



General Assembly

Substitute Bill No. 1213

January Session, 2005

* SB01213ED_FIN031705 *

**AN ACT CONCERNING THE 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 is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2005*):

4 (9) "Foundation" means (A) for the fiscal year ending June 30, 1990,
5 three thousand nine hundred eighteen dollars, (B) for the fiscal year
6 ending June 30, 1991, four thousand one hundred ninety-two dollars,
7 (C) for the fiscal year ending June 30, 1992, four thousand four
8 hundred eighty-six dollars, (D) for the fiscal years ending June 30,
9 1993, June 30, 1994, and June 30, 1995, four thousand eight hundred
10 dollars, (E) for the fiscal years ending June 30, 1996, June 30, 1997, and
11 June 30, 1998, five thousand seven hundred eleven dollars, (F) for the
12 fiscal year ending June 30, 1999, five thousand seven hundred seventy-
13 five dollars, [and] (G) for the fiscal years ending June 30, 2000, to June
14 30, 2005, inclusive, five thousand eight hundred ninety-one dollars, (H)
15 for the fiscal year ending June 30, 2006, six thousand sixty-eight
16 dollars, and (I) for the fiscal year ending June 30, 2007, and each fiscal
17 year thereafter, the amount for the prior fiscal year increased by the
18 percentage increase, if any, in the most recent calendar year average in
19 the consumer price index for urban consumers.

20 Sec. 2. Subdivisions (6) and (7) of subsection (a) of section 12-700 of
21 the general statutes are repealed and the following is substituted in
22 lieu thereof (*Effective from passage and applicable to taxable years*
23 *commencing on or after January 1, 2005*):

24 (6) For taxable years commencing on or after January 1, 2003, but
25 prior to January 1, 2005, in accordance with the following schedule:

26 (A) For any person who files a return under the federal income tax
27 for such taxable year as an unmarried individual or as a married
28 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

29 (B) For any person who files a return under the federal income tax
30 for such taxable year as a head of household, as defined in Section 2(b)
31 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

32 (C) For any husband and wife who file a return under the federal
33 income tax for such taxable year as married individuals filing jointly or
34 any person who files a return under the federal income tax for such
35 taxable year as a surviving spouse, as defined in Section 2(a) of the
36 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

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

39 (7) For taxable years commencing on or after January 1, 2005, in
40 accordance with the following schedule:

41 (A) For any person who files a return under the federal income tax
42 for such taxable year as an unmarried individual and for trusts or
43 estates:

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>\$265,000</u>	<u>excess over \$10,000</u>
T17	<u>Over \$265,000 but not over</u>	<u>\$13,075, plus 5.5% of the</u>
T18	<u>\$531,500</u>	<u>excess over \$265,500</u>
T19	<u>Over \$531,500</u>	<u>\$27,705, plus 6.0% of the</u>
T20		<u>excess over \$531,500</u>

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

T21	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T22	<u>Not over \$16,000</u>	<u>3.0%</u>
T23	<u>Over \$16,000 but not over</u>	<u>\$480.00, plus 5.0% of the</u>
T24	<u>\$396,000</u>	<u>excess over \$16,000</u>
T25	<u>Over \$396,000 but not over</u>	<u>\$19,480, plus 5.5% of the</u>
T26	<u>\$792,000</u>	<u>excess over \$396,000</u>
T27	<u>Over \$792,000</u>	<u>\$41,260, plus 6.0% of the</u>
T28		<u>excess over \$792,000</u>

47 (C) For any husband and wife who file a return under the federal
48 income tax for such taxable year as married individuals filing jointly or

49 any person who files a return under the federal income tax for such
 50 taxable year as a surviving spouse, as defined in Section 2(a) of the
 51 Internal Revenue Code:

T29	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T30	<u>Not over \$20,000</u>	<u>3.0%</u>
T31	<u>Over \$20,000 but not over</u>	<u>\$600.00, plus 5.0% of the</u>
T32	<u>\$500,000</u>	<u>excess over \$20,000</u>
T33	<u>Over \$500,000 but not over</u>	<u>\$24,600, plus 5.5% of the</u>
T34	<u>\$1,000,000</u>	<u>excess over \$500,000</u>
T35	<u>Over \$1,000,000</u>	<u>\$52,100, plus 6.0% of the</u>
T36		<u>excess over \$1,000,000</u>

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

T37	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T38	<u>Not over \$10,000</u>	<u>3.0%</u>
T39	<u>Over \$10,000 but not over</u>	<u>\$300.00, plus 5.0% of the</u>
T40	<u>\$250,000</u>	<u>excess over \$10,000</u>
T41	<u>Over \$250,000 but not over</u>	<u>\$12,300, plus 5.5% of the</u>
T42	<u>\$500,000</u>	<u>excess over \$250,000</u>
T43	<u>Over \$500,000</u>	<u>\$26,050, plus 6.0% of the</u>
T44		<u>excess over \$500,000</u>

54 [(7)] (8) The provisions of this subsection shall apply to resident
 55 trusts and estates and, wherever reference is made in this subsection to
 56 residents of this state, such reference shall be construed to include
 57 resident trusts and estates, provided any reference to a resident's
 58 Connecticut adjusted gross income derived from sources without this
 59 state or to a resident's Connecticut adjusted gross income shall be
 60 construed, in the case of a resident trust or estate, to mean the resident
 61 trust or estate's Connecticut taxable income derived from sources
 62 without this state and the resident trust or estate's Connecticut taxable
 63 income, respectively.

64 Sec. 3. (*Effective from passage*) The Commissioner of Revenue Services
65 shall adjust the withholding tables issued for purposes of
66 administering the personal income tax imposed under chapter 229 of
67 the general statutes to take account of any changes in such tax made
68 pursuant to subdivisions (6) and (7) of subsection (a) of section 12-700
69 as amended by this act and, on or before June 1, 2005, shall issue new
70 withholding tables applicable to taxable years commencing on or after
71 January 1, 2005, provided the tables applicable to the period from the
72 effective date of this section to December 31, 2005, shall provide for the
73 collection of a tax computed in such manner as to result, so far as
74 practicable, in withholding from the employee's wages during such
75 period an amount substantially equivalent to the tax reasonably
76 estimated to be due from the employee under said chapter 229 with
77 respect to the amount of such wages during a twelve-month period
78 and further provided the tables applicable to any period after January
79 1, 2006, shall be prepared as provided in section 12-705 of the general
80 statutes.

81 Sec. 4. (*Effective from passage*) Notwithstanding the provisions of
82 section 12-722 of the general statutes, any taxpayer required to make
83 an estimated payment in June, 2005 for the tax due under chapter 229
84 of the general statutes shall make such payment in an amount which is
85 adjusted for any change in the rate applicable to the current taxable
86 year, as provided in section 12-700 of the general statutes, as amended
87 by this act.

88 Sec. 5. (NEW) (*Effective from passage and applicable to taxable years*
89 *commencing on or after January 1, 2005*) For the fiscal year ending June
90 30, 2005, and each fiscal year thereafter, the Commissioner of Revenue
91 Services shall segregate any increase in revenue with respect to taxable
92 years commencing on or after January 1, 2005, attributable to the
93 increase in rates of tax under subsection (a) of section 12-700 of the
94 general statutes, as amended by this act. Such segregated funds shall
95 be allocated by the Secretary of the Office of Policy and Management
96 to the Department of Education in the amounts and for the purposes of
97 funding the grants under section 10-262h of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	10-262f(9)
Sec. 2	<i>from passage and applicable to taxable years commencing on or after January 1, 2005</i>	12-700(a)(6) and (7)
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage and applicable to taxable years commencing on or after January 1, 2005</i>	New section

[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.]

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Joint Favorable Subst. C/R

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