



General Assembly

February Session, 2002

**Raised Bill No. 611**

LCO No. 2594

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

**AN ACT CONCERNING REVENUE ENHANCEMENTS.**

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

1 Section 1. (*Effective from passage*) (a) The definitions provided for in  
2 section 12-701 of the general statutes, as amended, and the provisions  
3 of chapter 229 of the general statutes shall apply to the computation  
4 and collection of the tax imposed under this section.

5 (b) In addition to the tax imposed under chapter 229 of the general  
6 statutes, there is hereby imposed on the Connecticut taxable income of  
7 each resident of this state, for the taxable years commencing on or after  
8 January 1, 2002, but prior to January 1, 2003, for Connecticut taxable  
9 income over one million dollars, a tax at the rate of one per cent of the  
10 excess over one million dollars.

11 Sec. 2. Section 12-435 of the general statutes is repealed and the  
12 following is substituted in lieu thereof (*Effective July 1, 2002*):

13 Each distributor of alcoholic beverages shall pay a tax to the state on  
14 all sales within the state of alcoholic beverages, except sales to licensed  
15 distributors, sales of alcoholic beverages which, in the course of such

16 sales, are actually transported to some point without the state and  
17 except malt beverages which are consumed on the premises covered  
18 by a manufacturer's permit, at the rates for the respective categories of  
19 alcoholic beverages listed below:

20 (a) Beer, [~~six~~] twelve dollars for each barrel, [~~three~~] six dollars for  
21 each half barrel, [~~one dollar and fifty cents~~] three dollars for each  
22 quarter barrel and [~~twenty~~] forty cents per wine gallon or fraction  
23 thereof on quantities less than a quarter barrel;

24 (b) Liquor, [~~four dollars and fifty cents~~] nine dollars per wine gallon;

25 (c) Still wines containing not more than twenty-one per cent of  
26 absolute alcohol, except as provided in subsections (g) and (h) of this  
27 section, [~~sixty cents~~] one dollar and twenty cents per wine gallon;

28 (d) Still wines containing more than twenty-one per cent of absolute  
29 alcohol and sparkling wines, [~~one dollar and fifty cents~~] three dollars  
30 per wine gallon;

31 (e) Alcohol in excess of 100 proof, [~~four dollars and fifty cents~~] nine  
32 dollars per proof gallon;

33 (f) Liquor coolers containing not more than seven per cent of alcohol  
34 by volume, [~~two dollars and five cents~~] four dollars and ten cents per  
35 wine gallon;

36 (g) Still wine containing not more than twenty-one per cent of  
37 absolute alcohol, produced by a person who produces not more than  
38 fifty-five thousand wine gallons of wine during the calendar year,  
39 [~~fifteen~~] thirty cents per wine gallon, provided such person presents to  
40 each distributor of alcoholic beverages described in this section a  
41 certificate, issued by the commissioner, stating that such person  
42 produces not more than fifty-five thousand wine gallons of wine  
43 during the calendar year. The commissioner is authorized to issue such  
44 certificates, prescribe the procedures for obtaining such certificates and  
45 prescribe their form; and

46 (h) Cider containing not more than seven per cent of absolute  
47 alcohol shall be subject to the same rate as applies to beer, as provided  
48 in subsection (a) of this section.

49 Sec. 3. Subdivision (9) of section 12-412 of the general statutes is  
50 repealed and the following is substituted in lieu thereof (*Effective July*  
51 *1, 2002*):

52 (9) Sales of food products, meals [, candy, confectionery] and  
53 beverages, except alcoholic beverages, in a student cafeteria, dining-  
54 hall, dormitory, fraternity or sorority maintained in a private, public or  
55 parochial school, college or university, to members of such institutions  
56 or organizations, including all sales of such items to such members at  
57 such institutions or organizations using prepaid meal plan cards or  
58 arrangements; and sales of food products, meals [, candy,  
59 confectionery] and beverages to patients, residents or care recipients in  
60 hospitals, residential care homes, assisted living facilities, senior  
61 centers, day care centers, convalescent homes, nursing homes and rest  
62 homes.

