



General Assembly

January Session, 2007

**Amendment**

LCO No. 8307

**\*HB0740008307HDO\***

Offered by:

REP. AMANN, 118<sup>th</sup> Dist.  
REP. DONOVAN, 84<sup>th</sup> Dist.  
REP. STAPLES, 96<sup>th</sup> Dist.

To: Subst. House Bill No. 7400

File No. 716

Cal. No. 558

**"AN ACT CONCERNING MOTION PICTURE TAX CREDITS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 12-211a of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2007, and*  
5 *applicable to income years commencing on or after January 1, 2007*):

6 Notwithstanding any provision of the general statutes, the amount  
7 of tax credit or credits otherwise allowable against the tax imposed  
8 under this chapter for any income year shall not exceed [seventy] sixty  
9 per cent of the amount of tax due from such taxpayer under this  
10 chapter with respect to such income year of the taxpayer prior to the  
11 application of such credit or credits.

12 Sec. 2. Section 12-217zz of the general statutes is repealed and the  
13 following is substituted in lieu thereof (*Effective July 1, 2007, and*  
14 *applicable to income years commencing on or after January 1, 2007*):

15 Notwithstanding any other provision of law, the amount of tax  
16 credit or credits otherwise allowable against the tax imposed under  
17 this chapter for any income year shall not exceed [seventy] sixty per  
18 cent of the amount of tax due from such taxpayer under this chapter  
19 with respect to such income year of the taxpayer prior to the  
20 application of such credit or credits.

21 Sec. 3. Section 12-296 of the general statutes is repealed and the  
22 following is substituted in lieu thereof (*Effective July 1, 2007, and*  
23 *applicable to sales occurring on or after July 1, 2007*):

24 A tax is imposed on all cigarettes held in this state by any person for  
25 sale, said tax to be at the rate of [seventy-five and one-half] one  
26 hundred mills for each cigarette and the payment thereof shall be for  
27 the account of the purchaser or consumer of such cigarettes and shall  
28 be evidenced by the affixing of stamps to the packages containing the  
29 cigarettes as provided in this chapter.

30 Sec. 4. Section 12-316 of the general statutes is repealed and the  
31 following is substituted in lieu thereof (*Effective July 1, 2007, and*  
32 *applicable to the storage or use of unstamped cigarettes occurring on or after*  
33 *July 1, 2007*):

34 A tax is hereby imposed at the rate of [seventy-five and one-half]  
35 one hundred mills for each cigarette upon the storage or use within  
36 this state of any unstamped cigarettes in the possession of any person  
37 other than a licensed distributor or dealer, or a carrier for transit from  
38 without this state to a licensed distributor or dealer within this state.  
39 Any person, including distributors, dealers, carriers, warehousemen  
40 and consumers, last having possession of unstamped cigarettes in this  
41 state shall be liable for the tax on such cigarettes if such cigarettes are  
42 unaccounted for in transit, storage or otherwise, and in such event a  
43 presumption shall exist for the purpose of taxation that such cigarettes

44 were used and consumed in Connecticut.

45 Sec. 5. (NEW) (*Effective July 1, 2007*) (a) An excise tax is hereby  
46 imposed upon each distributor and each dealer, as each are defined in  
47 section 12-285 of the general statutes and licensed pursuant to chapter  
48 214 of the general statutes, in the amount of twenty-four and one-half  
49 mills per cigarette, as defined in said section 12-285, in such  
50 distributor's or such dealer's inventory as of the close of business on  
51 June 30, 2007, or, if the business closes after eleven fifty-nine p.m. on  
52 such date, at eleven fifty-nine p.m. on such date.

53 (b) Each such licensed distributor or dealer shall, not later than  
54 August 15, 2007, file with the Commissioner of Revenue Services, on  
55 forms prescribed by said commissioner, a report that shows the  
56 number of cigarettes in inventory as of the close of business on June 30,  
57 2007, or, if the business closes after eleven fifty-nine p.m. on such date,  
58 at eleven fifty-nine p.m. on such date, upon which inventory the tax  
59 under subsection (a) of this section shall be imposed. The tax shall be  
60 due and payable on the due date of such report. If any distributor or  
61 dealer required to file a report pursuant to this section fails to file such  
62 report on or before August 15, 2007, the commissioner shall make an  
63 estimate of the number of cigarettes in such distributor's or dealer's  
64 inventory as of the close of business on June 30, 2007, based upon any  
65 information that is in the commissioner's possession or that may come  
66 into the commissioner's possession. The provisions of chapter 214 of  
67 the general statutes pertaining to failure to file returns, examination of  
68 returns by the commissioner, the issuance of deficiency assessments or  
69 assessments where no return has been filed, the collection of tax, the  
70 imposition of penalties and the accrual of interest shall apply to the  
71 distributors and dealers required to pay the tax imposed under this  
72 section. Failure of any distributor or dealer to file such report when  
73 due shall be sufficient reason to revoke such distributor's or dealer's  
74 license under the provisions of said chapter 214 and to revoke any  
75 other state license or permit held by such distributor or dealer.

76 Sec. 6. Section 12-391 of the general statutes is repealed and the

77 following is substituted in lieu thereof (*Effective July 1, 2007, and*  
78 *applicable to the estates of decedents who die on or after January 1, 2007*):

79 (a) With respect to estates of decedents who die prior to January 1,  
80 2005, and except as otherwise provided in section 59 of public act 03-1  
81 of the June 30 special session\*, a tax is imposed upon the transfer of the  
82 estate of each person who at the time of death was a resident of this  
83 state. The amount of the tax shall be the amount of the federal credit  
84 allowable for estate, inheritance, legacy and succession taxes paid to  
85 any state or the District of Columbia under the provisions of the  
86 federal internal revenue code in force at the date of such decedent's  
87 death in respect to any property owned by such decedent or subject to  
88 such taxes as part of or in connection with the estate of such decedent.  
89 If real or tangible personal property of such decedent is located outside  
90 of this state and is subject to estate, inheritance, legacy, or succession  
91 taxes by any state or states, other than the state of Connecticut, or by  
92 the District of Columbia for which such federal credit is allowable, the  
93 amount of tax due under this section shall be reduced by the lesser of:  
94 (1) The amount of any such taxes paid to such other state or states or  
95 said district and allowed as a credit against the federal estate tax; or (2)  
96 an amount computed by multiplying such federal credit by a fraction,  
97 (A) the numerator of which is the value of that part of the decedent's  
98 gross estate over which such other state or states or said district have  
99 jurisdiction for estate tax purposes to the same extent to which this  
100 state would assert jurisdiction for estate tax purposes under this  
101 chapter with respect to the residents of such other state or states or  
102 said district, and (B) the denominator of which is the value of the  
103 decedent's gross estate. Property of a resident estate over which this  
104 state has jurisdiction for estate tax purposes includes real property  
105 situated in this state, tangible personal property having an actual situs  
106 in this state, and intangible personal property owned by the decedent,  
107 regardless of where it is located. The amount of any estate tax imposed  
108 under this subsection shall also be reduced, but not below zero, by the  
109 amount of any tax that is imposed under chapter 216 and that is  
110 actually paid to this state.

111 (b) With respect to the estates of decedents who die prior to January  
112 1, 2005, and except as otherwise provided in section 59 of public act 03-  
113 1 of the June 30 special session\*, a tax is imposed upon the transfer of  
114 the estate of each person who at the time of death was a nonresident of  
115 this state, the amount of which shall be computed by multiplying (1)  
116 the federal credit allowable for estate, inheritance, legacy, and  
117 succession taxes paid to any state or states or the District of Columbia  
118 under the provisions of the federal internal revenue code in force at the  
119 date of such decedent's death in respect to any property owned by  
120 such decedent or subject to such taxes as a part of or in connection  
121 with the estate of such decedent by (2) a fraction, (A) the numerator of  
122 which is the value of that part of the decedent's gross estate over which  
123 this state has jurisdiction for estate tax purposes and (B) the  
124 denominator of which is the value of the decedent's gross estate.  
125 Property of a nonresident estate over which this state has jurisdiction  
126 for estate tax purposes includes real property situated in this state and  
127 tangible personal property having an actual situs in this state. The  
128 amount of any estate tax imposed under this subsection shall also be  
129 reduced, but not below zero, by the amount of any tax that is imposed  
130 under chapter 216 and that is actually paid to this state.

131 (c) For purposes of this section:

132 (1) "Connecticut taxable estate" means (A) the gross estate less  
133 allowable deductions, as determined under Chapter 11 of the Internal  
134 Revenue Code, plus (B) the aggregate amount of all Connecticut  
135 taxable gifts, as defined in section 12-643, made by the decedent for all  
136 calendar years beginning on or after January 1, 2005, other than gifts  
137 that are includable in the gross estate of the decedent. The deduction  
138 for state death taxes paid under Section 2058 of said code shall be  
139 disregarded.

140 (2) "Internal Revenue Code" means the Internal Revenue Code of  
141 1986, or any subsequent corresponding internal revenue code of the  
142 United States, as from time to time amended, except in the event of  
143 repeal of the federal estate tax, then all references to the Internal

144 Revenue Code in this section shall mean the Internal Revenue Code as  
145 in force on the day prior to the effective date of such repeal.

146 (3) "Gross estate" means the gross estate, for federal estate tax  
147 purposes.

148 (d) (1) With respect to the estates of decedents who die on or after  
149 January 1, 2005, a tax is imposed upon the transfer of the estate of each  
150 person who at the time of death was a resident of this state. The  
151 amount of the tax shall be determined using the schedule in subsection  
152 (g) of this section. A credit shall be allowed against such tax for any  
153 taxes paid to this state pursuant to section 12-642 for Connecticut  
154 taxable gifts made on or after January 1, 2005.

155 (2) If real or tangible personal property of such decedent is located  
156 outside of this state, [and is subject to estate, inheritance, legacy or  
157 succession taxes by any state or states, other than the state of  
158 Connecticut, or by the District of Columbia,] the amount of tax due  
159 under this section shall be reduced by [the lesser of: (A) The amount of  
160 any taxes paid to such other state or states or said district; or (B)] an  
161 amount computed by multiplying the tax otherwise due pursuant to  
162 subdivision (1) of this subsection, without regard to the credit allowed  
163 for any taxes paid to this state pursuant to section 12-642, by a fraction,  
164 (i) the numerator of which is the value of that part of the decedent's  
165 gross estate over which such other state or states or said district have  
166 jurisdiction for estate tax purposes to the same extent to which this  
167 state would assert jurisdiction for estate tax purposes under this  
168 chapter, with respect to the residents of such other state or states or  
169 said district, and (ii) the denominator of which is the value of the  
170 decedent's gross estate.

171 (3) Property of a resident estate over which this state has jurisdiction  
172 for estate tax purposes includes real property situated in this state,  
173 tangible personal property having an actual situs in this state and  
174 intangible personal property owned by the decedent, regardless of  
175 where it is located.

176 (e) (1) With respect to the estates of decedents who die on or after  
177 January 1, 2005, a tax is imposed upon the transfer of the estate of each  
178 person who at the time of death was a nonresident of this state. The  
179 amount of such tax shall be computed by multiplying (A) the amount  
180 of tax determined using the appropriate schedule in subsection (g) of  
181 this section by (B) a fraction, (i) the numerator of which is the value of  
182 that part of the decedent's gross estate over which this state has  
183 jurisdiction for estate tax purposes, and (ii) the denominator of which  
184 is the value of the decedent's gross estate. A credit shall be allowed  
185 against such tax for any taxes paid to this state pursuant to section 12-  
186 642, on or after January 1, 2005.

187 (2) Property of a nonresident estate over which this state has  
188 jurisdiction for estate tax purposes includes real property situated in  
189 this state and tangible personal property having an actual situs in this  
190 state.

191 (f) (1) For purposes of the tax imposed under this section, the value  
192 of the Connecticut taxable estate shall be determined taking into  
193 account all of the deductions available under the Internal Revenue  
194 Code of 1986, specifically including, but not limited to, the deduction  
195 available under Section 2056(b)(7) of said code for a qualifying income  
196 interest for life in a surviving spouse.

197 (2) An election under said Section 2056(b)(7) may be made for state  
198 estate tax purposes regardless of whether any such election is made for  
199 federal estate tax purposes. The value of the gross estate shall include  
200 the value of any property in which the decedent had a qualifying  
201 income interest for life for which an election was made under this  
202 subsection.

203 (g) (1) With respect to the estates of decedents dying on or after  
204 January 1, 2005, but prior to January 1, 2007, the tax based on the  
205 Connecticut taxable estate shall be as provided in the following  
206 schedule:

T1	Amount of Connecticut	
T2	Taxable Estate	Rate of Tax
T3	Not over \$2,000,000	None
T4	Over \$2,000,000	
T5	but not over \$2,100,000	5.085% of the excess over \$0
T6	Over \$2,100,000	\$106,800 plus 8% of the excess
T7	but not over \$2,600,000	over \$2,100,000
T8	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T9	but not over \$3,100,000	over \$2,600,000
T10	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T11	but not over \$3,600,000	over \$3,100,000
T12	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T13	but not over \$4,100,000	over \$3,600,000
T14	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T15	but not over \$5,100,000	over \$4,100,000
T16	Over \$5,100,000	\$402,800 plus 12% of the excess
T17	but not over \$6,100,000	over \$5,100,000
T18	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T19	but not over \$7,100,000	over \$6,100,000
T20	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T21	but not over \$8,100,000	over \$7,100,000
T22	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T23	but not over \$9,100,000	over \$8,100,000
T24	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T25	but not over \$10,100,000	over \$9,100,000
T26	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T27		over \$10,100,000

207 (2) With respect to the estates of decedents dying on or after January  
208 1, 2007, the tax based on the Connecticut taxable estate shall be as

209 provided in the following schedule:

T28	<u>Amount of Connecticut</u>	
T29	<u>Taxable Estate</u>	<u>Rate of Tax</u>
T30	<u>Not over \$2,000,000</u>	<u>None</u>
T31	<u>Over \$2,000,000</u>	<u>5.085% of the excess over</u>
T32	<u>but not over \$2,100,000</u>	<u>\$2,000,000</u>
T33	<u>Over \$2,100,000</u>	<u>\$5,100 plus 10.0% of the excess</u>
T34	<u>but not over \$2,600,000</u>	<u>over \$2,100,000</u>
T35	<u>Over \$2,600,000</u>	<u>\$55,100 plus 11.0% of the excess</u>
T36	<u>but not over \$3,100,000</u>	<u>over \$2,600,000</u>
T37	<u>Over \$3,100,000</u>	<u>\$110,100 plus 12.0% of the excess</u>
T38	<u>but not over \$3,600,000</u>	<u>over \$3,100,000</u>
T39	<u>Over \$3,600,000</u>	<u>\$170,100 plus 13.0% of the excess</u>
T40	<u>but not over \$4,100,000</u>	<u>over \$3,600,000</u>
T41	<u>Over \$4,100,000</u>	<u>\$235,100 plus 14.0% of the excess</u>
T42	<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
T43	<u>Over \$5,100,000</u>	<u>\$375,100 plus 15% of the excess</u>
T44	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T45	<u>Over \$6,100,000</u>	<u>\$525,100 plus 16.0% of the excess</u>
T46	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T47	<u>Over \$7,100,000</u>	<u>\$685,100 plus 17.0% of the excess</u>
T48	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T49	<u>Over \$8,100,000</u>	<u>\$855,100 plus 18.0% of the excess</u>
T50	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T51	<u>Over \$9,100,000</u>	<u>\$1,035,000 plus 19.0% of the</u>
T52	<u>but not over \$10,100,000</u>	<u>excess over \$9,100,000</u>
T53	<u>Over \$10,100,000</u>	<u>\$1,225,100 plus 20.0% of the</u>
T54		<u>excess over \$10,100,000</u>

210 (h) (1) For the purposes of this chapter, each decedent shall be  
211 presumed to have died a resident of this state. The burden of proof in  
212 an estate tax proceeding shall be upon any decedent's estate claiming  
213 exemption by reason of the decedent's alleged nonresidency.

