the federal income tax  
162 for such taxable year as an unmarried individual whose Connecticut  
163 adjusted gross income exceeds fifty-two thousand five hundred  
164 dollars, the amount of the credit that exceeds one hundred dollars shall  
165 be reduced by ten per cent for each ten thousand dollars, or fraction  
166 thereof, by which the taxpayer's Connecticut adjusted gross income  
167 exceeds said amount.

168 (B) For taxable years commencing on or after January 1, 2000, but  
169 prior to January 1, 2001, in the case of any such taxpayer who files  
170 under the federal income tax for such taxable year as an unmarried  
171 individual whose Connecticut adjusted gross income exceeds  
172 fifty-three thousand five hundred dollars, the amount of the credit that  
173 exceeds one hundred dollars shall be reduced by ten per cent for each  
174 ten thousand dollars, or fraction thereof, by which the taxpayer's  
175 Connecticut adjusted gross income exceeds said amount.

176 (C) For taxable years commencing on or after January 1, 2001, but  
177 prior to January 1, [2002] 2004, in the case of any such taxpayer who  
178 files under the federal income tax for such taxable year as an  
179 unmarried individual whose Connecticut adjusted gross income  
180 exceeds fifty-four thousand five hundred dollars, the amount of the  
181 credit that exceeds one hundred dollars shall be reduced by ten per  
182 cent for each ten thousand dollars, or fraction thereof, by which the

183 taxpayer's Connecticut adjusted gross income exceeds said amount.

184 (D) For taxable years commencing on or after January 1, [2002] 2004,  
185 but prior to January 1, [2003] 2005, in the case of any such taxpayer  
186 who files under the federal income tax for such taxable year as an  
187 unmarried individual whose Connecticut adjusted gross income  
188 exceeds fifty-five thousand five hundred dollars, the amount of the  
189 credit that exceeds one hundred dollars shall be reduced by ten per  
190 cent for each ten thousand dollars, or fraction thereof, by which the  
191 taxpayer's Connecticut adjusted gross income exceeds said amount.

192 (E) For taxable years commencing on or after January 1, [2003] 2005,  
193 but prior to January 1, [2004] 2006, in the case of any such taxpayer  
194 who files under the federal income tax for such taxable year as an  
195 unmarried individual whose Connecticut adjusted gross income  
196 exceeds fifty-six thousand five hundred dollars, the amount of the  
197 credit that exceeds one hundred dollars shall be reduced by ten per  
198 cent for each ten thousand dollars, or fraction thereof, by which the  
199 taxpayer's Connecticut adjusted gross income exceeds said amount.

200 (F) For taxable years commencing on or after January 1, [2004] 2006,  
201 but prior to January 1, [2005] 2007, in the case of any such taxpayer  
202 who files under the federal income tax for such taxable year as an  
203 unmarried individual whose Connecticut adjusted gross income  
204 exceeds fifty-eight thousand five hundred dollars, the amount of the  
205 credit that exceeds one hundred dollars shall be reduced by ten per  
206 cent for each ten thousand dollars, or fraction thereof, by which the  
207 taxpayer's Connecticut adjusted gross income exceeds said amount.

208 (G) For taxable years commencing on or after January 1, [2005] 2007,  
209 but prior to January 1, [2006] 2008, in the case of any such taxpayer  
210 who files under the federal income tax for such taxable year as an  
211 unmarried individual whose Connecticut adjusted gross income  
212 exceeds sixty thousand five hundred dollars, the amount of the credit  
213 that exceeds one hundred dollars shall be reduced by ten per cent for  
214 each ten thousand dollars, or fraction thereof, by which the taxpayer's

215 Connecticut adjusted gross income exceeds said amount.

216 (H) For taxable years commencing on or after January 1, [2006] 2008,  
217 but prior to January 1, [2007] 2009, in the case of any such taxpayer  
218 who files under the federal income tax for such taxable year as an  
219 unmarried individual whose Connecticut adjusted gross income  
220 exceeds sixty-two thousand five hundred dollars, the amount of the  
221 credit that exceeds one hundred dollars shall be reduced by ten per  
222 cent for each ten thousand dollars, or fraction thereof, by which the  
223 taxpayer's Connecticut adjusted gross income exceeds said amount.

224 (I) For taxable years commencing on or after January 1, [2007] 2009,  
225 in the case of any such taxpayer who files under the federal income tax  
226 for such taxable year as an unmarried individual whose Connecticut  
227 adjusted gross income exceeds sixty-four thousand five hundred  
228 dollars, the amount of the credit that exceeds one hundred dollars shall  
229 be reduced by ten per cent for each ten thousand dollars, or fraction  
230 thereof, by which the taxpayer's Connecticut adjusted gross income  
231 exceeds said amount.