63 Sec. 4. Subdivision (13) of section 12-412 of the general statutes is  
64 repealed and the following is substituted in lieu thereof (*Effective July*  
65 *1, 2002*):

66 (13) Sales of food products for human consumption. "Food  
67 products" include cereals and cereal products, milk and milk products,  
68 oleomargarine, meat and meat products, fish and fish products, eggs  
69 and egg products, vegetables and vegetable products, fruit and fruit  
70 products, spices and salt, sugar; [and sugar products other than candy  
71 and confectionery;] coffee and coffee substitutes, tea, cocoa and cocoa  
72 products other than candy and confectionery. "Food products" do not  
73 include spirituous, malt or vinous liquors, soft drinks, sodas or  
74 beverages such as are ordinarily dispensed at bars and soda fountains,  
75 or in connection therewith, medicines except by prescription, tonics  
76 and preparations in liquid, powdered, granular, tablet, capsule,  
77 lozenge and pill form sold as dietary supplements or adjuncts, sugar

78 products, candy, confectionery, cakes, pies, cookies and similar items.  
79 "Food products" also do not include meals sold by an eating  
80 establishment or caterer. "Meal" means food products which are  
81 furnished, prepared or served in such a form and in such portions that  
82 they are ready for immediate consumption. A meal as defined in this  
83 subsection includes food products which are sold on a "take out" or "to  
84 go" basis and which are actually packaged or wrapped. The sale of a  
85 meal, as defined in this subsection, is a taxable sale. "Eating  
86 establishment" means a place where meals are sold and includes a  
87 restaurant, cafeteria, grinder shop, pizzeria, drive-in, fast food outlet,  
88 ice cream truck, hot dog cart, refreshment stand, sandwich shop,  
89 private or social club, cocktail lounge, tavern, diner, snack bar, or hotel  
90 or boarding house which furnishes both lodging and meals to its  
91 guests.

92 Sec. 5. Subsection (a) of section 12-494 of the general statutes is  
93 repealed and the following is substituted in lieu thereof (*Effective July*  
94 *1, 2002*):

95 (a) There is imposed a tax on each deed, instrument or writing,  
96 whereby any lands, tenements or other realty is granted, assigned,  
97 transferred or otherwise conveyed to, or vested in, the purchaser, or  
98 any other person by his direction, when the consideration for the  
99 interest or property conveyed equals or exceeds two thousand dollars,  
100 (1) subject to the provisions of subsection (b) of this section, at the rate  
101 of five-tenths of one per cent of the consideration for the interest in real  
102 property conveyed by such deed, instrument or writing, the revenue  
103 from which shall be remitted by the town clerk of the municipality in  
104 which such tax is paid, not later than ten days following receipt  
105 thereof, to the Commissioner of Revenue Services for deposit to the  
106 credit of the state General Fund, and (2) at the rate of [eleven] twenty-  
107 two one-hundredths of one per cent of the consideration for the  
108 interest in real property conveyed by such deed, instrument or writing,  
109 which amount shall become part of the general revenue of the  
110 municipality in accordance with section 12-499.

111 Sec. 6. Subdivisions (1) and (2) of subsection (b) of section 12-711 of  
112 the general statutes, as amended by section 37 of public act 01-6 of the  
113 June special session, are repealed and the following is substituted in  
114 lieu thereof (*Effective from passage and applicable to taxable years*  
115 *commencing on or after January 1, 2002*):

116 (b) (1) Items of income, gain, loss and deduction derived from or  
117 connected with sources within this state shall be those items  
118 attributable to: (A) The ownership or disposition of any interest in real  
119 or tangible personal property in this state; (B) a business, trade,  
120 profession or occupation carried on in this state; (C) in the case of a  
121 shareholder of an S corporation, the ownership of shares issued by  
122 such corporation, to the extent determined under section 12-712; [or]  
123 (D) winnings from a wager placed in a lottery conducted by the  
124 Connecticut Lottery Corporation, if the proceeds from such wager  
125 exceed five thousand dollars; or (E) winnings from a wager placed at a  
126 casino operated by a tribe licensed under chapter 226c.

127 (2) Income from intangible personal property, including annuities,  
128 dividends, interest and gains from the disposition of intangible  
129 personal property, shall constitute income derived from sources within  
130 this state only to the extent that such income is from property  
131 employed in a business, trade, profession or occupation carried on in  
132 this state, [or] winnings from a wager placed in a lottery conducted by  
133 the Connecticut Lottery Corporation, if the proceeds from such wager  
134 exceed five thousand dollars or winnings from a wager placed at a  
135 casino operated by a tribe licensed under chapter 226c.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>
Sec. 4	<i>July 1, 2002</i>
Sec. 5	<i>July 1, 2002</i>

Sec. 6	<i>from passage and applicable to taxable years commencing on or after January 1, 2002</i>
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**Statement of Purpose:**

To enhance revenues of the state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*