214 (2) Any person required to make and file a tax return under this  
215 chapter, believing that the decedent died a nonresident of this state,  
216 may file a request for determination of domicile in writing with the  
217 Commissioner of Revenue Services, stating the specific grounds upon  
218 which the request is founded provided (A) such person has filed such  
219 return, (B) at least two hundred seventy days, but no more than three  
220 years, has elapsed since the due date of such return or, if an  
221 application for extension of time to file such return has been granted,  
222 the extended due date of such return, (C) such person has not been  
223 notified, in writing, by said commissioner that a written agreement of  
224 compromise with the taxing authorities of another jurisdiction, under  
225 section 12-395a, is being negotiated, and (D) the commissioner has not  
226 previously determined whether the decedent died a resident of this  
227 state. Not later than one hundred eighty days following receipt of such  
228 request for determination, the commissioner shall determine whether  
229 such decedent died a resident or a nonresident of this state. If the  
230 commissioner commences negotiations over a written agreement of  
231 compromise with the taxing authorities of another jurisdiction after a  
232 request for determination of domicile is filed, the one-hundred-eighty-  
233 day period shall be tolled for the duration of such negotiations. When,  
234 before the expiration of such one-hundred-eighty-day period, both the  
235 commissioner and the person required to make and file a tax return  
236 under this chapter have consented in writing to the making of such  
237 determination after such time, the determination may be made at any  
238 time prior to the expiration of the period agreed upon. The period so  
239 agreed upon may be extended by subsequent agreements in writing  
240 made before the expiration of the period previously agreed upon. The  
241 commissioner shall mail notice of his proposed determination to the  
242 person required to make and file a tax return under this chapter. Such

243 notice shall set forth briefly the commissioner's findings of fact and the  
244 basis of such proposed determination. Sixty days after the date on  
245 which it is mailed, a notice of proposed determination shall constitute  
246 a final determination unless the person required to make and file a tax  
247 return under this chapter has filed, as provided in subdivision (3) of  
248 this subsection, a written protest with the Commissioner of Revenue  
249 Services.

250 (3) On or before the sixtieth day after mailing of the proposed  
251 determination, the person required to make and file a tax return under  
252 this chapter may file with the commissioner a written protest against  
253 the proposed determination in which such person shall set forth the  
254 grounds on which the protest is based. If such a protest is filed, the  
255 commissioner shall reconsider the proposed determination and, if the  
256 person required to make and file a tax return under this chapter has so  
257 requested, may grant or deny such person or the authorized  
258 representatives of such person an oral hearing.

259 (4) Notice of the commissioner's determination shall be mailed to  
260 the person required to make and file a tax return under this chapter  
261 and such notice shall set forth briefly the commissioner's findings of  
262 fact and the basis of decision in each case decided adversely to such  
263 person.

264 (5) The action of the commissioner on a written protest shall be final  
265 upon the expiration of one month from the date on which he mails  
266 notice of his action to the person required to make and file a tax return  
267 under this chapter unless within such period such person seeks review  
268 of the commissioner's determination pursuant to subsection (b) of  
269 section 12-395.

270 (6) Nothing in this subsection shall be construed to relieve any  
271 person filing a request for determination of domicile of the obligation  
272 to pay the correct amount of tax on or before the due date of the tax.

273 Sec. 7. Subdivision (37) of subsection (a) of section 12-407 of the  
274 general statutes is repealed and the following is substituted in lieu

275 thereof (*Effective July 1, 2007*):

276 (37) "Services" for purposes of subdivision (2) of this subsection,  
277 means:

278 (A) Computer and data processing services, including, but not  
279 limited to, time, programming, code writing, modification of existing  
280 programs, feasibility studies and installation and implementation of  
281 software programs and systems even where such services are rendered  
282 in connection with the development, creation or production of canned  
283 or custom software or the license of custom software, and exclusive of  
284 services rendered in connection with the creation, development  
285 hosting or maintenance of all or part of a web site which is part of the  
286 graphical, hypertext portion of the Internet, commonly referred to as  
287 the World Wide Web;

288 (B) Credit information and reporting services;

289 (C) Services by employment agencies and agencies providing  
290 personnel services;

291 (D) Private investigation, protection, patrol work, watchman and  
292 armored car services, exclusive of (i) services of off-duty police officers  
293 and off-duty firefighters, and (ii) coin and currency services provided  
294 to a financial services company by or through another financial  
295 services company. For purposes of this subparagraph, "financial  
296 services company" has the same meaning as provided under  
297 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)  
298 of section 12-218b;

299 (E) Painting and lettering services;

300 (F) Photographic studio services;

301 (G) Telephone answering services;

302 (H) Stenographic services;

303 (I) Services to industrial, commercial or income-producing real  
304 property, including, but not limited to, such services as management,  
305 electrical, plumbing, painting and carpentry and excluding any such  
306 services rendered in the voluntary evaluation, prevention, treatment,  
307 containment or removal of hazardous waste, as defined in section  
308 22a-115, or other contaminants of air, water or soil, provided  
309 income-producing property shall not include property used  
310 exclusively for residential purposes in which the owner resides and  
311 which contains no more than three dwelling units, or a housing facility  
312 for low and moderate income families and persons owned or operated  
313 by a nonprofit housing organization, as defined in subdivision (29) of  
314 section 12-412;

315 (J) Business analysis, management, management consulting and  
316 public relations services, excluding (i) any environmental consulting  
317 services, (ii) any training services provided by an institution of higher  
318 education licensed or accredited by the Board of Governors of Higher  
319 Education pursuant to section 10a-34, and (iii) on and after January 1,  
320 1994, any business analysis, management, management consulting and  
321 public relations services when such services are rendered in connection  
322 with an aircraft leased or owned by a certificated air carrier or in  
323 connection with an aircraft which has a maximum certificated take-off  
324 weight of six thousand pounds or more;

325 (K) Services providing "piped-in" music to business or professional  
326 establishments;

327 (L) Flight instruction and chartering services by a certificated air  
328 carrier on an aircraft, the use of which for such purposes, but for the  
329 provisions of subdivision (4) of section 12-410 and subdivision (12) of  
330 section 12-411, would be deemed a retail sale and a taxable storage or  
331 use, respectively, of such aircraft by such carrier;

332 (M) Motor vehicle repair services, including any type of repair,  
333 painting or replacement related to the body or any of the operating  
334 parts of a motor vehicle;

335 (N) Motor vehicle parking, including the provision of space, other  
336 than metered space, in a lot having thirty or more spaces, excluding (i)  
337 space in a seasonal parking lot provided by a person who is exempt  
338 from taxation under this chapter pursuant to subdivision (1), (5) or (8)  
339 of section 12-412, (ii) space in a parking lot owned or leased under the  
340 terms of a lease of not less than ten years' duration and operated by an  
341 employer for the exclusive use of its employees, (iii) valet parking  
342 provided at any airport, and (iv) space in municipally-operated  
343 railroad parking facilities in municipalities located within an area of  
344 the state designated as a severe nonattainment area for ozone under  
345 the federal Clean Air Act or space in a railroad parking facility in a  
346 municipality located within an area of the state designated as a severe  
347 nonattainment area for ozone under the federal Clean Air Act owned  
348 or operated by the state on or after April 1, 2000;

349 (O) Radio or television repair services;

350 (P) Furniture reupholstering and repair services;

351 (Q) Repair services to any electrical or electronic device, including,  
352 but not limited to, equipment used for purposes of refrigeration or  
353 air-conditioning;

354 (R) Lobbying or consulting services for purposes of representing the  
355 interests of a client in relation to the functions of any governmental  
356 entity or instrumentality;

357 (S) Services of the agent of any person in relation to the sale of any  
358 item of tangible personal property for such person, exclusive of the  
359 services of a consignee selling works of art, as defined in subsection (b)  
360 of section 12-376c, or articles of clothing or footwear intended to be  
361 worn on or about the human body other than (i) any special clothing  
362 or footwear primarily designed for athletic activity or protective use  
363 and which is not normally worn except when used for the athletic  
364 activity or protective use for which it was designed, and (ii) jewelry,  
365 handbags, luggage, umbrellas, wallets, watches and similar items  
366 carried on or about the human body but not worn on the body in the

367 manner characteristic of clothing, [intended for exemption under  
368 subdivision (47) of section 12-412,] under consignment, exclusive of  
369 services provided by an auctioneer;

370 (T) Locksmith services;

371 (U) Advertising or public relations services, including layout, art  
372 direction, graphic design, mechanical preparation or production  
373 supervision, not related to the development of media advertising or  
374 cooperative direct mail advertising;

375 (V) Landscaping and horticulture services;

376 (W) Window cleaning services;

377 (X) Maintenance services;

378 (Y) Janitorial services;

379 (Z) Exterminating services;

380 (AA) Swimming pool cleaning and maintenance services;

381 (BB) Miscellaneous personal services included in industry group 729  
382 in the Standard Industrial Classification Manual, United States Office  
383 of Management and Budget, 1987 edition, or U.S. industry 532220,  
384 812191, 812199 or 812990 in the North American Industrial  
385 Classification System United States Manual, United States Office of  
386 Management and Budget, 1997 edition, exclusive of (i) services  
387 rendered by massage therapists licensed pursuant to chapter 384a, and  
388 (ii) services rendered by an electrologist licensed pursuant to chapter  
389 388;

390 (CC) Any repair or maintenance service to any item of tangible  
391 personal property including any contract of warranty or service related  
392 to any such item;

393 (DD) Business analysis, management or managing consulting  
394 services rendered by a general partner, or an affiliate thereof, to a

395 limited partnership, provided (i) the general partner, or an affiliate  
396 thereof, is compensated for the rendition of such services other than  
397 through a distributive share of partnership profits or an annual  
398 percentage of partnership capital or assets established in the limited  
399 partnership's offering statement, and (ii) the general partner, or an  
400 affiliate thereof, offers such services to others, including any other  
401 partnership. As used in this subparagraph "an affiliate of a general  
402 partner" means an entity which is directly or indirectly owned fifty per  
403 cent or more in common with a general partner;

404 (EE) Notwithstanding the provisions of section 12-412, except  
405 subdivision (87) of said section 12-412, patient care services, as defined  
406 in subdivision (29) of this subsection by a hospital, except that "sale"  
407 and "selling" does not include such patient care services for which  
408 payment is received by the hospital during the period commencing  
409 July 1, 2001, and ending June 30, 2003. [;]

410 [(FF) Health and athletic club services, exclusive of (i) any such  
411 services provided without any additional charge which are included in  
412 any dues or initiation fees paid to any such club, which dues or fees  
413 are subject to tax under section 12-543, (ii) any such services provided  
414 by a municipality or an organization that is described in Section 501(c)  
415 of the Internal Revenue Code of 1986, or any subsequent  
416 corresponding internal revenue code of the United States, as from time  
417 to time amended, and (iii) yoga instruction provided at a yoga studio.]

418 Sec. 8. Subdivision (1) of section 12-408 of the general statutes is  
419 repealed and the following is substituted in lieu thereof (*Effective July*  
420 *1, 2007*):

421 (1) For the privilege of making any sales, as defined in subdivision  
422 (2) of subsection (a) of section 12-407, at retail, in this state for a  
423 consideration, a tax is hereby imposed on all retailers at the rate of six  
424 per cent of the gross receipts of any retailer from the sale of all tangible  
425 personal property sold at retail or from the rendering of any services  
426 constituting a sale in accordance with subdivision (2) of subsection (a)

427 of section 12-407, except, in lieu of said rate of six per cent, (A) at a rate  
428 of twelve per cent with respect to each transfer of occupancy, from the  
429 total amount of rent received for such occupancy of any room or  
430 rooms in a hotel or lodging house for the first period not exceeding  
431 thirty consecutive calendar days, (B) with respect to the sale of a motor  
432 vehicle to any individual who is a member of the armed forces of the  
433 United States and is on full-time active duty in Connecticut and who is  
434 considered, under 50 App USC 574, a resident of another state, or to  
435 any such individual and the spouse thereof, at a rate of four and  
436 one-half per cent of the gross receipts of any retailer from such sales,  
437 provided such retailer requires and maintains a declaration by such  
438 individual, prescribed as to form by the commissioner and bearing  
439 notice to the effect that false statements made in such declaration are  
440 punishable, or other evidence, satisfactory to the commissioner,  
441 concerning the purchaser's state of residence under 50 App USC 574,  
442 (C) (i) with respect to the sales of computer and data processing  
443 services occurring on or after July 1, 1997, and prior to July 1, 1998, at  
444 the rate of five per cent, on or after July 1, 1998, and prior to July 1,  
445 1999, at the rate of four per cent, on or after July 1, 1999, and prior to  
446 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and  
447 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,  
448 at the rate of one per cent, and on and after July 1, 2007, such services  
449 shall be exempt from such tax, (ii) with respect to sales of Internet  
450 access services, on and after July 1, 2001, such services shall be exempt  
451 from such tax, (D) with respect to the sales of labor that is otherwise  
452 taxable under subparagraph (C) or (G) of subdivision (2) of subsection  
453 (a) of section 12-407 on existing vessels and repair or maintenance  
454 services on vessels occurring on and after July 1, 1999, such services  
455 shall be exempt from such tax, (E) with respect to patient care services  
456 for which payment is received by the hospital on or after July 1, 1999,  
457 and prior to July 1, 2001, at the rate of five and three-fourths per cent  
458 and on and after July 1, 2001, such services shall be exempt from such  
459 tax. The rate of tax imposed by this chapter shall be applicable to all  
460 retail sales upon the effective date of such rate, except that a new rate  
461 which represents an increase in the rate applicable to the sale shall not

462 apply to any sales transaction wherein a binding sales contract without  
463 an escalator clause has been entered into prior to the effective date of  
464 the new rate and delivery is made within ninety days after the effective  
465 date of the new rate. For the purposes of payment of the tax imposed  
466 under this section, any retailer of services taxable under subparagraph  
467 (I) of subdivision (2) of subsection (a) of section 12-407, who computes  
468 taxable income, for purposes of taxation under the Internal Revenue  
469 Code of 1986, or any subsequent corresponding internal revenue code  
470 of the United States, as from time to time amended, on an accounting  
471 basis which recognizes only cash or other valuable consideration  
472 actually received as income and who is liable for such tax only due to  
473 the rendering of such services may make payments related to such tax  
474 for the period during which such income is received, without penalty  
475 or interest, without regard to when such service is rendered.

476 Sec. 9. Subdivision (55) of section 12-412 of the general statutes is  
477 repealed and the following is substituted in lieu thereof (*Effective July*  
478 *1, 2007, and applicable to sales occurring on and after July 1, 2007*):

479 (55) Sales of [(A) tangible personal property by any funeral  
480 establishment performing the primary services in preparation for and  
481 the conduct of burial or cremation, provided any such property must  
482 be used directly in the performance of such services and the total  
483 amount of such exempt sales with respect to any single funeral may  
484 not exceed two thousand five hundred dollars, or (B)] caskets used for  
485 burial or cremation.

