



General Assembly

Substitute Bill No. 346

February Session, 2004

* SB00346ED_FIN030804 *

**AN ACT CONCERNING EDUCATION COST SHARING GRANTS AND
THE FUNDING OF THE GRANTS.**

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

1 Section 1. Subdivision (9) of section 10-262f of the general statutes,
2 as amended by section 24 of public act 03-6 of the June 30 special
3 session, is repealed and the following is substituted in lieu thereof
4 (*Effective July 1, 2004*):

5 (9) "Foundation" means (A) for the fiscal year ending June 30, 1990,
6 three thousand nine hundred eighteen dollars, (B) for the fiscal year
7 ending June 30, 1991, four thousand one hundred ninety-two dollars,
8 (C) for the fiscal year ending June 30, 1992, four thousand four
9 hundred eighty-six dollars, (D) for the fiscal years ending June 30,
10 1993, June 30, 1994, and June 30, 1995, four thousand eight hundred
11 dollars, (E) for the fiscal years ending June 30, 1996, June 30, 1997, and
12 June 30, 1998, five thousand seven hundred eleven dollars, (F) for the
13 fiscal year ending June 30, 1999, five thousand seven hundred seventy-
14 five dollars, [and] (G) for the fiscal years ending June 30, 2000, to June
15 30, [2005] 2004, inclusive, five thousand eight hundred ninety-one
16 dollars, (H) for the fiscal years ending June 30, 2005, and June 30, 2006,
17 six thousand ninety dollars, and (I) for the 2007-2008 biennium, and
18 each biennium thereafter, the amount for the first year of the biennium
19 shall be the amount for the prior fiscal year increased by (i)

20 multiplying the amount for the prior fiscal year by the percentage
21 increase, if any, in the consumer price index for urban consumers for
22 the calendar year average that commenced thirty months prior to the
23 beginning of the first fiscal year of the biennium, and (ii) by increasing
24 the amount obtained pursuant to subclause (i) of this subparagraph by
25 the percentage increase, if any, in the consumer price index for urban
26 consumers for the calendar year average that commenced eighteen
27 months prior to the beginning of the first fiscal year of the biennium,
28 the amount for the second year of the biennium shall be the same as
29 the amount for the first year of the biennium.

30 Sec. 2. Subdivision (6) of subsection (a) of section 10-262h of the
31 general statutes, as amended by section 23 of public act 03-6 of the June
32 30 special session, is repealed and the following is substituted in lieu
33 thereof (*Effective July 1, 2004*):

34 (6) For the fiscal year ending June 30, 1996, and each fiscal year
35 thereafter, a grant in an amount equal to the amount of its target aid as
36 described in subdivision (32) of section 10-262f, as amended, except
37 that such amount shall be capped in accordance with the following:
38 (A) For the fiscal years ending June 30, 1996, June 30, 1997, June 30,
39 1998, and June 30, 1999, for each town, the maximum percentage
40 increase over its previous year's base revenue shall be the product of
41 five per cent and the ratio of the wealth of the town ranked one
42 hundred fifty-third when all towns are ranked in descending order to
43 each town's wealth, provided no town shall receive an increase greater
44 than five per cent. (B) For the fiscal years ending June 30, 2000, [June
45 30, 2001, June 30, 2002, June 30, 2003, June 30, 2004, and June 30, 2005]
46 to June 30, 2004, inclusive, for each town, the maximum percentage
47 increase over its previous year's base revenue shall be the product of
48 six per cent and the ratio of the wealth of the town ranked one
49 hundred fifty-third when all towns are ranked in descending order to
50 each town's wealth, provided no town shall receive an increase greater
51 than six per cent. (C) No such cap shall be used for the fiscal year
52 ending June 30, [2006] 2005, or any fiscal year thereafter. (D) For the
53 fiscal year ending June 30, 1996, for each town, the maximum

