



General Assembly

**Substitute Bill No. 498**

*February Session, 2002*

**AN ACT CREATING AN EARNED INCOME CREDIT AGAINST THE PERSONAL INCOME TAX.**

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

1 Section 1. (NEW) (*Effective from passage and applicable to taxable years*  
2 *commencing on or after January 1, 2003*) Any person who qualifies for and  
3 claims the earned income credit allowable under Section 32 of the  
4 Internal Revenue Code of 1986, or any subsequent corresponding  
5 internal revenue code of the United States, as from time to time  
6 amended, for any taxable year shall be entitled to a credit in determining  
7 the amount of tax liability under chapter 229 of the general statutes for  
8 such taxable year. The credit allowed under this section shall equal ten  
9 per cent of the credit allowed under Section 32 of said Internal Revenue  
10 Code for the taxable year. If the amount of the credit allowed under this  
11 section exceeds the taxpayer's liability, the Commissioner of Revenue  
12 Services shall treat such excess as an overpayment and shall pay the  
13 taxpayer the amount of such excess, without interest.

This act shall take effect as follows:	
Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2003</i>

**FIN** Joint Favorable Subst.