486 Sec. 10. (*Effective from passage*) The state shall apply to become a  
487 party to the Streamlined Sales and Use Tax Agreement on or before  
488 October 1, 2007. The Commissioner of Revenue Services, in  
489 consultation with the joint standing committee of the General  
490 Assembly having cognizance of matters relating to finance, revenue  
491 and bonding shall take all steps necessary to ensure that the state is in  
492 compliance with said agreement.

493 Sec. 11. Subdivision (27) of section 12-412 of the general statutes is

494 repealed and the following is substituted in lieu thereof (*Effective July*  
495 *1, 2007, and applicable to sales occurring on or after July 1, 2007*):

496 (27) (A) Sales of any items for fifty cents or less from vending  
497 machines; or (B) [sales of food products, as defined in subsection (13)  
498 of this section,] notwithstanding the provisions of subdivision (13) of  
499 this section, meals sold through coin-operated vending machines or at  
500 unattended "honor boxes".

501 Sec. 12. Subsection (b) of section 12-412k of the general statutes is  
502 repealed and the following is substituted in lieu thereof (*Effective July*  
503 *1, 2007, and applicable to sales occurring on or after July 1, 2007*):

504 (b) Notwithstanding the provisions of the general statutes, from  
505 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,  
506 [2007] 2010, the provisions of this chapter shall not apply to sales of  
507 any residential weatherization products.

508 Sec. 13. Section 12-460a of the general statutes is repealed and the  
509 following is substituted in lieu thereof (*Effective July 1, 2007*):

510 (a) Notwithstanding the provisions of section 13b-61, with respect to  
511 the fiscal year ending June 30, 2003, the Commissioner of Revenue  
512 Services shall deposit into the Conservation Fund established under  
513 section 22a-27h<sub>2</sub>, two million dollars of the amount of the funds  
514 received by the state from the tax imposed under this chapter  
515 attributable to sales of fuel from distributors to any boat yard, public  
516 or private marina or other entity renting or leasing slips, dry storage,  
517 mooring or other space for marine vessels<sub>2</sub>, provided (1) two hundred  
518 fifty thousand dollars shall be credited to the boating account, and (2)  
519 one million dollars shall be credited to the fisheries account<sub>2</sub>, of which  
520 not less than seventy-five thousand dollars shall be allocated to The  
521 University of Connecticut for the Long Island Sound councils.

522 (b) [With] Notwithstanding the provisions of section 13b-61, with  
523 respect to fiscal years ending on or after June 30, 2004, but prior to June  
524 30, 2008, the Commissioner of Revenue Services shall deposit into the

525 Conservation Fund established under section 22a-27h, three million  
526 dollars of the amount of the funds received by the state from the tax  
527 imposed under this chapter attributable to sales of fuel from  
528 distributors to any boat yard, public or private marina or other entity  
529 renting or leasing slips, dry storage, mooring or other space for marine  
530 vessels, provided (1) two hundred fifty thousand dollars shall be  
531 credited to the boating account, and (2) two million dollars shall be  
532 credited to the fisheries account, of which not less than seventy-five  
533 thousand dollars shall be allocated to The University of Connecticut  
534 for the Long Island Sound councils.

535 (c) Notwithstanding the provisions of section 13b-61, with respect to  
536 fiscal years ending on or after June 30, 2008, the Commissioner of  
537 Revenue Services shall deposit into the Conservation Fund established  
538 under section 22a-27h, three million five hundred thousand dollars of  
539 the amount of the funds received by the state from the tax imposed  
540 under this chapter attributable to sales of fuel from distributors to any  
541 boat yard, public or private marina or other entity renting or leasing  
542 slips, dry storage, mooring or other space for marine vessels, provided  
543 (1) two hundred ninety-five thousand dollars shall be credited to the  
544 boating account, and (2) two million three hundred thirty thousand  
545 dollars shall be credited to the fisheries account, of which not less than  
546 one hundred twenty-five thousand dollars shall be allocated to The  
547 University of Connecticut for the Long Island Sound councils.

548 Sec. 14. Subsection (a) of section 12-494 of the general statutes is  
549 repealed and the following is substituted in lieu thereof (*Effective July*  
550 *1, 2007*):

551 (a) There is imposed a tax on each deed, instrument or writing,  
552 whereby any lands, tenements or other realty is granted, assigned,  
553 transferred or otherwise conveyed to, or vested in, the purchaser, or  
554 any other person by his direction, when the consideration for the  
555 interest or property conveyed equals or exceeds two thousand dollars,  
556 (1) subject to the provisions of subsection (b) of this section, at the rate  
557 of five-tenths of one per cent of the consideration for the interest in real

558 property conveyed by such deed, instrument or writing, the revenue  
559 from which shall be remitted by the town clerk of the municipality in  
560 which such tax is paid, not later than ten days following receipt  
561 thereof, to the Commissioner of Revenue Services for deposit to the  
562 credit of the state General Fund, and (2) at the rate of one-fourth of one  
563 per cent of the consideration for the interest in real property conveyed  
564 by such deed, instrument or writing, [and on and after July 1, 2007, at  
565 the rate of eleven one-hundredths of one per cent of the consideration  
566 for the interest in real property conveyed by such deed, instrument or  
567 writing,] provided the amount imposed under this subdivision shall  
568 become part of the general revenue of the municipality in accordance  
569 with section 12-499.

570 Sec. 15. Subsection (a) of section 12-458 of the general statutes is  
571 repealed and the following is substituted in lieu thereof (*Effective from*  
572 *passage*):

573 (a) (1) Each distributor shall, on or before the twenty-fifth day of  
574 each month, render a return to the commissioner. Each return shall be  
575 signed by the person required to file the return or by his authorized  
576 agent but need not be verified by oath. Any return required to be filed  
577 by a corporation shall be signed by an officer of such corporation or his  
578 authorized agent. Such return shall state the number of gallons of fuel  
579 sold or used by him during the preceding calendar month, on forms to  
580 be furnished by the commissioner, and shall contain such further  
581 information as the commissioner shall prescribe. The commissioner  
582 may make public the number of gallons of fuel sold or used by the  
583 distributor, as contained in such report, notwithstanding the  
584 provisions of section 12-15 or any other section. For purposes of this  
585 section, fuel sold shall include but not be limited to the transfer of fuel  
586 by a distributor into a receptacle from which fuel is supplied or  
587 intended to be supplied to other than such distributor's motor vehicles.

588 (2) On said date and coincident with the filing of such return each  
589 distributor shall pay to the commissioner for the account of the  
590 purchaser or consumer a tax (A) on each gallon of such fuels sold or

591 used in this state during the preceding calendar month of twenty-six  
592 cents on and after January 1, 1992, twenty-eight cents on and after  
593 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents  
594 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,  
595 thirty-two cents on and after January 1, 1995, thirty-three cents on and  
596 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-  
597 five cents on and after January 1, 1996, thirty-six cents on and after  
598 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight  
599 cents on and after October 1, 1996, thirty-nine cents on and after  
600 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two  
601 cents on and after July 1, 1998, and twenty-five cents on and after July  
602 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on  
603 each gallon of gasohol, as defined in section 14-1, sold or used in this  
604 state during such preceding calendar month, of twenty-five cents on  
605 and after January 1, 1992, twenty-seven cents on and after January 1,  
606 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on  
607 and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-  
608 one cents on and after January 1, 1995, thirty-two cents on and after  
609 July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four  
610 cents on and after January 1, 1996, thirty-five cents on and after April  
611 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on  
612 and after October 1, 1996, thirty-eight cents on and after January 1,  
613 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and  
614 after July 1, 1998, and twenty-four cents on and after July 1, 2000, and  
615 twenty-five cents on and after July 1, 2004; and (C) in lieu of such rate,  
616 on each gallon of diesel fuel, propane or natural gas sold or used in  
617 this state during such preceding calendar month, of eighteen cents on  
618 and after September 1, 1991, and twenty-six cents on and after August  
619 1, 2002.

620 (3) Said tax shall not be payable on such fuel as may have been (A)  
621 sold to the United States, (B) sold to a municipality of this state, (i) for  
622 use by any contractor performing a service for such municipality in  
623 accordance with a contract, provided such fuel is used by such  
624 contractor exclusively for the purposes of and in accordance with such

625 contract, or (ii) for use exclusively in a school bus, as defined in section  
626 14-275, (C) sold to a municipality of this state, a transit district of this  
627 state, or this state, at other than a retail outlet, for governmental  
628 purposes and for use in vehicles owned and operated, or leased and  
629 operated by such municipality, such transit district or this state, (D)  
630 sold to a person licensed as a distributor in this state under section 12-  
631 456, (E) transferred from storage within this state to some point  
632 without this state, (F) sold to the holder of a permit issued under  
633 section 12-458a for sale or use without this state, (G) sold to the holder  
634 of a permit issued under subdivision (63) of section 12-412, provided  
635 (i) such fuel is not used in motor vehicles registered or required to be  
636 registered to operate upon the public highways of this state, unless  
637 such fuel is used in motor vehicles registered exclusively for farming  
638 purposes, (ii) such fuel is not delivered, upon such sale, to a tank in  
639 which such person keeps fuel for personal and farm use, and (iii) a  
640 statement, prescribed as to form by the Commissioner of Revenue  
641 Services and bearing notice to the effect that false statements made  
642 under this section are punishable, that such fuel is used exclusively for  
643 farming purposes, is submitted by such person to the distributor, (H)  
644 sold exclusively to furnish power for an industrial plant in the actual  
645 fabrication of finished products to be sold, or for the fishing industry,  
646 (I) sold exclusively for heating purposes, (J) sold exclusively to furnish  
647 gas, water, steam or electricity, if delivered to consumers through  
648 mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as  
649 defined in section 15-34, exclusively for aviation purposes, provided (i)  
650 for purposes of this subdivision, "aviation purposes" means for the  
651 purpose of powering an aircraft or an aircraft engine, (ii) such fuel is  
652 delivered, upon such sale, to a tank in which fuel is kept exclusively  
653 for aviation purposes, and (iii) a statement, prescribed as to form by  
654 the Commissioner of Revenue Services and bearing notice to the effect  
655 that false statements made under this section are punishable, that such  
656 fuel is used exclusively for aviation purposes, is submitted by such  
657 person to the distributor, (L) sold to a dealer who is licensed under  
658 section 12-462 and whose place of business is located upon an  
659 established airport within this state, [or] (M) diesel fuel sold

660 exclusively for use in portable power system generators that are larger  
661 than one hundred fifty kilowatts, or (N) sold during the period  
662 beginning on the effective date of this section, and ending Tuesday,  
663 September 4, 2007, at 12:01 a.m.

664 (4) Each distributor, when making a taxable sale, shall furnish to the  
665 purchaser an invoice showing the quantities of fuel sold, the  
666 classification thereof under the provisions of this chapter and the  
667 amount of tax to be paid by the distributor for the account of the  
668 purchaser or consumer.

669 (5) If any distributor fails to pay the amount of tax reported to be  
670 due on its report within the time specified under the provisions of this  
671 section, there shall be imposed a penalty equal to ten per cent of such  
672 amount due and unpaid, or fifty dollars, whichever is greater. The tax  
673 shall bear interest at the rate of one per cent per month or fraction  
674 thereof from the due date of the tax until the date of payment.

675 (6) If no return has been filed within three months after the time  
676 specified under the provisions of this chapter, the commissioner may  
677 make such return at any time thereafter, according to the best  
678 information obtainable and the form prescribed. There shall be added  
679 to the tax imposed upon the basis of such return an amount equal to  
680 ten per cent of such tax, or fifty dollars, whichever is greater. The tax  
681 shall bear interest at the rate of one per cent per month or fraction  
682 thereof from the due date of such tax to the date of payment.

683 (7) Subject to the provisions of section 12-3a, the commissioner may  
684 waive all or part of the penalties provided under this chapter when it  
685 is proven to his satisfaction that the failure to pay any tax was due to  
686 reasonable cause and was not intentional or due to neglect.

687 (8) A distributor who is exclusively making sales of fuel on which  
688 the tax imposed by this chapter is not payable may be permitted, as  
689 specified in regulations adopted in accordance with the provisions of  
690 chapter 54, to file reports less frequently than monthly but not less  
691 frequently than annually if the commissioner determines that

692 enforcement of this section would not be adversely affected by less  
693 frequent filings. Distributors permitted to file such reports shall  
694 maintain records that shall detail (A) the persons from whom the fuel  
695 was purchased, (B) the persons to whom, the quantities in which and  
696 the dates on which such fuel was sold, and (C) any other information  
697 deemed necessary by the commissioner.

698 Sec. 16. (NEW) (*Effective from passage*) During the period specified in  
699 subparagraph (N) of subdivision (3) of subsection (a) of section 12-458  
700 of the general statutes, as amended by this act, upon the reduction in  
701 the tax required by subsection (a) of section 12-458 of the general  
702 statutes, as amended by this act, each distributor, as defined in section  
703 12-455a of the general statutes, shall reduce the per-gallon price of  
704 gasoline or other product intended for use in the propelling of motor  
705 vehicles using combustion type engines sold in this state by such  
706 distributor to any retail dealer, as defined in section 14-318 of the  
707 general statutes, in an amount equal to the amount of the reduction in  
708 such tax that is imposed on each gallon of such gasoline or other  
709 product.

710 Sec. 17. Section 14-332 of the general statutes is repealed and the  
711 following is substituted in lieu thereof (*Effective from passage*):

712 (a) The commissioner may adopt regulations, in accordance with  
713 chapter 54, governing the administration of all statutes relating to  
714 gasoline or any other product intended as a fuel for motor vehicles or  
715 internal combustion engines or relating to the sale of such gasoline or  
716 such other product, except as provided in subsection (b) of this section.

717 (b) The commissioner, in consultation with the Secretary of the  
718 Office of Policy and Management, shall adopt emergency regulations,  
719 in accordance with chapter 54, to establish a program to monitor and  
720 enforce compliance with the requirements of subsection (c) of section  
721 14-332a, as amended by this act.

722 Sec. 18. Section 14-332a of the general statutes is repealed and the  
723 following is substituted in lieu thereof (*Effective from passage*):

724 (a) As used in subsection (b) of this section: (1) "Surcharge" means  
725 any charge by a retail dealer to any person for the pumping or sale of  
726 gasoline or other product intended for use in the propelling of motor  
727 vehicles using combustion type engines which exceeds the amount of  
728 the posted retail price displayed on such price signs as may be  
729 required by law; and (2) "tie-in-sale" means any sale by a retail dealer  
730 of any petroleum product, except gasoline, or of any other product or  
731 merchandise or of any service which is made a condition for the  
732 purchase of gasoline.

733 (b) Any retail dealer that adds a surcharge to the price of gasoline or  
734 other product intended for use in the propelling of motor vehicles  
735 using combustion type engines sold by him at retail, or requires a tie-  
736 in-sale as a condition of such sale, shall be subject to the penalties  
737 provided in section 14-331. Nothing in this subsection shall be  
738 construed to prohibit any charge for financing in accordance with  
739 sections 36a-675 to 36a-685, inclusive.

740 (c) (1) During the period [commencing on July 1, 1998, and ending  
741 on October 1, 1998] specified in subparagraph (N) of subdivision (3) of  
742 subsection (a) of section 12-458, as amended by this act, upon the  
743 reduction in the tax required by said section, [12-458, that is effective  
744 July 1, 1998, and during the period commencing on July 1, 2000, and  
745 ending November 1, 2000, upon the reduction in the tax required by  
746 said section 12-458, that is effective July 1, 2000,] each retail dealer  
747 shall, in accordance with subdivision (2) of this subsection, reduce the  
748 per-gallon price of gasoline or other product intended for use in the  
749 propelling of motor vehicles using combustion type engines sold by  
750 such retail dealer at retail in an amount equal to the amount of the  
751 reduction in such tax that is imposed on each gallon of such gasoline  
752 or other product. [Such retail dealer shall maintain any such price  
753 reduction in effect for a period of not less than one hundred twenty  
754 days after such tax reduction.]