54 percentage reduction from its previous year's base revenue shall be
55 equal to the product of three per cent and the ratio of each town's
56 wealth to the wealth of the town ranked seventeenth when all towns
57 are ranked in descending order, provided no town's grant shall be
58 reduced by more than three per cent. (E) For the fiscal years ending
59 June 30, 1997, June 30, 1998, and June 30, 1999, for each town, the
60 maximum percentage reduction from its previous year's base revenue
61 shall be equal to the product of five per cent and the ratio of each
62 town's wealth to the wealth of the town ranked seventeenth when all
63 towns are ranked in descending order, provided no town's grant shall
64 be reduced by more than five per cent. (F) For the fiscal year ending
65 June 30, 2000, and each fiscal year thereafter, no town's grant shall be
66 less than the grant it received for the prior fiscal year. (G) For each
67 fiscal year, except for [through] the fiscal year ending June 30, 2003, in
68 addition to the amount determined pursuant to this subdivision, a
69 town shall be eligible for a density supplement if the density of the
70 town is greater than the average density of all towns in the state. The
71 density supplement shall be determined by multiplying the density aid
72 ratio of the town by the foundation level and the town's total need
73 students for the prior fiscal year provided, for the fiscal year ending
74 June 30, 2000, and each fiscal year thereafter, no town's density
75 supplement shall be less than the density supplement such town
76 received for the prior fiscal year. (H) For the fiscal year ending June 30,
77 1997, the grant determined in accordance with this subdivision for a
78 town ranked one to forty-two when all towns are ranked in
79 descending order according to town wealth shall be further reduced by
80 one and two-hundredths of a per cent and such grant for all other
81 towns shall be further reduced by fifty-six-hundredths of a per cent. (I)
82 For the fiscal year ending June 30, 1998, and each fiscal year thereafter,
83 no town whose school district is a priority school district shall receive a
84 grant pursuant to this subdivision in an amount that is less than the
85 amount received under such grant for the prior fiscal year. (J) For the
86 fiscal year ending June 30, 2000, and each fiscal year through the fiscal
87 year ending June 30, 2003, no town whose school district is a priority
88 school district shall receive a grant pursuant to this subdivision that

89 provides an amount of aid per resident student that is less than the
90 amount of aid per resident student provided under the grant received
91 for the prior fiscal year. (K) For the fiscal year ending June 30, 1998,
92 and each fiscal year thereafter, no town whose school district is a
93 priority school district shall receive a grant pursuant to this
94 subdivision in an amount that is less than seventy per cent of the sum
95 of (i) the product of a town's base aid ratio, the foundation level and
96 the town's total need students for the fiscal year prior to the year in
97 which the grant is to be paid, (ii) the product of a town's supplemental
98 aid ratio, the foundation level and the sum of the portion of its total
99 need students count described in subparagraphs (B) and (C) of
100 subdivision (25) of section 10-262f, as amended, for the fiscal year prior
101 to the fiscal year in which the grant is to be paid, and the adjustments
102 to its resident student count described in subdivision (22) of said
103 section 10-262f, as amended, relative to length of school year and
104 summer school sessions, and (iii) the town's regional bonus. (L) For the
105 fiscal year ending June 30, 2000, and each fiscal year thereafter, no
106 town whose school district is a transitional school district shall receive
107 a grant pursuant to this subdivision in an amount that is less than forty
108 per cent of the sum of (i) the product of a town's base aid ratio, the
109 foundation level and the town's total need students for the fiscal year
110 prior to the fiscal year in which the grant is to be paid, (ii) the product
111 of a town's supplemental aid ratio, the foundation level and the sum of
112 the portion of its total need students count described in subparagraphs
113 (B) and (C) of subdivision (25) of section 10-262f, as amended, for the
114 fiscal year prior to the fiscal year in which the grant is to be paid, and
115 the adjustments to its resident student count described in subdivision
116 (22) of said section 10-262f, as amended, relative to length of school
117 year and summer school sessions, and (iii) the town's regional bonus.
118 (M) For the fiscal year ending June 30, 2002, (i) each town whose target
119 aid is capped pursuant to this subdivision shall receive a grant that
120 includes a pro rata share of twenty-five million dollars based on the
121 difference between its target aid and the amount of the grant
122 determined with the cap, and (ii) all towns shall receive a grant that is
123 at least 1.68 per cent greater than the grant they received for the fiscal