232 Sec. 5. Subdivision (1) of section 12-408 of the general statutes, as  
233 amended by section 3 of public act 01-6 of the June special session, is  
234 repealed and the following is substituted in lieu thereof (*Effective from*  
235 *passage*):

236 (1) For the privilege of making any sales, as defined in subdivision  
237 (2) of section 12-407, as amended, at retail, in this state for a  
238 consideration, a tax is hereby imposed on all retailers at the rate of six  
239 per cent of the gross receipts of any retailer from the sale of all tangible  
240 personal property sold at retail or from the rendering of any services  
241 constituting a sale in accordance with subdivision (2) of section 12-407,  
242 as amended, except, in lieu of said rate of six per cent, (A) at a rate of  
243 twelve per cent with respect to each transfer of occupancy, from the  
244 total amount of rent received for such occupancy of any room or  
245 rooms in a hotel or lodging house for the first period not exceeding  
246 thirty consecutive calendar days, (B) with respect to the sale of a motor

247 vehicle to any individual who is a member of the armed forces of the  
248 United States and is on full-time active duty in Connecticut and who is  
249 considered, under 50 App USC 574, a resident of another state, or to  
250 any such individual and the spouse thereof, at a rate of four and  
251 one-half per cent of the gross receipts of any retailer from such sales,  
252 provided such retailer requires and maintains a declaration by such  
253 individual, prescribed as to form by the commissioner and bearing  
254 notice to the effect that false statements made in such declaration are  
255 punishable, or other evidence, satisfactory to the commissioner,  
256 concerning the purchaser's state of residence under 50 App USC 574,  
257 (C) (i) with respect to the sales of computer and data processing  
258 services occurring on or after July 1, 1997, and prior to July 1, 1998, at  
259 the rate of five per cent, on or after July 1, 1998, and prior to July 1,  
260 1999, at the rate of four per cent, on or after July 1, 1999, and prior to  
261 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and  
262 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,  
263 and prior to July 1, [2002] 2004, at the rate of one per cent and on and  
264 after July 1, [2002] 2004, such services shall be exempt from such tax,  
265 (ii) with respect to sales of Internet access services, on and after July 1,  
266 2001, such services shall be exempt from such tax, (D) with respect to  
267 the sales of labor that is otherwise taxable under subdivision (c) or (g)  
268 of subsection (2) of section 12-407, as amended, on existing vessels and  
269 repair or maintenance services on vessels occurring on and after July 1,  
270 1999, such services shall be exempt from such tax, (E) with respect to  
271 sales of the renovation and repair services of paving of any sort,  
272 painting or staining, wallpapering, roofing, siding and exterior sheet  
273 metal work, to other than industrial, commercial or income-producing  
274 real property, occurring on or after July 1, 1999, and prior to July 1,  
275 2000, at the rate of four per cent, with respect to such sales occurring  
276 on or after July 1, 2000, but prior to July 1, 2001, at the rate of two per  
277 cent, and on and after July 1, 2001, sales of such renovation and repair  
278 services shall be exempt from such tax, and (F) with respect to patient  
279 care services occurring on or after July 1, 1999, and prior to July 1,  
280 2001, and with respect to such services occurring on or after July 1,  
281 2003, at the rate of five and three-fourths per cent. The rate of tax

282 imposed by this chapter shall be applicable to all retail sales upon the  
283 effective date of such rate, except that a new rate which represents an  
284 increase in the rate applicable to the sale shall not apply to any sales  
285 transaction wherein a binding sales contract without an escalator  
286 clause has been entered into prior to the effective date of the new rate  
287 and delivery is made within ninety days after the effective date of the  
288 new rate. For the purposes of payment of the tax imposed under this  
289 section, any retailer of services taxable under subdivision (2)(i) of  
290 section 12-407, as amended, who computes taxable income, for  
291 purposes of taxation under the Internal Revenue Code of 1986, or any  
292 subsequent corresponding internal revenue code of the United States,  
293 as from time to time amended, on an accounting basis which  
294 recognizes only cash or other valuable consideration actually received  
295 as income and who is liable for such tax only due to the rendering of  
296 such services may make payments related to such tax for the period  
297 during which such income is received, without penalty or interest,  
298 without regard to when such service is rendered.