755 (2) The price reduction required by subdivision (1) of this subsection  
756 shall take effect not later than (A) two days following the effective date

757 of the applicable tax reduction, or (B) the close of business on the  
758 business day on which the retail dealer has completed the sale of an  
759 amount of such gasoline or other product equal to the total number of  
760 gallons of such gasoline or other product in the inventory of the retail  
761 dealer at midnight on the effective date of such tax reduction,  
762 whichever is later.

763 (3) Any retail dealer that violates this subsection shall be subject to  
764 the penalties set forth in section 14-331. A violation of this subsection  
765 shall be deemed an unfair or deceptive trade practice under subsection  
766 (a) of section 42-110b.

767 (4) The following shall be affirmative defenses to any action or  
768 administrative proceeding brought against a retail dealer under section  
769 14-331 or chapter 735a for an alleged violation of this subsection: (A)  
770 An increase in the wholesale price of such gasoline or other product  
771 that occurs after any such tax reduction; (B) an increase in any other  
772 tax imposed on such gasoline or other product that occurs after any  
773 such tax reduction; or (C) any other bona fide business cost increase  
774 incurred by a retail dealer and upon which the retail dealer relied in  
775 making the decision to forego the implementation or continuation of  
776 any such price reduction in whole or in part.

777 Sec. 19. (NEW) (*Effective from passage*) (a) This section shall be known  
778 as and may be cited as the "Petroleum Transparency and Reporting  
779 Oversight Law".

780 (b) As used in this section:

781 (1) "Classes of retail trade" means the separate subdivisions of  
782 outlets or methods of retail sales of liquid fuels, typically but not  
783 always limited to gasoline and diesel for motor vehicles, and includes  
784 any:

785 (A) Company-operated station operated pursuant to chapter 250a of  
786 the general statutes that is a retail service station owned and operated  
787 by a distributor and where retail prices are set by such distributor;

788 (B) Lessee dealer-operated station that is a retail service station  
789 owned by a distributor and operated by a qualified gasoline dealer  
790 other than a distributor under a franchise; or

791 (C) Owner-operated station that is a retail service station not owned  
792 by a distributor and operated by a qualified gasoline dealer;

793 (2) "Office of the Attorney General" means the office of the Attorney  
794 General of the state of Connecticut;

795 (3) "Distributor" has the same meaning as provided in section 14-  
796 327a of the general statutes;

797 (4) "Energy" means work or heat that is, or may be, produced from  
798 any fuel or source whatsoever;

799 (5) "Fuel" means "fuels", as defined in section 14-1 of the general  
800 statutes, diesel fuel and number two heating oil, but does not include  
801 aviation fuel;

802 (6) "Major marketer" means any person who sells fuel in amounts  
803 determined by the office of the Attorney General as having an effect on  
804 energy supplies;

805 (7) "Major oil producer" means any person who produces oil in  
806 amounts determined by the office of the Attorney General as having an  
807 effect on energy supplies;

808 (8) "Major oil storer" means any person who stores oil or other  
809 petroleum products in amounts determined by the office of the  
810 Attorney General as having an effect on energy supplies;

811 (9) "Major oil transporter" means any person who transports oil or  
812 other petroleum products in amounts determined by the office of the  
813 Attorney General as having an effect on energy supplies; and

814 (10) "Person" has the same meaning as provided in section 14-1 of  
815 the general statutes.

816 (c) Notwithstanding the provisions of section 14-327b of the general  
817 statutes, any person holding himself or herself out as a distributor shall  
818 register as such with the office of the Attorney General, on forms to be  
819 prescribed, prepared and furnished by said office.

820 (d) (1) On and after January 1, 2008, and each week thereafter, every  
821 distributor, shall file with the office of the Attorney General, on forms  
822 prescribed, prepared and furnished by said office, a certified statement  
823 showing separately for each transaction in the state in which fuel was  
824 sold or used during the time period commencing on the effective date  
825 of this section and for each weekly period after January 1, 2008, the  
826 following:

827 (A) The total number of gallons or units of fuel, by type or grade,  
828 compounded by the distributor within the state and the number of  
829 gallons or units of fuel, by type or grade, sold, exchanged or otherwise  
830 transferred or used by the distributor in each transaction;

831 (B) The total number of gallons or units of fuel, by type or grade,  
832 imported or exported by the distributor; the total volumes of fuel, by  
833 type or grade, sold, exchanged or otherwise transferred or used by the  
834 distributor; the number of gallons or units of fuel, by type or grade,  
835 sold, exchanged or otherwise transferred or used by the distributor in  
836 each transaction;

837 (C) The total number of gallons or units of fuel sold as fuel;

838 (D) The total number of gallons or units of fuel, by type or grade,  
839 and their respective sales prices for all fuel sold to federal, state and  
840 municipal agencies, ships stores or base exchanges, commercial  
841 agricultural accounts, commercial nonagricultural accounts, retail  
842 dealers and other customers;

843 (E) Weekly weighted average acquisition cost per barrel and  
844 volumes of foreign or domestic crude oil or other liquid fuels, finished  
845 or unfinished, imported to this state, including information identifying  
846 the source of the crude oil or other fuels;

847 (F) The effective date and time, and the amount of change in cents  
848 per gallon, of any increase or decrease in wholesale price occurring  
849 during the week and the weekly weighted average wholesale prices  
850 and sales volumes of finished unleaded regular and premium motor  
851 gasoline, and of each other grade of gasoline sold, by transaction, to  
852 retail outlets, by classes of retail trade, and to wholesale distributors;

853 (G) Weekly weighted average retail prices, and sales volumes of  
854 finished unleaded regular and premium motor gasoline, and of each  
855 other grade of gasoline sold, by transaction, by retail distributor outlets  
856 of all classes of retail trade and by any distributor to other end-users;  
857 provided the office of the Attorney General may purchase retail price  
858 data from data service companies that said office may use to substitute  
859 some or all data to meet the reporting requirement for retail price data  
860 under this subdivision;

861 (H) The effective date and time, and the amount of change in cents  
862 per gallon, of any increase or decrease in wholesale price occurring  
863 during the week and the weekly weighted average wholesale prices,  
864 and sales volumes of diesel fuel and number two heating oil, by  
865 transaction, to retail distributor outlets, by classes of retail trade, and to  
866 all other wholesale distributors. Weighted average wholesale prices  
867 and sales volumes shall be reported by type of wholesale fuel price;

868 (I) Weekly weighted average retail prices, and sales volumes of  
869 diesel fuel and number two heating oil sold, by transaction, by retail  
870 distributor outlets of all classes of retail trade and by any distributor to  
871 other end-users. The office of the Attorney General may purchase retail  
872 price data from data service companies that said office may use to  
873 substitute some or all data to meet the reporting requirement for retail  
874 price data under this subdivision;

875 (J) For each distributor, the gross margins or spreads between the  
876 distributor's average weighted price for each gallon or unit of fuel  
877 acquired by the distributor and the average weighted prices for each  
878 gallon or unit of fuel sold, by transaction, to another distributor, a

879 retail dealer, end-user or consumer.

880 (2) The office of the Attorney General shall prescribe applicable  
881 standards and practices for reporting to facilitate uniformity,  
882 consistency and comparability of the data to be submitted pursuant to  
883 this subsection.

884 (3) On and after the effective date of this section, distributors shall  
885 maintain all data required to be reported to the office of the Attorney  
886 General pursuant to this subsection and shall report such data to said  
887 office on the date and in the manner required by subdivision (1) of this  
888 subsection.

889 (e) Each major marketer shall submit to the office of the Attorney  
890 General, at a time and in a form as said office shall prescribe,  
891 information, including petroleum and petroleum product receipts,  
892 exchanges, inventories and distributions.

893 (f) The office of the Attorney General may request additional  
894 information as and when said office deems necessary to perform said  
895 office's responsibilities under this section.

896 (g) Information in the statements filed pursuant to subsections (d),  
897 (e), (f) and (h) of this section shall be collected and maintained for the  
898 purpose of facilitating the analysis required by subsection (i) of this  
899 section, provided the office of the Attorney General shall make  
900 available to the public the information contained in the statements but  
901 not the statements themselves, as provided in subsections (k) and (m)  
902 of this section.

903 (h) Each major oil producer, marketer, oil transporter and oil storer  
904 shall submit to the office of the Attorney General, in a form and at  
905 intervals as said office shall prescribe, information that includes the  
906 following:

907 (1) Major oil transporters shall report the capacities of each major  
908 petroleum transportation system, the amount transported by each

909 system and inventories thereof;

910 (2) Major oil storers shall report on their storage capacity,  
911 inventories, receipts and distributions, and methods of transportation  
912 of receipts and distributions; and

913 (3) Major oil marketers shall report on facility capacity and methods  
914 of transportation of receipts and distributions.

915 (i) (1) The office of the Attorney General, with said office's own staff  
916 and other support staff with expertise and experience in, or with, the  
917 petroleum industry, shall gather, analyze and interpret the information  
918 submitted to it pursuant to subsections (d), (e), (f) and (h) of this  
919 section and other information relating to the supply, prices, margins  
920 and profits of petroleum products, with particular emphasis on motor  
921 vehicle fuels, including, but not limited to, the following:

922 (A) The nature, cause and extent of any petroleum or petroleum  
923 product situation or condition affecting supply, price, margins or  
924 profits;

925 (B) The prices, with particular emphasis on wholesale and retail  
926 motor vehicle fuel prices, and any significant changes in prices  
927 charged by the petroleum industry for petroleum or petroleum  
928 products sold in the state and the reasons for the changes;

929 (C) The income, expenses, margins and profits in the state, both  
930 before and after taxes, of each distributor and the income, expenses,  
931 margins and profits, both before and after taxes, of major oil  
932 companies in other regions of the United States and other countries;  
933 and

934 (D) The emerging trends relating to supply, demand, price, margins  
935 and profits.

936 (2) The office of the Attorney General shall analyze the effects of  
937 state and federal policies, rules and regulations upon the supply and  
938 pricing of petroleum products.

939 (3) The office of the Attorney General shall annually submit to the  
940 Governor and the General Assembly, in accordance with section 11-4a  
941 of the general statutes, twenty days prior to the first day of each  
942 regular legislative session a summary, including any analysis and  
943 interpretation of the information submitted to it pursuant to this  
944 section and any other activities taken by said office, including civil  
945 penalties imposed and violation notices issued by the Attorney  
946 General under subsection (n) of this section.

947 (j) The office of the Attorney General shall establish a petroleum  
948 transparency and reporting oversight program that includes  
949 development and maintenance of an automated petroleum industry  
950 information reporting system that meets the requirements of  
951 government, industry and the public while promoting sound policy-  
952 making and consumer information and protection. Such program shall  
953 conduct and facilitate the efficient analysis and reporting of all  
954 information and data provided by the petroleum industry pursuant to  
955 this section. The office of the Attorney General shall develop such  
956 program in a manner that will result in greater market transparency  
957 and provide useful information to the general public and those  
958 agencies that are authorized to conduct oversight of the petroleum  
959 industry and ensure compliance with all relevant laws.

960 (k) (1) Confidential commercial information provided to the office of  
961 the Attorney General pursuant to this section shall be held in  
962 confidence by said office or aggregated to the extent necessary to  
963 ensure the confidentiality of such information.

964 (2) No data or information submitted to the office of the Attorney  
965 General shall be deemed confidential if the person submitting the  
966 information or data has made it public.

967 (3) Unless otherwise provided by law, with respect to data that the  
968 office of the Attorney General obtains or is provided pursuant to  
969 subsections (d), (e) or (f) of this section, neither the office of the  
970 Attorney General or any employee of said office may do any of the

971 following:

972 (A) Make any publication whereby the data furnished by any  
973 person can be identified; or

974 (B) Permit any person other than the office of the Attorney General,  
975 the Department of Revenue Services, the Commissioner of Consumer  
976 Protection or the Chief State's Attorney and the authorized  
977 representatives and employees of each to examine the individual  
978 reports or statements provided.

979 (l) Any confidential information pertinent to the responsibilities of  
980 the office of the Attorney General specified in this section that is  
981 obtained by another agency or department of this state shall be treated  
982 in a confidential manner;

983 (m) (1) Notwithstanding the provisions of any general statutes,  
984 including any other provision of this section, not later than fourteen  
985 days after the reporting date established by the office of the Attorney  
986 General under subsection (e) of this section, said office shall disclose to  
987 the public, using the best readily available technology, the information  
988 contained in the statements, but not the statements themselves, that are  
989 filed pursuant to said section;

990 (2) Nothing in this section shall be construed to prohibit the  
991 implementation of the petroleum transparency and reporting oversight  
992 program under subsection (j) of this section or the public disclosure of  
993 the analysis of information and reports pursuant to this section.

994 (n) (1) The office of the Attorney General shall notify those persons  
995 who have failed to timely provide the information specified in  
996 subsections (d) and (h) of this section or requested by the office of the  
997 Attorney General under said subsections. If, within five business days  
998 after being notified of the failure to provide the specified or requested  
999 information, the person fails to supply the specified or requested  
1000 information, the person shall be subject to a civil penalty of not less  
1001 than fifty thousand dollars per day or more than one hundred

1002 thousand dollars per day for each day the submission of information is  
1003 refused or delayed;

1004 (2) Any person or any employee of any person, who wilfully makes  
1005 any false statement, representation or certification in any record,  
1006 report, plan or other document filed with the office of the Attorney  
1007 General pursuant to this section shall be subject to a civil penalty not to  
1008 exceed five hundred thousand dollars and shall be deemed to have  
1009 committed an unfair or deceptive act or practice in the conduct of a  
1010 trade or commerce in violation of section 42-110b of the general  
1011 statutes.

1012 (o) The provisions of subsections (a) to (n), inclusive, of this section  
1013 shall not be applied in a manner that would render its application  
1014 preempted by the "Petroleum Marketing Practices Act", 15 USC 2801,  
1015 et seq., as amended from time to time, or other applicable federal law.

1016 (p) Any employee or agent of the office of the Attorney General or  
1017 of another agency or department of the state who discloses  
1018 confidential information in violation of subsection (k), (l) or (m) of this  
1019 section shall be fined not more than five thousand dollars or  
1020 imprisoned not more than five years, or both.

1021 Sec. 20. (*Effective from passage*) The Comptroller may transfer up to  
1022 one hundred twenty-four million seven hundred thousand dollars  
1023 from the resources of the General Fund to the Special Transportation  
1024 Fund for the fiscal year ending June 30, 2007, of which an amount  
1025 equal to the number of days in June that the tax imposed by section 12-  
1026 458 of the general statutes is suspended pursuant to said section,  
1027 multiplied by one million three hundred seventy thousand dollars  
1028 shall be transferred into the Special Transportation Fund for the fiscal  
1029 year ending June 30, 2007, and eighty-three million seven hundred  
1030 thousand dollars shall be deemed transferred into the Special  
1031 Transportation Fund for the fiscal year ending June 30, 2008.