124 year ending June 30, 2001. (N) For the fiscal year ending June 30, 2003,
125 (i) each town whose target aid is capped pursuant to this subdivision
126 shall receive a pro rata share of fifty million dollars based on the
127 difference between its target aid and the amount of the grant
128 determined with the cap, and (ii) each town shall receive a grant that is
129 at least 1.2 per cent more than its base revenue, as defined in
130 subdivision (28) of section 10-262f, as amended. (O) For the fiscal year
131 ending June 30, 2003, each town shall receive a grant that is at least
132 equal to the grant it received for the prior fiscal year. (P) For the fiscal
133 year ending June 30, 2004, (i) each town whose target aid is capped
134 pursuant to this subdivision shall receive a grant that includes a pro
135 rata share of fifty million dollars based on the difference between its
136 target aid and the amount of the grant determined with the cap, (ii)
137 each town's grant including the cap supplement shall be reduced by
138 three per cent, (iii) the towns of Bridgeport, Hartford and New Haven
139 shall each receive a grant that is equal to the grant such towns received
140 for the prior fiscal year plus one million dollars, (iv) those towns
141 described in clause (i) of this subparagraph shall receive a grant that
142 includes a pro rata share of three million dollars based on the same pro
143 rata basis as used in said clause (i), (v) towns whose school districts are
144 priority school districts pursuant to subsection (a) of section 10-266p₂
145 as amended, or transitional school districts pursuant to section 10-263c
146 or who are eligible for grants under section 10-276a or 10-263d for the
147 fiscal years ending June 30, 2002, to June 30, 2004, inclusive shall
148 receive grants that are at least equal to the grants they received for the
149 prior fiscal year, (vi) towns not receiving funds under clause (iii) of this
150 subparagraph shall receive a pro rata share of any remaining funds
151 based on their grant determined under this subparagraph. (Q) For the
152 fiscal year ending June 30, 2005, each town shall receive a grant that is
153 at least equal to the grant it received for the prior fiscal year.

154 Sec. 3. Subdivisions (6) and (7) of subsection (a) of section 12-700 of
155 the general statutes, as amended by section 22 of public act 03-2, are
156 repealed and the following is substituted in lieu thereof (*Effective from*
157 *passage, and applicable to taxable years commencing on or after January 1,*

158 2004):

159 (6) For taxable years commencing on or after January 1, 2003, and
160 prior to January 1, 2004, in accordance with the following schedule:

161 (A) For any person who files a return under the federal income tax
162 for such taxable year as an unmarried individual or as a married
163 individual filing separately:

T1	Connecticut Taxable Income	Rate of Tax
T2	Not over \$10,000	3.0%
T3	Over \$10,000	\$300.00, plus 5.0% of the
T4		excess over \$10,000

164 (B) For any person who files a return under the federal income tax
165 for such taxable year as a head of household, as defined in Section 2(b)
166 of the Internal Revenue Code:

T5	Connecticut Taxable Income	Rate of Tax
T6	Not over \$16,000	3.0%
T7	Over \$16,000	\$480.00, plus 5.0% of the
T8		excess over \$16,000

167 (C) For any husband and wife who file a return under the federal
168 income tax for such taxable year as married individuals filing jointly or
169 any person who files a return under the federal income tax for such
170 taxable year as a surviving spouse, as defined in Section 2(a) of the
171 Internal Revenue Code:

T9	Connecticut Taxable Income	Rate of Tax
T10	Not over \$20,000	3.0%
T11	Over \$20,000	\$600.00, plus 5.0% of the
T12		excess over \$20,000

172 (D) For trusts or estates, the rate of tax shall be 5.0% of the
 173 Connecticut taxable income.