299 Sec. 6. Subdivision (1) of section 12-411 of the general statutes, as  
300 amended by sections 2 and 65 of public act 01-6 of the June special  
301 session, is repealed and the following is substituted in lieu thereof  
302 (*Effective from passage*):

303 (1) An excise tax is hereby imposed on the storage, acceptance,  
304 consumption or any other use in this state of tangible personal  
305 property purchased from any retailer for storage, acceptance,  
306 consumption or any other use in this state, the acceptance or receipt of  
307 any services constituting a sale in accordance with subdivision (2) of  
308 section 12-407, as amended, purchased from any retailer for  
309 consumption or use in this state, or the storage, acceptance,  
310 consumption or any other use in this state of tangible personal  
311 property which has been manufactured, fabricated, assembled or  
312 processed from materials by a person, either within or without this  
313 state, for storage, acceptance, consumption or any other use by such  
314 person in this state, to be measured by the sales price of materials, at  
315 the rate of six per cent of the sales price of such property or services,

316 except, in lieu of said rate of six per cent, (A) at a rate of twelve per  
317 cent of the rent paid for occupancy of any room or rooms in a hotel or  
318 lodging house for the first period of not exceeding thirty consecutive  
319 calendar days, (B) with respect to the storage, acceptance, consumption  
320 or use in this state of a motor vehicle purchased from any retailer for  
321 storage, acceptance, consumption or use in this state by any individual  
322 who is a member of the armed forces of the United States and is on  
323 full-time active duty in Connecticut and who is considered, under 50  
324 App USC 574, a resident of another state, or to any such individual  
325 and the spouse of such individual at a rate of four and one-half per  
326 cent of the sales price of such vehicle, provided such retailer requires  
327 and maintains a declaration by such individual, prescribed as to form  
328 by the commissioner and bearing notice to the effect that false  
329 statements made in such declaration are punishable, or other evidence,  
330 satisfactory to the commissioner, concerning the purchaser's state of  
331 residence under 50 App USC 574, (C) with respect to the acceptance or  
332 receipt in this state of labor that is otherwise taxable under subdivision  
333 (c) or (g) of subsection (2) of section 12-407, as amended, on existing  
334 vessels and repair or maintenance services on vessels occurring on and  
335 after July 1, 1999, such services shall be exempt from such tax, (D) (i)  
336 with respect to the acceptance or receipt in this state of computer and  
337 data processing services purchased from any retailer for consumption  
338 or use in this state occurring on or after July 1, 1997, and prior to July 1,  
339 1998, at the rate of five per cent of such services, on or after July 1,  
340 1998, and prior to July 1, 1999, at the rate of four per cent of such  
341 services, on or after July 1, 1999, and prior to July 1, 2000, at the rate of  
342 three per cent of such services, on or after July 1, 2000, and prior to July  
343 1, 2001, at the rate of two per cent of such services, on and after July 1,  
344 2001, and prior to July 1, [2002] 2004, at the rate of one per cent of such  
345 services and on and after July 1, [2002] 2004, such services shall be  
346 exempt from such tax, and (ii) with respect to the acceptance or receipt  
347 in this state of Internet access services, on or after July 1, 2001, such  
348 services shall be exempt from tax, (E) with respect to the acceptance or  
349 receipt in this state of patient care services purchased from any retailer  
350 for consumption or use in this state occurring on or after July 1, 1999,

351 and prior to July 1, 2001, and with respect to acceptance or receipt in  
 352 this state of such services occurring on or after July 1, 2003, at the rate  
 353 of five and three-fourths per cent, and (F) with respect to acceptance of  
 354 the renovation and repair services of paving of any sort, painting or  
 355 staining, wallpapering, roofing, siding and exterior sheet metal work,  
 356 to other than industrial, commercial or income-producing real  
 357 property, occurring on or after July 1, 1999, and prior to July 1, 2000, at  
 358 the rate of four per cent, with respect to such sales occurring on or after  
 359 July 1, 2000, and prior to July 1, 2001, at the rate of two per cent, and on  
 360 and after July 1, 2001, sales of such renovation and repair services shall  
 361 be exempt from such tax.

This act shall take effect as follows:	
Section 1	<i>from passage and applicable to income years commencing on or after January 1, 2002</i>
Sec. 2	<i>from passage and applicable to taxable years commencing on or after January 1, 2002</i>
Sec. 3	<i>from passage and applicable to taxable years commencing on or after January 1, 2002</i>
Sec. 4	<i>from passage and applicable to taxable years commencing on or after January 1, 2002</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>from passage</i>

**FIN**            *Joint Favorable Subst.*