1032 Sec. 21. Section 12-587 of the general statutes is repealed and the  
1033 following is substituted in lieu thereof (*Effective July 1, 2007*):

1034 (a) As used in this chapter: (1) "Company" includes a corporation,  
1035 partnership, limited partnership, limited liability company, limited  
1036 liability partnership, association, individual or any fiduciary thereof;  
1037 (2) "quarterly period" means a period of three calendar months  
1038 commencing on the first day of January, April, July or October and  
1039 ending on the last day of March, June, September or December,  
1040 respectively; (3) "gross earnings" means all consideration received  
1041 from the first sale within this state of a petroleum product; (4)  
1042 "petroleum products" means those products which contain or are  
1043 made from petroleum or a petroleum derivative; (5) "first sale of  
1044 petroleum products within this state" means the initial sale of a  
1045 petroleum product delivered to a location in this state; (6) "export" or  
1046 "exportation" means the conveyance of petroleum products from  
1047 within this state to a location outside this state for the purpose of sale  
1048 or use outside this state; and (7) "sale for exportation" means a sale of  
1049 petroleum products to a purchaser which itself exports such products.

1050 (b) (1) Except as otherwise provided in subdivision (2) of this  
1051 subsection, any company which is engaged in the refining or  
1052 distribution, or both, of petroleum products and which distributes  
1053 such products in this state shall pay a quarterly tax on its gross  
1054 earnings derived from the first sale of petroleum products within this  
1055 state. Each company shall on or before the last day of the month next  
1056 succeeding each quarterly period render to the commissioner a return  
1057 on forms prescribed or furnished by the commissioner and signed by  
1058 the person performing the duties of treasurer or an authorized agent or  
1059 officer, including the amount of gross earnings derived from the first  
1060 sale of petroleum products within this state for the quarterly period  
1061 and such other facts as the commissioner may require for the purpose  
1062 of making any computation required by this chapter. Except as  
1063 otherwise provided in subdivision (3) of this subsection, the rate of tax  
1064 shall be (A) five per cent with respect to calendar quarters prior to July  
1065 1, 2005; (B) five and eight-tenths per cent with respect to calendar  
1066 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;  
1067 (C) six and three-tenths per cent with respect to calendar quarters

1068 commencing on or after July 1, 2006, and prior to July 1, [2007] 2008;  
1069 (D) seven per cent with respect to calendar quarters commencing on or  
1070 after July 1, [2007] 2008, and prior to July 1, [2008] 2009; (E) seven and  
1071 one-half per cent with respect to calendar quarters commencing on or  
1072 after July 1, [2008] 2009, and prior to July 1, [2013] 2014; and (F) eight  
1073 and one-tenth per cent with respect to calendar quarters commencing  
1074 on or after July 1, [2013] 2014.

1075 (2) Gross earnings derived from the first sale of the following  
1076 petroleum products within this state shall be exempt from tax: (A) Any  
1077 petroleum products sold for exportation from this state for sale or use  
1078 outside this state; (B) the product designated by the American Society  
1079 for Testing and Materials as "Specification for Heating Oil D396-69",  
1080 commonly known as number 2 heating oil, to be used exclusively for  
1081 heating purposes or to be used in a commercial fishing vessel, which  
1082 vessel qualifies for an exemption pursuant to section 12-412; (C)  
1083 kerosene, commonly known as number 1 oil, to be used exclusively for  
1084 heating purposes, provided delivery is of both number 1 and number 2  
1085 oil, and via a truck with a metered delivery ticket to a residential  
1086 dwelling or to a centrally metered system serving a group of  
1087 residential dwellings; (D) the product identified as propane gas, to be  
1088 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
1089 fuel, marine diesel oil and marine gas oil to be used in any vessel  
1090 having a displacement exceeding four thousand dead weight tons; (F)  
1091 for any first sale occurring prior to July 1, 2008, propane gas to be used  
1092 as a fuel for a motor vehicle; (G) for any first sale occurring on or after  
1093 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted  
1094 pursuant to section 16a-22c, to be used exclusively by a company  
1095 which, in accordance with census data contained in the Standard  
1096 Industrial Classification Manual, United States Office of Management  
1097 and Budget, 1987 edition, is included in code classifications 2000 to  
1098 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
1099 Industrial Classification System United States Manual, United States  
1100 Office of Management and Budget, 1997 edition; (H) for any first sale  
1101 occurring on or after July 1, 2002, number 2 heating oil to be used

1102 exclusively in a vessel primarily engaged in interstate commerce,  
1103 which vessel qualifies for an exemption under section 12-412; (I) for  
1104 any first sale occurring on or after July 1, 2000, paraffin or  
1105 microcrystalline waxes; (J) for any first sale occurring prior to July 1,  
1106 2008, petroleum products to be used as a fuel for a fuel cell, as defined  
1107 in subdivision (113) of section 12-412; or (K) a commercial heating oil  
1108 blend containing not less than ten per cent of alternative fuels derived  
1109 from agricultural produce, food waste, waste vegetable oil or  
1110 municipal solid waste, including, but not limited to, biodiesel or low  
1111 sulfur dyed diesel fuel.

1112 (3) The rate of tax on gross earnings derived from the first sale of  
1113 grade number 6 fuel oil, as defined in regulations adopted pursuant to  
1114 section 16a-22c, to be used exclusively by a company which, in  
1115 accordance with census data contained in the Standard Industrial  
1116 Classification Manual, United States Office of Management and  
1117 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
1118 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
1119 Classification System United States Manual, United States Office of  
1120 Management and Budget, 1997 edition, or number 2 heating oil used  
1121 exclusively in a vessel primarily engaged in interstate commerce,  
1122 which vessel qualifies for an exemption under section 12-412 shall be:  
1123 (A) Four per cent with respect to calendar quarters commencing on or  
1124 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with  
1125 respect to calendar quarters commencing on or after July 1, 1999, and  
1126 prior to July 1, 2000; (C) two per cent with respect to calendar quarters  
1127 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)  
1128 one per cent with respect to calendar quarters commencing on or after  
1129 July 1, 2001, and prior to July 1, 2002.

1130 (c) (1) Any company which imports or causes to be imported into  
1131 this state petroleum products for sale, use or consumption in this state,  
1132 other than a company subject to and having paid the tax on such  
1133 company's gross earnings from first sales of petroleum products  
1134 within this state, which earnings include gross earnings attributable to  
1135 such imported or caused to be imported petroleum products, in

1136 accordance with subsection (b) of this section, shall pay a quarterly tax  
1137 on the consideration given or contracted to be given for such  
1138 petroleum product if the consideration given or contracted to be given  
1139 for all such deliveries during the quarterly period for which such tax is  
1140 to be paid exceeds three thousand dollars. Except as otherwise  
1141 provided in subdivision (3) of this subsection, the rate of tax shall be  
1142 (A) five per cent with respect to calendar quarters commencing prior to  
1143 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar  
1144 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;  
1145 (C) six and three-tenths per cent with respect to calendar quarters  
1146 commencing on or after July 1, 2006, and prior to July 1, [2007] 2008;  
1147 (D) seven per cent with respect to calendar quarters commencing on or  
1148 after July 1, [2007] 2008, and prior to July 1, [2008] 2009; (E) seven and  
1149 one-half per cent with respect to calendar quarters commencing on or  
1150 after July 1, [2008] 2009, and prior to July 1, [2013] 2014; and (F) eight  
1151 and one-tenth per cent with respect to calendar quarters commencing  
1152 on or after July 1, [2013] 2014. Fuel in the fuel supply tanks of a motor  
1153 vehicle, which fuel tanks are directly connected to the engine, shall not  
1154 be considered a delivery for the purposes of this subsection.

1155 (2) Consideration given or contracted to be given for petroleum  
1156 products, gross earnings from the first sale of which are exempt from  
1157 tax under subdivision (2) of subsection (b) of this section, shall be  
1158 exempt from tax.

1159 (3) The rate of tax on consideration given or contracted to be given  
1160 for grade number 6 fuel oil, as defined in regulations adopted  
1161 pursuant to section 16a-22c, to be used exclusively by a company  
1162 which, in accordance with census data contained in the Standard  
1163 Industrial Classification Manual, United States Office of Management  
1164 and Budget, 1987 edition, is included in code classifications 2000 to  
1165 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
1166 Industrial Classification System United States Manual, United States  
1167 Office of Management and Budget, 1997 edition, or number 2 heating  
1168 oil used exclusively in a vessel primarily engaged in interstate  
1169 commerce, which vessel qualifies for an exemption under section 12-

1170 412 shall be: (A) Four per cent with respect to calendar quarters  
1171 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three  
1172 per cent with respect to calendar quarters commencing on or after July  
1173 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to  
1174 calendar quarters commencing on or after July 1, 2000, and prior to  
1175 July 1, 2001; and (D) one per cent with respect to calendar quarters  
1176 commencing on or after July 1, 2001, and prior to July 1, 2002.

1177 (d) The amount of tax reported to be due on such return shall be  
1178 due and payable on or before the last day of the month next  
1179 succeeding the quarterly period. The tax imposed under the provisions  
1180 of this chapter shall be in addition to any other tax imposed by this  
1181 state on such company.

1182 (e) For the purposes of this chapter, the gross earnings of any  
1183 producer or refiner of petroleum products operating a service station  
1184 along the highways or interstate highways within the state pursuant to  
1185 a contract with the Department of Transportation or operating a  
1186 service station which is used as a training or test marketing center  
1187 under the provisions of subsection (b) of section 14-344d, shall be  
1188 calculated by multiplying the volume of petroleum products delivered  
1189 by any producer or refiner to any such station by such producer's or  
1190 refiner's dealer tank wagon price or dealer wholesale price in the area  
1191 of the service station.

1192 Sec. 22. Subsection (a) of section 12-642 of the general statutes is  
1193 repealed and the following is substituted in lieu thereof (*Effective July*  
1194 *1, 2007, and applicable to calendar years commencing on or after January 1,*  
1195 *2007*):

1196 (a) (1) With respect to calendar years commencing prior to January  
1197 1, 2001, the tax imposed by section 12-640 for the calendar year shall be  
1198 at a rate of the taxable gifts made by the donor during the calendar  
1199 year set forth in the following schedule:

T55	Amount of Taxable Gifts	Rate of Tax
T56	Not over \$25,000	1%
T57	Over \$25,000	\$250, plus 2% of the excess
T58	but not over \$50,000	over \$25,000
T59	Over \$50,000	\$750, plus 3% of the excess
T60	but not over \$75,000	over \$50,000
T61	Over \$75,000	\$1,500, plus 4% of the excess
T62	but not over \$100,000	over \$75,000
T63	Over \$100,000	\$2,500, plus 5% of the excess
T64	but not over \$200,000	over \$100,000
T65	Over \$200,000	\$7,500, plus 6% of the excess
T66		over \$200,000

1200 (2) With respect to the calendar years commencing January 1, 2001,  
 1201 January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed  
 1202 by section 12-640 for each such calendar year shall be at a rate of the  
 1203 taxable gifts made by the donor during the calendar year set forth in  
 1204 the following schedule:

T67	Amount of Taxable Gifts	Rate of Tax
T68	Over \$25,000	\$250, plus 2% of the excess
T69	but not over \$50,000	over \$25,000
T70	Over \$50,000	\$750, plus 3% of the excess
T71	but not over \$75,000	over \$50,000
T72	Over \$75,000	\$1,500, plus 4% of the excess
T73	but not over \$100,000	over \$75,000
T74	Over \$100,000	\$2,500, plus 5% of the excess
T75	but not over \$675,000	over \$100,000
T76	Over \$675,000	\$31,250, plus 6% of the excess
T77		over \$675,000

1205 (3) With respect to Connecticut taxable gifts, as defined in section

1206 12-643, made by a donor during a calendar year commencing on or  
 1207 after January 1, 2005, but prior to January 1, 2007, including the  
 1208 aggregate amount of all Connecticut taxable gifts made by the donor  
 1209 during all calendar years commencing on or after January 1, 2005, but  
 1210 prior to January 1, 2007, the tax imposed by section 12-640 for the  
 1211 calendar year shall be at the rate set forth in the following schedule,  
 1212 with a credit allowed against such tax for any tax previously paid to  
 1213 this state pursuant to this subdivision:

T78	Amount of Taxable Gifts	Rate of Tax
T79	Not over \$2,000,000	None
T80	Over \$2,000,000	
T81	but not over \$2,100,000	5.085% of the excess over \$0
T82	Over \$2,100,000	\$106,800 plus 8% of the excess
T83	but not over \$2,600,000	over \$2,100,000
T84	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T85	but not over \$3,100,000	over \$2,600,000
T86	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T87	but not over \$3,600,000	over \$3,100,000
T88	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T89	but not over \$4,100,000	over \$3,600,000
T90	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T91	but not over \$5,100,000	over \$4,100,000
T92	Over \$5,100,000	\$402,800 plus 12% of the excess
T93	but not over \$6,100,000	over \$5,100,000
T94	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T95	but not over \$7,100,000	over \$6,100,000
T96	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T97	but not over \$8,100,000	over \$7,100,000
T98	Over \$8,100,000	\$786,800 plus 14.4% of the excess

T99	but not over \$9,100,000	over \$8,100,000
T100	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T101	but not over \$10,100,000	over \$9,100,000
T102	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T103		over \$10,100,000

1214 (4) With respect to Connecticut taxable gifts, as defined in section  
 1215 12-643, made by a donor during a calendar year commencing on or  
 1216 after January 1, 2007, including the aggregate amount of all  
 1217 Connecticut taxable gifts made by the donor during all calendar years  
 1218 commencing on or after January 1, 2007, the tax imposed by section 12-  
 1219 640 for the calendar year shall be at the rate set forth in the following  
 1220 schedule, with a credit allowed against such tax for any tax previously  
 1221 paid to this state pursuant to this subdivision:

	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T104	<u>Not over \$2,000,000</u>	<u>None</u>
T105	<u>Over \$2,000,000</u>	<u>5.085% of the excess over</u>
T106	<u>but not over \$2,100,000</u>	<u>\$2,000,000</u>
T107	<u>Over \$2,100,000</u>	<u>\$5,100 plus 10.0% of the excess</u>
T108	<u>but not over \$2,600,000</u>	<u>over \$2,100,000</u>
T109	<u>Over \$2,600,000</u>	<u>\$55,100 plus 11.0% of the excess</u>
T110	<u>but not over \$3,100,000</u>	<u>over \$2,600,000</u>
T111	<u>Over \$3,100,000</u>	<u>\$110,100 plus 12.0% of the excess</u>
T112	<u>but not over \$3,600,000</u>	<u>over \$3,100,000</u>
T113	<u>Over \$3,600,000</u>	<u>\$170,100 plus 13.0% of the excess</u>
T114	<u>but not over \$4,100,000</u>	<u>over \$3,600,000</u>
T115	<u>Over \$4,100,000</u>	<u>\$235,100 plus 14.0% of the excess</u>
T116	<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
T117		

T118	<u>Over \$5,100,000</u>	<u>\$375,100 plus 15.0% of the excess</u>
T119	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T120	<u>Over \$6,100,000</u>	<u>\$525,100 plus 16.0% of the excess</u>
T121	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T122	<u>Over \$7,100,000</u>	<u>\$685,100 plus 17.0% of the excess</u>
T123	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T124	<u>Over \$8,100,000</u>	<u>\$855,100 plus 18.0% of the excess</u>
T125	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T126	<u>Over \$9,100,000</u>	<u>\$1,035,000 plus 19.0% of the excess</u>
T127	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T128	<u>Over \$10,100,000</u>	<u>\$1,225,100 plus 20.0% of the excess</u>
T129		<u>over \$10,100,000</u>

1222 Sec. 23. Subsection (a) of section 12-700 of the general statutes is  
 1223 repealed and the following is substituted in lieu thereof (*Effective July*  
 1224 *1, 2007, and applicable to taxable years commencing on or after January 1,*  
 1225 *2007*):

1226 (a) There is hereby imposed on the Connecticut taxable income of  
 1227 each resident of this state a tax:

1228 (1) At the rate of four and one-half per cent of such Connecticut  
 1229 taxable income for taxable years commencing on or after January 1,  
 1230 1992, and prior to January 1, 1996.