174 (7) For taxable years commencing on or after January 1, 2004, in
 175 accordance with the following schedule:

176 (A) For any person who files a return under the federal income tax
 177 for such taxable year as an unmarried individual:

T13	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T14	<u>Not over \$10,000</u>	<u>3.0%</u>
T15	<u>Over \$10,000 but not over</u>	<u>\$300.00, plus 5.0% of the</u>
T16	<u>\$531,500</u>	<u>excess over \$10,000</u>
T17	<u>Over \$531,500</u>	<u>\$26,375, plus 6.0% of the</u>
T18		<u>excess over \$531,500</u>

178 (B) For any person who files a return under the federal income tax
 179 for such taxable year as a head of household, as defined in Section 2(b)
 180 of the Internal Revenue Code:

T19	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T20	<u>Not over \$16,000</u>	<u>3.0%</u>
T21	<u>Over \$16,000 but not over</u>	<u>\$480.00, plus 5.0% of the</u>
T22	<u>\$792,000</u>	<u>excess over \$16,000</u>
T23	<u>Over \$792,000</u>	<u>\$39,280, plus 6.0% of the</u>
T24		<u>excess over \$792,000</u>

181 (C) For any husband and wife who file a return under the federal
 182 income tax for such taxable year as married individuals filing jointly or
 183 any person who files a return under the federal income tax for such
 184 taxable year as a surviving spouse, as defined in Section 2(a) of the
 185 Internal Revenue Code:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T25 <u>Not over \$20,000</u>	<u>3.0%</u>
T26 <u>Over \$20,000 but not over</u>	<u>\$600.00, plus 5.0% of the</u>
T27 <u>\$1,000,000</u>	<u>excess over \$20,000</u>
T28 <u>Over \$1,000,000</u>	<u>\$49,600, plus 6.0% of the</u>
T29 <u>Over \$1,000,000</u>	<u>\$49,600, plus 6.0% of the</u>
T30 <u>Over \$1,000,000</u>	<u>excess over \$1,000,000</u>

186 (D) For any person who files a return under the federal income tax
 187 for such taxable year as a married individual filing separately:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T31 <u>Not over \$10,000</u>	<u>3.0%</u>
T32 <u>Over \$10,000 but not over</u>	<u>\$300.00, plus 5.0% of the</u>
T33 <u>\$500,000</u>	<u>excess over \$10,000</u>
T34 <u>Over \$500,000</u>	<u>\$24,800, plus 6.0% of the</u>
T35 <u>Over \$500,000</u>	<u>\$24,800, plus 6.0% of the</u>
T36 <u>Over \$500,000</u>	<u>excess over \$500,000</u>

188 (E) For trusts or estates, the rate of tax shall be 6.0% of the
 189 Connecticut taxable income.

190 ~~[(7)]~~ (8) The provisions of this subsection shall apply to resident
 191 trusts and estates and, wherever reference is made in this subsection to
 192 residents of this state, such reference shall be construed to include
 193 resident trusts and estates, provided any reference to a resident's

194 Connecticut adjusted gross income derived from sources without this
 195 state or to a resident's Connecticut adjusted gross income shall be
 196 construed, in the case of a resident trust or estate, to mean the resident
 197 trust or estate's Connecticut taxable income derived from sources
 198 without this state and the resident trust or estate's Connecticut taxable
 199 income, respectively.

200 Sec. 4. (*Effective from passage*) The Commissioner of Revenue Services
 201 shall adjust the withholding tables issued for purposes of
 202 administering the personal income tax imposed under chapter 229 of
 203 the general statutes to take account of any changes in such tax made by
 204 this act and, on or before June 1, 2004, shall issue new withholding
 205 tables applicable to taxable years commencing on or after January 1,
 206 2004, provided the tables applicable to the period from the effective
 207 date of this act to December 31, 2004, shall provide for the collection of
 208 a tax computed in such manner as to result, so far as practicable, in
 209 withholding from the employee's wages during such period an
 210 amount substantially equivalent to the tax reasonably estimated to be
 211 due from the employee under said chapter 229 with respect to the
 212 amount of such wages during a twelve-month period and further
 213 provided the tables applicable to any period after January 1, 2005, shall
 214 be prepared as provided in section 12-705 of the general statutes.

215 Sec. 5. (*Effective from passage*) Notwithstanding the provisions of
 216 section 12-722 of the general statutes, any taxpayer required to make
 217 an estimated payment in June, 2004, for the tax due under chapter 229
 218 of the general statutes shall make such payment in an amount which is
 219 adjusted for any change in the rate applicable to the current taxable
 220 year, as provided in section 12-700 of the general statutes, as amended
 221 by this act.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>from passage, and applicable to taxable years commencing on or after January 1, 2004</i>

Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>

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Joint Favorable Subst. C/R

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