



General Assembly

January Session, 2007

**Raised Bill No. 7399**

LCO No. 6089

\*06089\_\_\_\_\_FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

**AN ACT CONCERNING A PROGRESSIVE RATE OF TAXATION ON  
BUSINESS ENTITIES.**

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

1 Section 1. Subsection (b) of section 12-284b of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage and applicable to taxable years commencing on or after January 1,*  
4 *2007*):

5 (b) Each limited liability company, limited liability partnership,  
6 limited partnership and S corporation shall be liable for the tax  
7 imposed by this section for each taxable year or portion thereof that  
8 such company, partnership or corporation is an affected business  
9 entity. Each affected business entity shall [annually, on or before the  
10 fifteenth day of the fourth month following the close of its taxable year,  
11 pay to the Commissioner of Revenue Services a tax in the amount of  
12 two hundred fifty dollars] be liable for such tax as follows: (1) Each  
13 limited liability company, limited liability partnership, limited  
14 partnership and S corporation with an annual income of less than one  
15 million dollars shall pay no tax pursuant to this section; (2) each  
16 limited liability company, limited liability partnership, limited

17 partnership and S corporation with an annual income of one million  
18 dollars to three million dollars, inclusive, shall pay a tax in the amount  
19 of one thousand dollars; (3) each limited liability company, limited  
20 liability partnership, limited partnership and S corporation with an  
21 annual income of three million one dollars to six million dollars,  
22 inclusive, shall pay an annual tax of three thousand dollars; and (4)  
23 each limited liability company, limited liability partnership, limited  
24 partnership and S corporation with an annual income of more than six  
25 million dollars shall pay a tax in the amount of six thousand dollars.  
26 Each affected business entity shall annually, on or before the fifteenth  
27 day of the fourth month following the close of its taxable year, pay to  
28 the Commissioner of Revenue Services a tax in the amount set  
29 pursuant to this subsection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2007</i>	12-284b(b)

**Statement of Purpose:**

To provide an exemption from the business entities tax for those entities with revenues lower than one million dollars, and to impose a progressive tax on companies with higher revenues.

*[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.]*