1231 (2) For taxable years commencing on or after January 1, 1996, but  
 1232 prior to January 1, 1997, in accordance with the following schedule:

1233 (A) For any person who files a return under the federal income tax  
 1234 for such taxable year as an unmarried individual or as a married  
 1235 individual filing separately:

T130	Connecticut Taxable Income	Rate of Tax
T131	Not over \$2,250	3.0%
T132	Over \$2,250	\$67.50, plus 4.5% of the
T133		excess over \$2,250

1236 (B) For any person who files a return under the federal income tax  
 1237 for such taxable year as a head of household, as defined in Section 2(b)  
 1238 of the Internal Revenue Code:

T134	Connecticut Taxable Income	Rate of Tax
T135	Not over \$3,500	3.0%
T136	Over \$3,500	\$105.00, plus 4.5% of the
T137		excess over \$3,500

1239 (C) For any husband and wife who file a return under the federal  
 1240 income tax for such taxable year as married individuals filing jointly or  
 1241 a person who files a return under the federal income tax as a surviving  
 1242 spouse, as defined in Section 2(a) of the Internal Revenue Code:

T138	Connecticut Taxable Income	Rate of Tax
T139	Not over \$4,500	3.0%
T140	Over \$4,500	\$135.00, plus 4.5% of the
T141		excess over \$4,500

1243 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
 1244 Connecticut taxable income.

1245 (3) For taxable years commencing on or after January 1, 1997, but  
 1246 prior to January 1, 1998, in accordance with the following schedule:

1247 (A) For any person who files a return under the federal income tax  
 1248 for such taxable year as an unmarried individual or as a married  
 1249 individual filing separately:

T142	Connecticut Taxable Income	Rate of Tax
T143	Not over \$6,250	3.0%
T144	Over \$6,250	\$187.50, plus 4.5% of the
T145		excess over \$6,250

1250 (B) For any person who files a return under the federal income tax  
 1251 for such taxable year as a head of household, as defined in Section 2(b)  
 1252 of the Internal Revenue Code:

T146	Connecticut Taxable Income	Rate of Tax
T147	Not over \$10,000	3.0%
T148	Over \$10,000	\$300.00, plus 4.5% of the
T149		excess over \$10,000

1253 (C) For any husband and wife who file a return under the federal  
 1254 income tax for such taxable year as married individuals filing jointly or  
 1255 any person who files a return under the federal income tax for such  
 1256 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1257 Internal Revenue Code:

T150	Connecticut Taxable Income	Rate of Tax
T151	Not over \$12,500	3.0%
T152	Over \$12,500	\$375.00, plus 4.5% of the
T153		excess over \$12,500

1258 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
1259 Connecticut taxable income.

1260 (4) For taxable years commencing on or after January 1, 1998, but  
1261 prior to January 1, 1999, in accordance with the following schedule:

1262 (A) For any person who files a return under the federal income tax  
1263 for such taxable year as an unmarried individual or as a married  
1264 individual filing separately:

T154	Connecticut Taxable Income	Rate of Tax
T155	Not over \$7,500	3.0%
T156	Over \$7,500	\$225.00, plus 4.5% of the
T157		excess over \$7,500

1265 (B) For any person who files a return under the federal income tax  
1266 for such taxable year as a head of household, as defined in Section 2(b)  
1267 of the Internal Revenue Code:

T158	Connecticut Taxable Income	Rate of Tax
T159	Not over \$12,000	3.0%
T160	Over \$12,000	\$360.00, plus 4.5% of the
T161		excess over \$12,000

1268 (C) For any husband and wife who file a return under the federal  
1269 income tax for such taxable year as married individuals filing jointly or  
1270 any person who files a return under the federal income tax for such  
1271 taxable year as a surviving spouse, as defined in Section 2(a) of the  
1272 Internal Revenue Code:

---

T162	Connecticut Taxable Income	Rate of Tax
T163	Not over \$15,000	3.0%
T164	Over \$15,000	\$450.00, plus 4.5% of the
T165		excess over \$15,000

1273 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
 1274 Connecticut taxable income.

1275 (5) For taxable years commencing on or after January 1, 1999, but  
 1276 prior to January 1, 2003, in accordance with the following schedule:

1277 (A) For any person who files a return under the federal income tax  
 1278 for such taxable year as an unmarried individual or as a married  
 1279 individual filing separately:

T166	Connecticut Taxable Income	Rate of Tax
T167	Not over \$10,000	3.0%
T168	Over \$10,000	\$300.00, plus 4.5% of the
T169		excess over \$10,000

1280 (B) For any person who files a return under the federal income tax  
 1281 for such taxable year as a head of household, as defined in Section 2(b)  
 1282 of the Internal Revenue Code:

T170	Connecticut Taxable Income	Rate of Tax
T171	Not over \$16,000	3.0%
T172	Over \$16,000	\$480.00, plus 4.5% of the
T173		excess over \$16,000

1283 (C) For any husband and wife who file a return under the federal

1284 income tax for such taxable year as married individuals filing jointly or  
 1285 any person who files a return under the federal income tax for such  
 1286 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1287 Internal Revenue Code:

T174	Connecticut Taxable Income	Rate of Tax
T175	Not over \$20,000	3.0%
T176	Over \$20,000	\$600.00, plus 4.5% of the
T177		excess over \$20,000

1288 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
 1289 Connecticut taxable income.

1290 (6) For taxable years commencing on or after January 1, 2003, but  
 1291 prior to January 1, 2007, in accordance with the following schedule:

1292 (A) For any person who files a return under the federal income tax  
 1293 for such taxable year as an unmarried individual or as a married  
 1294 individual filing separately:

T178	Connecticut Taxable Income	Rate of Tax
T179	Not over \$10,000	3.0%
T180	Over \$10,000	\$300.00, plus 5.0% of the
T181		excess over \$10,000

1295 (B) For any person who files a return under the federal income tax  
 1296 for such taxable year as a head of household, as defined in Section 2(b)  
 1297 of the Internal Revenue Code:

T182	Connecticut Taxable Income	Rate of Tax
T183	Not over \$16,000	3.0%
T184	Over \$16,000	\$480.00, plus 5.0% of the
T185		excess over \$16,000

1298 (C) For any husband and wife who file a return under the federal  
 1299 income tax for such taxable year as married individuals filing jointly or  
 1300 any person who files a return under the federal income tax for such  
 1301 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1302 Internal Revenue Code:

T186	Connecticut Taxable Income	Rate of Tax
T187	Not over \$20,000	3.0%
T188	Over \$20,000	\$600.00, plus 5.0% of the
T189		excess over \$20,000

1303 (D) For trusts or estates, the rate of tax shall be 5.0% of the  
 1304 Connecticut taxable income.

1305 (7) For taxable years commencing on or after January 1, 2007, but  
 1306 prior to January 1, 2008, in accordance with the following schedule:

1307 (A) For any person who files a return under the federal income tax  
 1308 for such taxable year as an unmarried individual:

T190	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T191	<u>Not over \$10,000</u>	<u>3.0%</u>
T192	<u>Over \$10,000</u>	<u>\$300.00, plus 4.875% of the excess</u>
T193	<u>but not over \$53,125</u>	<u>over \$10,000</u>
T194	<u>Over \$53,125</u>	<u>\$2,402.34, plus 5.00% of the excess</u>

T195	<u>but not over \$132,800</u>	<u>over \$53,125</u>
T196	<u>Over \$132,800</u>	<u>\$6,386.09, plus 5.7% of the excess</u>
T197	<u>but not over \$163,000</u>	<u>over \$132,800</u>
T198	<u>Over \$163,000</u>	<u>\$8,107.49, plus 5.95% of the excess</u>
T199		<u>over \$163,000</u>

1309 (B) For any person who files a return under the federal income tax  
 1310 for such taxable year as a head of household, as defined in Section 2(b)  
 1311 of the Internal Revenue Code:

T200	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T201	<u>Not over \$16,000</u>	<u>3.0%</u>
T202	<u>Over \$16,000</u>	<u>\$480.00, plus 4.875% of the excess</u>
T203	<u>but not over \$80,000</u>	<u>over \$16,000</u>
T204	<u>Over \$80,000</u>	<u>\$3,600.00, plus 5.00% of the excess</u>
T205	<u>but not over \$200,000</u>	<u>over \$80,000</u>
T206	<u>Over \$200,000</u>	<u>\$9,600.00, plus 5.7% of the excess</u>
T207	<u>but not over \$400,000</u>	<u>over \$200,000</u>
T208	<u>Over \$400,000</u>	<u>\$21,000.00, plus 5.95% of the excess</u>
T209		<u>over \$400,000</u>

1312 (C) For any husband and wife who file a return under the federal  
 1313 income tax for such taxable year as married individuals filing jointly or  
 1314 any person who files a return under the federal income tax for such  
 1315 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1316 Internal Revenue Code:

T210	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T211	<u>Not over \$20,000</u>	<u>3.0%</u>
T212	<u>Over \$20,000</u>	<u>\$600.00, plus 4.875% of the excess</u>

T213	<u>but not over \$100,000</u>	<u>over \$20,000</u>
T214	<u>Over \$100,000</u>	<u>\$4,500.00, plus 5.00% of the excess</u>
T215	<u>but not over \$250,000</u>	<u>over \$100,000</u>
T216	<u>Over \$250,000</u>	<u>\$12,000.00, plus 5.7% of the excess</u>
T217	<u>but not over \$500,000</u>	<u>over \$250,000</u>
T218	<u>Over \$500,000</u>	<u>\$26,250.00, plus 5.95% of the excess</u>
T219		<u>over \$500,000</u>

1317 (D) For any person who files a return under the federal income tax  
 1318 for such taxable year as a married individual filing separately:

T220	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T221	<u>Not over \$10,000</u>	<u>3.0%</u>
T222	<u>Over \$10,000</u>	<u>\$300.00, plus 4.875% of the excess</u>
T223	<u>but not over \$50,000</u>	<u>over \$10,000</u>
T224	<u>Over \$50,000</u>	<u>\$2,250.00, plus 5.00% of the excess</u>
T225	<u>but not over \$125,000</u>	<u>over \$50,000</u>
T226	<u>Over \$125,000</u>	<u>\$6,000.00, plus 5.7% of the excess</u>
T227	<u>but not over \$250,000</u>	<u>over \$125,000</u>
T228	<u>Over \$250,000</u>	<u>\$13,125.00, plus 5.95% of the excess</u>
T229		<u>over \$250,000</u>

1319

1320 (E) For trusts or estates, the rate of tax shall be 5.95% of the  
 1321 Connecticut taxable income.

1322 (8) For taxable years commencing on or after January 1, 2008, in  
 1323 accordance with the following schedule:

1324 (A) For any person who files a return under the federal income tax  
 1325 for such taxable year as an unmarried individual:

T230	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
------	-----------------------------------	--------------------

T231	<u>Not over \$10,000</u>	<u>3.0%</u>
T232	<u>Over \$10,000</u>	<u>\$300.00, plus 4.75% of the excess</u>
T233	<u>but not over \$53,125</u>	<u>over \$10,000</u>
T234	<u>Over \$53,125</u>	<u>\$2,348.44, plus 5.00% of the excess</u>
T235	<u>but not over \$132,800</u>	<u>over \$53,125</u>
T236	<u>Over \$132,800</u>	<u>\$6,332.19, plus 5.875% of the excess</u>
T237	<u>but not over \$163,000</u>	<u>over \$132,800</u>
T238	<u>Over \$163,000</u>	<u>\$8,106.44, plus 6.5% of the excess</u>
T239		<u>over \$163,000</u>

1326 (B) For any person who files a return under the federal income tax  
 1327 for such taxable year as a head of household, as defined in Section 2(b)  
 1328 of the Internal Revenue Code:

T240	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T241	<u>Not over \$16,000</u>	<u>3.0%</u>
T242	<u>Over \$16,000</u>	<u>\$480.00, plus 4.75% of the excess</u>
T243	<u>but not over \$80,000</u>	<u>over \$16,000</u>
T244	<u>Over \$80,000</u>	<u>\$3,520.00, plus 5.00% of the excess</u>
T245	<u>but not over \$200,000</u>	<u>over \$80,000</u>
T246	<u>Over \$200,000</u>	<u>\$9,520.00, plus 5.875% of the excess</u>
T247	<u>but not over \$400,000</u>	<u>over \$200,000</u>
T248	<u>Over \$400,000</u>	<u>\$21,270.00, plus 6.5% of the excess</u>
T249		<u>over \$400,000</u>

1329 (C) For any husband and wife who file a return under the federal  
 1330 income tax for such taxable year as married individuals filing jointly or  
 1331 any person who files a return under the federal income tax for such  
 1332 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1333 Internal Revenue Code:

	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T250		
T251	<u>Not over \$20,000</u>	<u>3.0%</u>
T252	<u>Over \$20,000</u>	<u>\$600.00, plus 4.75% of the excess</u>
T253	<u>but not over \$100,000</u>	<u>over \$20,000</u>
T254	<u>Over \$100,000</u>	<u>\$4,400.00, plus 5.00% of the excess</u>
T255	<u>but not over \$250,000</u>	<u>over \$100,000</u>
T256	<u>Over \$250,000</u>	<u>\$11,900.00, plus 5.875% of the</u>
		<u>excess</u>
T257	<u>but not over \$500,000</u>	<u>over \$250,000</u>
T258	<u>Over \$500,000</u>	<u>\$26,587.50, plus 6.5% of the excess</u>
T259		<u>over \$500,000</u>

1334 (D) For any person who files a return under the federal income tax  
 1335 for such taxable year as a married person filing separately:

	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T260		
T261	<u>Not over \$10,000</u>	<u>3.0%</u>
T262	<u>Over \$10,000</u>	<u>\$300.00, plus 4.75% of the excess</u>
T263	<u>but not over \$50,000</u>	<u>over \$10,000</u>
T264	<u>Over \$50,000</u>	<u>\$2,200.00, plus 5.00% of the excess</u>
T265	<u>but not over \$125,000</u>	<u>over \$50,000</u>
T266	<u>Over \$125,000</u>	<u>\$5,950.00, plus 5.875% of the excess</u>
T267	<u>but not over \$250,000</u>	<u>over \$125,000</u>
T268	<u>Over \$250,000</u>	<u>\$13,293.75, plus 6.5% of the excess</u>
T269		<u>over \$250,000</u>

1336 (E) For trusts or estates, the rate of tax shall be 6.5% of the  
 1337 Connecticut taxable income.

1338 [(7)] (9) The provisions of this subsection shall apply to resident  
 1339 trusts and estates and, wherever reference is made in this subsection to  
 1340 residents of this state, such reference shall be construed to include  
 1341 resident trusts and estates, provided any reference to a resident's  
 1342 Connecticut adjusted gross income derived from sources without this

1343 state or to a resident's Connecticut adjusted gross income shall be  
1344 construed, in the case of a resident trust or estate, to mean the resident  
1345 trust or estate's Connecticut taxable income derived from sources  
1346 without this state and the resident trust or estate's Connecticut taxable  
1347 income, respectively.

1348 Sec. 24. (*Effective July 1, 2007*) The Commissioner of Revenue  
1349 Services shall, pursuant to chapter 229 of the general statutes, issue  
1350 new withholding tax tables effective July 1, 2007.

1351 Sec. 25. Subsections (b) and (c) of section 12-704c of the general  
1352 statutes are repealed and the following is substituted in lieu thereof  
1353 (*Effective July 1, 2007, and applicable to taxable years commencing on or after*  
1354 *January 1, 2007*):

1355 (b) The credit allowed under this section shall not exceed two  
1356 hundred fifteen dollars for the taxable year commencing on or after  
1357 January 1, 1997, and prior to January 1, 1998; for taxable years  
1358 commencing on or after January 1, 1998, but prior to January 1, 1999,  
1359 three hundred fifty dollars; for taxable years commencing on or after  
1360 January 1, 1999, but prior to January 1, 2000, four hundred twenty-five  
1361 dollars; for taxable years commencing on or after January 1, 2000, but  
1362 prior to January 1, 2003, five hundred dollars; for taxable years  
1363 commencing on or after January 1, 2003, three hundred fifty dollars;  
1364 for taxable years commencing on or after January 1, 2005, but prior to  
1365 January 1, 2006, three hundred fifty dollars; [and] for taxable years  
1366 commencing on or after January 1, 2006, but prior to January 1, 2007,  
1367 five hundred dollars; and for taxable years commencing on or after  
1368 January 1, 2007, one thousand dollars. In the case of any husband and  
1369 wife who file a return under the federal income tax for such taxable  
1370 year as married individuals filing a joint return, the credit allowed, in  
1371 the aggregate, shall not exceed such amounts for each such taxable  
1372 year.

1373 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in  
1374 the case of any such taxpayer who files under the federal income tax

1375 for such taxable year as an unmarried individual whose Connecticut  
1376 adjusted gross income exceeds fifty-two thousand five hundred  
1377 dollars, the amount of the credit that exceeds one hundred dollars shall  
1378 be reduced by ten per cent for each ten thousand dollars, or fraction  
1379 thereof, by which the taxpayer's Connecticut adjusted gross income  
1380 exceeds said amount.

1381 (B) For taxable years commencing on or after January 1, 2000, but  
1382 prior to January 1, 2001, in the case of any such taxpayer who files  
1383 under the federal income tax for such taxable year as an unmarried  
1384 individual whose Connecticut adjusted gross income exceeds fifty-  
1385 three thousand five hundred dollars, the amount of the credit that  
1386 exceeds one hundred dollars shall be reduced by ten per cent for each  
1387 ten thousand dollars, or fraction thereof, by which the taxpayer's  
1388 Connecticut adjusted gross income exceeds said amount.

1389 (C) For taxable years commencing on or after January 1, 2001, but  
1390 prior to January 1, 2004, in the case of any such taxpayer who files  
1391 under the federal income tax for such taxable year as an unmarried  
1392 individual whose Connecticut adjusted gross income exceeds fifty-four  
1393 thousand five hundred dollars, the amount of the credit shall be  
1394 reduced by ten per cent for each ten thousand dollars, or fraction  
1395 thereof, by which the taxpayer's Connecticut adjusted gross income  
1396 exceeds said amount.

1397 (D) For taxable years commencing on or after January 1, 2004, but  
1398 prior to January 1, 2007, in the case of any such taxpayer who files  
1399 under the federal income tax for such taxable year as an unmarried  
1400 individual whose Connecticut adjusted gross income exceeds fifty-five  
1401 thousand dollars, the amount of the credit shall be reduced by ten per  
1402 cent for each ten thousand dollars, or fraction thereof, by which the  
1403 taxpayer's Connecticut adjusted gross income exceeds said amount.

1404 (E) For taxable years commencing on or after January 1, 2007, but  
1405 prior to January 1, 2008, in the case of any such taxpayer who files  
1406 under the federal income tax for such taxable year as an unmarried

1407 individual whose Connecticut adjusted gross income exceeds  
1408 [fifty-five] eighty-two thousand five hundred dollars, the amount of  
1409 the credit shall be reduced by ten per cent for each ten thousand  
1410 dollars, or fraction thereof, by which the taxpayer's Connecticut  
1411 adjusted gross income exceeds said amount.

1412 (F) For taxable years commencing on or after January 1, 2008, but  
1413 prior to January 1, 2009, in the case of any such taxpayer who files  
1414 under the federal income tax for such taxable year as an unmarried  
1415 individual whose Connecticut adjusted gross income exceeds [fifty-six  
1416 thousand five hundred] eighty-four thousand three hundred dollars,  
1417 the amount of the credit shall be reduced by ten per cent for each ten  
1418 thousand dollars, or fraction thereof, by which the taxpayer's  
1419 Connecticut adjusted gross income exceeds said amount.

1420 (G) For taxable years commencing on or after January 1, 2009, but  
1421 prior to January 1, 2010, in the case of any such taxpayer who files  
1422 under the federal income tax for such taxable year as an unmarried  
1423 individual whose Connecticut adjusted gross income exceeds [fifty-  
1424 eight thousand five hundred] eighty-seven thousand three hundred  
1425 dollars, the amount of the credit shall be reduced by ten per cent for  
1426 each ten thousand dollars, or fraction thereof, by which the taxpayer's  
1427 Connecticut adjusted gross income exceeds said amount.

1428 (H) For taxable years commencing on or after January 1, 2010, but  
1429 prior to January 1, 2011, in the case of any such taxpayer who files  
1430 under the federal income tax for such taxable year as an unmarried  
1431 individual whose Connecticut adjusted gross income exceeds [sixty  
1432 thousand five hundred] ninety thousand three hundred dollars, the  
1433 amount of the credit shall be reduced by ten per cent for each ten  
1434 thousand dollars, or fraction thereof, by which the taxpayer's  
1435 Connecticut adjusted gross income exceeds said amount.

1436 (I) For taxable years commencing on or after January 1, 2011, but  
1437 prior to January 1, 2012, in the case of any such taxpayer who files  
1438 under the federal income tax for such taxable year as an unmarried

1439 individual whose Connecticut adjusted gross income exceeds  
1440 [sixty-two thousand five hundred] ninety-three thousand three  
1441 hundred dollars, the amount of the credit shall be reduced by ten per  
1442 cent for each ten thousand dollars, or fraction thereof, by which the  
1443 taxpayer's Connecticut adjusted gross income exceeds said amount.

1444 (J) For taxable years commencing on or after January 1, 2012, in the  
1445 case of any such taxpayer who files under the federal income tax for  
1446 such taxable year as an unmarried individual whose Connecticut  
1447 adjusted gross income exceeds [sixty-four thousand five hundred]  
1448 ninety-six thousand three hundred dollars, the amount of the credit  
1449 shall be reduced by ten per cent for each ten thousand dollars, or  
1450 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1451 income exceeds said amount.

1452 (2) In the case of any such taxpayer who files under the federal  
1453 income tax for such taxable year as a married individual filing  
1454 separately whose Connecticut adjusted gross income exceeds [fifty  
1455 thousand two hundred fifty] seventy-five thousand dollars, the  
1456 amount of the credit shall be reduced by ten per cent for each five  
1457 thousand dollars, or fraction thereof, by which the taxpayer's  
1458 Connecticut adjusted gross income exceeds said amount.

1459 (3) In the case of a taxpayer who files under the federal income tax  
1460 for such taxable year as a head of household whose Connecticut  
1461 adjusted gross income exceeds [seventy-eight thousand five hundred]  
1462 one hundred seventeen thousand dollars, the amount of the credit  
1463 shall be reduced by ten per cent for each ten thousand dollars or  
1464 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1465 income exceeds said amount.

1466 (4) In the case of a taxpayer who files under federal income tax for  
1467 such taxable year as married individuals filing jointly whose  
1468 Connecticut adjusted gross income exceeds [one hundred thousand  
1469 five hundred] one hundred fifty thousand dollars, the amount of the  
1470 credit shall be reduced by ten per cent for each ten thousand dollars, or

1471 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1472 income exceeds said amount.

1473       Sec. 26. (NEW) (*Effective July 1, 2007, and applicable to taxable years*  
1474 *commencing on or after January 1, 2007*) Any person who qualifies for and  
1475 claims the earned income credit allowable under Section 32 of the  
1476 Internal Revenue Code of 1986, or any subsequent corresponding  
1477 internal revenue code of the United States, as from time to time  
1478 amended, for any taxable year shall be entitled to a credit in determining  
1479 the amount of tax liability under chapter 229 of the general statutes for  
1480 such taxable year. The credit allowed under this section shall equal  
1481 twenty per cent of the credit allowed under Section 32 of said Internal  
1482 Revenue Code for the taxable year. If the amount of the credit allowed  
1483 under this section exceeds the taxpayer's liability, the Commissioner of  
1484 Revenue Services shall treat such excess as an overpayment and shall  
1485 pay the taxpayer the amount of such excess, without interest.

1486       Sec. 27. Section 29-112 of the general statutes is repealed and the  
1487 following is substituted in lieu thereof (*Effective July 1, 2007*):

1488       The following fees shall be collected by the commissioner and by  
1489 him paid to the State Treasurer: For inspection and annual approval of  
1490 any premises or place where moving picture films are used or  
1491 exhibited, [~~thirty-five~~] fifty dollars; for inspection and approval of any  
1492 projection room or area as defined in regulations adopted under  
1493 section 29-109, [~~ten~~] twenty-five dollars; for inspection of any other  
1494 building or plan of building, incident to the administration of section  
1495 29-109, [~~ten~~] twenty-five dollars. Permits and approvals issued under  
1496 the provisions of said sections may be for definite dates only, but,  
1497 unless otherwise specified, shall cover the premises described from  
1498 date of issue until the first day of February next following.

1499       Sec. 28. Section 29-117 of the general statutes is repealed and the  
1500 following is substituted in lieu thereof (*Effective July 1, 2007*):

1501       No person shall exhibit, show or use any moving picture film, reel  
1502 or view in any place to which an admission fee is charged, except in a

1503 church, parish house, school or other building of a religious,  
1504 ecclesiastical or educational organization in furtherance of its  
1505 purposes, without a license for such purpose issued by the  
1506 Commissioner of Public Safety. The commissioner, after investigation,  
1507 shall issue the license required herein to any person found by him to  
1508 be a suitable person, provided he shall have received a written  
1509 application therefor, which application shall describe the location of  
1510 the place and shall give its seating capacity and such other information  
1511 as the commissioner requires. Such license shall be effective until  
1512 September first next following its issuance, unless suspended or  
1513 revoked for cause, and the applicant shall pay for the same and for  
1514 each renewal thereof the sum of [thirty-five] fifty dollars. When any  
1515 person so licensed exhibits, shows or uses or permits to be exhibited,  
1516 shown or used in any place described in such license any moving  
1517 picture film, title, subtitle or part thereof, reel or view of an immoral,  
1518 degrading or criminal character, or which is unlawful under the  
1519 provisions of section 53a-194 or 53a-196, the commissioner may, upon  
1520 complaint or upon his own motion, suspend or revoke the license of  
1521 such person. No license shall be granted to any person to whom two of  
1522 the licenses issued have been either suspended or revoked. Any  
1523 person, or the officer of any corporation, violating any provision of this  
1524 section shall be fined not more than one thousand dollars or  
1525 imprisoned not more than one year or both.

1526 Sec. 29. Section 29-130 of the general statutes is repealed and the  
1527 following is substituted in lieu thereof (*Effective July 1, 2007*):

1528 The Commissioner of Public Safety shall prescribe a form of  
1529 application to be signed by each applicant and may require such  
1530 information respecting the business in which the applicant proposes to  
1531 engage as he finds necessary to safeguard the public from all forms of  
1532 lascivious conduct, immoral practices, vice or violations of the law.  
1533 Said commissioner or any employee of the Department of Public  
1534 Safety authorized by him for said purpose may enter into any place so  
1535 licensed or upon the premises where such business is being conducted  
1536 for the purpose of observing the conduct of the same. Said

1537 commissioner shall issue to each applicant so licensed a certificate to  
1538 be designated "amusement park license", and each certificate shall state  
1539 the name of the applicant, the location of the place where such  
1540 amusement, entertainment, diversion or recreation may be conducted  
1541 and the hours each day during which the same may be conducted.  
1542 Each certificate shall be displayed conspicuously for public view by  
1543 the licensee at the place where the business so licensed is conducted.  
1544 Any such license may be suspended or revoked by said commissioner  
1545 whenever it appears that any of the conditions required to be stated in  
1546 such license have been violated. Such applications and license  
1547 certificates shall be printed at the expense of the state. The annual  
1548 license fee shall be [thirty-five] fifty dollars to be paid by the applicant  
1549 to the Commissioner of Public Safety with each application for such  
1550 license. Such licenses shall not be transferable and, if any licensee  
1551 voluntarily discontinues operations thereunder, all rights secured  
1552 thereby shall terminate. On and after January 1, 1986, the license year  
1553 shall be from January first until December thirty-first following,  
1554 inclusive. Each such license shall be for a period of one license year.

1555 Sec. 30. Section 29-134 of the general statutes is repealed and the  
1556 following is substituted in lieu thereof (*Effective July 1, 2007*):

1557 No owner shall exhibit or provide any amusement, as defined in  
1558 section 29-133, in this state unless he has obtained a license therefor as  
1559 hereinafter provided and otherwise complies with the provisions of  
1560 sections 29-133 to 29-142, inclusive. An annual license fee of [fifty] one  
1561 hundred dollars shall be paid by the applicant to the Commissioner of  
1562 Public Safety with each application for such amusement license.

1563 Sec. 31. Section 29-193 of the general statutes is repealed and the  
1564 following is substituted in lieu thereof (*Effective July 1, 2007*):

1565 No new elevator or escalator shall be erected or installed and no  
1566 elevator or escalator shall be relocated or altered until detailed plans  
1567 and specifications of the proposed construction or other work have  
1568 been submitted in triplicate to the department for approval. A fee of

1569 [one hundred fifty] two hundred dollars for each elevator or escalator  
1570 payable to the department shall accompany each such proposal. Notice  
1571 that such plans are approved or disapproved shall be given within a  
1572 reasonable time and final inspection of the elevator or escalator, when  
1573 installed, relocated or altered, shall be made before final approval for  
1574 operation is given by the department. The department may issue a  
1575 temporary operating permit, if necessary, pending final inspection and  
1576 approval. The provisions of this chapter shall not prevent the  
1577 operation of any elevator installed for temporary use in connection  
1578 with building operations or the operation of any elevator for purposes  
1579 connected with the installation or the testing of the same.

1580 Sec. 32. Section 29-196 of the general statutes is repealed and the  
1581 following is substituted in lieu thereof (*Effective July 1, 2007*):

1582 As soon as the department approves any new, relocated or altered  
1583 elevator or escalator as being fit for operation, it shall issue to the  
1584 owner a certificate of operation for a capacity and speed specified in  
1585 the inspector's report. The fee for the certificate first issued shall be  
1586 [one hundred fifty] two hundred dollars. Such certificate shall be  
1587 posted conspicuously in the car or cage or on the platform of the  
1588 elevator or escalator and shall be valid for twelve months. Thereafter,  
1589 the certificate shall be renewed [each year] every two years upon  
1590 receipt of the renewal fee of [forty] one hundred twenty dollars, except  
1591 that private residence elevators, as defined in the regulations adopted  
1592 pursuant to section 29-192, shall not be subject to said renewal  
1593 requirement. No fee shall be required of the state or any agency of the  
1594 state. No elevator or escalator may be lawfully operated without such  
1595 certificate.

1596 Sec. 33. Section 29-204 of the general statutes is repealed and the  
1597 following is substituted in lieu thereof (*Effective July 1, 2007*):

1598 No new passenger tramway shall be erected or installed and no  
1599 passenger tramway shall be relocated or altered until detailed plans  
1600 and specifications of the proposed construction or other work have

1601 been submitted in duplicate to the department for approval. A fee of  
1602 [one] two hundred dollars payable to the Department of Public Safety  
1603 shall accompany each such proposal. Notice that such plans are  
1604 approved or disapproved shall be given within a reasonable time, and  
1605 final inspection of the passenger tramway, when installed, relocated or  
1606 altered, shall be made before final approval for operating is given by  
1607 the department.

1608 Sec. 34. Section 29-206 of the general statutes is repealed and the  
1609 following is substituted in lieu thereof (*Effective July 1, 2007*):

1610 The department shall enforce the regulations adopted pursuant to  
1611 section 29-203, and shall inspect the construction, operation and  
1612 maintenance of passenger tramways to determine whether such  
1613 regulations have been complied with by the operators. Each passenger  
1614 tramway shall be thoroughly inspected by a qualified inspector  
1615 approved by the department at least once every twelve months. More  
1616 frequent inspections of any passenger tramway may be made if the  
1617 condition thereof indicates that additional inspections are necessary or  
1618 desirable. As soon as the department inspects and approves any  
1619 passenger tramway as being fit for operation, it shall issue to the  
1620 operator, upon receipt of a fee of [one hundred fifty] two hundred  
1621 dollars, a certificate of operation with such conditions and limitations  
1622 as the commissioner shall prescribe. Such certificate shall be valid for  
1623 twelve months and shall be renewed yearly, if the department  
1624 approves the passenger tramway, upon payment of a renewal fee of  
1625 [eighty] one hundred dollars. No passenger tramway may be operated  
1626 without such operating certificate.

1627 Sec. 35. Section 29-237 of the general statutes is repealed and the  
1628 following is substituted in lieu thereof (*Effective July 1, 2007*):

1629 All boilers included under this chapter shall be inspected by a state  
1630 boiler inspector or by a special inspector employed by an insurance  
1631 company licensed to insure boilers in this state as follows:

1632 (1) Power boilers, meaning boilers operating at steam or vapor

1633 pressures in excess of fifteen pounds per square inch gauge, except  
1634 power boilers that operate with internal water treatment under the  
1635 direct supervision of a qualified engineer, shall be inspected each year.  
1636 Such boiler inspection shall consist of (A) a thorough internal and  
1637 external inspection while not under pressure, and (B) an external  
1638 inspection under operating conditions not more than six months after  
1639 the internal and external inspection. No more than fourteen months  
1640 shall elapse between internal inspections and between external  
1641 inspections while under pressure.

1642 (2) Power boilers that operate with internal water treatment under  
1643 the direct supervision of a qualified engineer shall be inspected every  
1644 eighteen months. Such boiler inspection shall consist of (A) a thorough  
1645 internal and external inspection while not under pressure, and (B) an  
1646 external inspection under operating conditions not more than nine  
1647 months after the internal and external inspection.

1648 (3) Where construction will permit, low pressure steam or vapor  
1649 heating boilers, hot water heating boilers, hot water supply boilers and  
1650 hot water heaters shall be inspected externally biennially and  
1651 internally at the discretion of the boiler inspector. If a boiler inspector  
1652 decides a hydrostatic test is necessary to determine the safety of a  
1653 boiler or heater, such test shall be made under the inspector's direction.  
1654 The Commissioner of Public Safety may order inspections by the  
1655 Department of Public Safety or the insurance carrier in addition to the  
1656 regular annual or biennial inspections to clear up any doubts as to the  
1657 safety of continuing the operation of any boiler or heater included in  
1658 this chapter, [ but no additional fee shall be charged or allowed for  
1659 such additional inspections, unless the owner or user is found to have  
1660 operated or ordered or permitted the operation of such boiler or  
1661 heater, intentionally or negligently, in violation of this chapter or the  
1662 boiler regulations.] Each boiler insurance carrier shall forward to the  
1663 commissioner, [within] not later than thirty days [following] after each  
1664 inspection as required by this chapter, a report of such inspection upon  
1665 appropriate forms as promulgated by the commissioner, who may use  
1666 the form suggested by the American Society of Mechanical Engineers.

1667 Sec. 36. Section 29-238 of the general statutes is repealed and the  
1668 following is substituted in lieu thereof (*Effective July 1, 2007*):

1669 [The owner or user of a boiler required by this chapter to be  
1670 inspected by the Commissioner of Public Safety or by state boiler  
1671 inspectors shall pay to the commissioner at the time of inspection a fee  
1672 as follows:

1673 (1) Boilers of fifty square feet or less of heating surface, thirty  
1674 dollars; boilers of over fifty square feet of heating surface and less than  
1675 one thousand square feet, forty dollars; boilers of over one thousand  
1676 square feet of heating surface and less than four thousand square feet,  
1677 sixty dollars; boilers of at least four thousand square feet of heating  
1678 surface and less than ten thousand square feet of heating surface,  
1679 eighty dollars; boilers of at least ten thousand square feet of heating  
1680 surface, one hundred dollars. External inspection: Boilers having fifty  
1681 square feet or less of heating surface, twenty dollars; boilers having  
1682 over fifty square feet of heating surface, twenty-five dollars. Not more  
1683 than the equivalent of the internal and external inspection fees shall be  
1684 charged or collected for any and all such inspections of any boiler in  
1685 any one year.

1686 (2) Inspection of heating boilers without a manhole, thirty dollars;  
1687 inspection of heating boilers with a manhole, fifty dollars; inspection of  
1688 hot water supply boilers and hot water heaters, thirty dollars. Not  
1689 more than one fee shall be charged or collected for any and all such  
1690 inspections of any low pressure boiler in any two-year period.

1691 (3) An additional fee based on the scale of fees applicable to an  
1692 internal inspection of the boiler shall be charged in any instance where  
1693 it is necessary to make a special trip to witness a hydrostatic test.]

1694 The owner or user of a boiler required by this chapter to be  
1695 inspected by the Commissioner of Public Safety, state boiler inspectors  
1696 or special inspectors shall pay to the commissioner the sum of forty  
1697 dollars for each operating certificate issued. No fee shall be required of  
1698 the state or any agency of the state. All fees collected by the

1699 commissioner under authority of this chapter shall be transferred by  
1700 the commissioner to the State Treasurer for deposit in the General  
1701 Fund. If the report of inspection by the Department of Public Safety  
1702 inspector or special inspector indicates that any boiler meets the  
1703 requirements of this chapter and the boiler regulations, an operating  
1704 certificate shall be issued by the commissioner to the owner or user.  
1705 Such certificate shall state the pressure and other conditions under  
1706 which such boiler may be lawfully operated. An operating certificate  
1707 shall be valid for a period of not more than twelve months from the  
1708 date of internal inspection, in the case of power boilers inspected  
1709 pursuant to subdivision (1) of section 29-237, except that the certificate  
1710 shall be valid for a period of not more than two months beyond the  
1711 period set by the Commissioner of Public Safety in accordance with  
1712 section 29-237. An operating certificate shall be valid for a period of  
1713 not more than eighteen months from the date of internal inspection in  
1714 the case of power boilers inspected pursuant to subdivision (2) of  
1715 section 29-237. Operating certificates shall be valid for twenty-four  
1716 months in the case of low pressure steam or vapor heating boilers, hot  
1717 water heating boilers, hot water supply boilers and hot water heaters  
1718 approved by a nationally recognized testing agency. If a boiler  
1719 inspected by a state boiler inspector or special inspector commissioned  
1720 by said commissioner is found to conform with the requirements of  
1721 this chapter and the boiler regulations, an operating certificate shall be  
1722 issued by said commissioner to the owner or user upon the receipt of  
1723 the insuring company's report or the state boiler inspector's report.  
1724 [and such owner or user shall be exempt from the inspection fees  
1725 provided by this section, except that for each certificate so issued the  
1726 owner or user of the boiler shall pay to said commissioner the sum of  
1727 twenty dollars.] Said commissioner may order reinspection if  
1728 reasonable doubt exists regarding any inspection. Such certificate shall  
1729 state the pressure and other conditions under which such boiler may  
1730 be lawfully operated and shall be valid not more than the period  
1731 indicated in this section and shall be renewed each year in the case of  
1732 power boilers inspected pursuant to subdivision (1) of section 29-237,  
1733 every eighteen months in the case of power boilers inspected pursuant

1734 to subdivision (2) of section 29-237, and biennially in the case of hot  
1735 water heating or hot water supply boilers and hot water heaters. An  
1736 operating certificate shall be immediately invalid if the boiler is  
1737 relocated or altered, unless such relocation or alteration has been  
1738 approved in accordance with this chapter or the boiler code and  
1739 regulations. No boiler shall be operated unless a valid operating  
1740 certificate is displayed under glass in a conspicuous place in the room  
1741 in which such boiler is located. If the boiler is not located within the  
1742 building, the certificate shall be posted in a location convenient to the  
1743 boiler inspected. In the case of a portable boiler such certificate shall be  
1744 kept in a metal container to be fastened to the boiler or kept in a tool  
1745 box accompanying the boiler.

1746 Sec. 37. Section 29-349 of the general statutes is repealed and the  
1747 following is substituted in lieu thereof (*Effective July 1, 2007*):

1748 (a) The Commissioner of Public Safety shall have exclusive  
1749 jurisdiction in the preparation of and may enforce reasonable  
1750 regulations for the safe and convenient storage, transportation and use  
1751 of explosives and blasting agents used in connection therewith, which  
1752 regulations shall deal in particular with the quantity and character of  
1753 explosives and blasting agents to be stored, transported and used, the  
1754 proximity of such storage to inhabited dwellings or other occupied  
1755 buildings, public highways and railroad tracks, the character and  
1756 construction of suitable magazines for such storage, protective  
1757 measures to secure such stored explosives and blasting agents and the  
1758 abatement of any hazard that may arise incident to the storage,  
1759 transportation or use of such explosives and blasting agents.

1760 (b) No person, firm or corporation shall engage in any activity  
1761 concerning the storage, transportation or use of explosives unless such  
1762 person, firm or corporation has obtained a license therefor from the  
1763 Commissioner of Public Safety. Such license shall be issued upon  
1764 payment of a fee of [fifty] one hundred dollars and upon submission  
1765 by the applicant of evidence of good moral character and of  
1766 competence in the control and handling of explosives, provided, if

1767 such license is for the use of explosives, it may be issued only to an  
1768 individual person after demonstration that such individual is  
1769 technically qualified to detonate explosives. Any such license to use  
1770 explosives shall bear both the fingerprints of the licensee obtained by  
1771 the Commissioner of Public Safety at the time of licensing, and the  
1772 licensee's photograph, furnished by the licensee, of a size specified by  
1773 the commissioner and taken not more than one year prior to the  
1774 issuance of the license. Each such license shall be valid for one year  
1775 from the date of its issuance, unless sooner revoked or suspended, and  
1776 may be renewed annually thereafter upon a payment of [thirty]  
1777 seventy-five dollars.

1778 (c) The Commissioner of Public Safety shall require any applicant  
1779 for a license under this section to submit to state and national criminal  
1780 history records checks. The criminal history records checks required  
1781 pursuant to this subsection shall be conducted in accordance with  
1782 section 29-17a.

1783 (d) No person shall manufacture, keep, store, sell or deal in any  
1784 explosives unless such person has a valid license under the provisions  
1785 of subsection (b) of this section and obtains from the Commissioner of  
1786 Public Safety or from the fire marshal of the town where such business  
1787 is conducted a written permit therefor, which permit shall not be valid  
1788 for more than one year and for which such person shall pay a fee of  
1789 [twenty-five] fifty dollars. If the permit is issued by the Commissioner  
1790 of Public Safety, the commissioner shall forward a copy thereof to the  
1791 local fire marshal. Such permit so granted shall definitely state the  
1792 location of the building where such business is to be carried on or such  
1793 explosive deposited and shall state that such building or premises  
1794 complies with the regulations provided for in this section.

1795 (e) No person shall procure, transport or use any explosives unless  
1796 such person has a valid license under subsection (b) of this section and  
1797 has obtained a written permit therefor signed by the Commissioner of  
1798 Public Safety or by the fire marshal of the town where such explosive  
1799 is to be used, specifying the name of the purchaser, the amount to be

1800 purchased and transported and the purpose for which it is to be used.  
1801 Any such permit to use explosives shall state the number of years the  
1802 permittee has been engaged in blasting activity. Such permit shall be  
1803 valid for such period, not longer than one year, as is required to  
1804 accomplish the purpose for which it was obtained. No carrier shall  
1805 transport any such explosive until the vehicle transporting the  
1806 explosive has been inspected and approved by the Department of  
1807 Public Safety and unless such written permit accompanies the same  
1808 and no person shall have in such person's possession any such  
1809 explosive unless such person has a license and permit therefor. The fee  
1810 for such inspection shall be [twenty-five] fifty dollars. The fee for such  
1811 permit shall be [twenty] thirty dollars. Each person who has in such  
1812 person's custody or possession any explosive or any detonating caps  
1813 for explosives shall keep the same either under personal observation or  
1814 securely locked up.

1815 (f) Any license or permit issued under the provisions of this section  
1816 may be suspended or revoked by the issuing authority for violation by  
1817 the licensee or permittee of any provision of law or regulation relating  
1818 to explosives or conviction of such licensee or permittee of any felony  
1819 or misdemeanor. Suspension or revocation of a license shall  
1820 automatically suspend or revoke the permit and the suspension or  
1821 revocation of a permit shall automatically suspend or revoke the  
1822 license.

1823 (g) Any person who, by himself or herself or by such person's  
1824 employee or agent or as the employee or agent of another, violates any  
1825 provision of this section, or any regulation made by the Commissioner  
1826 of Public Safety pursuant to the provisions of this section, shall be  
1827 fined not more than ten thousand dollars or imprisoned not more than  
1828 ten years or both.

1829 (h) As used in this section, "blasting agent" means any material,  
1830 composition or mixture intended for blasting, consisting substantially  
1831 of a fuel and oxidizer, none of the ingredients of which is an explosive  
1832 as defined in section 29-343, and the finished product of which as

1833 mixed and packaged for use or shipment cannot be detonated by the  
1834 test procedure established by regulations adopted by the  
1835 Commissioner of Public Safety in accordance with chapter 54.

1836 (i) Notwithstanding the provisions of this section, the Labor  
1837 Commissioner shall regulate the storage, transportation and use of  
1838 explosives and blasting agents in places of employment insofar as such  
1839 activities relate to employee health and safety, provided such  
1840 regulations shall be no less stringent than those prepared and enforced  
1841 by the Commissioner of Public Safety pursuant to this section.

1842 Sec. 38. Section 29-357 of the general statutes is repealed and the  
1843 following is substituted in lieu thereof (*Effective July 1, 2007*):

1844 (a) Except as provided in subsection (b) of this section, no person,  
1845 firm or corporation shall offer for sale, expose for sale, sell at retail or  
1846 use or explode or possess with intent to sell, use or explode any  
1847 fireworks. A person who is sixteen years of age or older may offer for  
1848 sale, expose for sale, sell at retail, purchase, use or possess with intent  
1849 to sell or use sparklers or fountains of not more than one hundred  
1850 grams of pyrotechnic mixture per item, which are nonexplosive and  
1851 nonaerial, provided (1) such sparklers and fountains do not contain  
1852 magnesium, except for magnalium or magnesium-aluminum alloy, (2)  
1853 such sparklers and fountains containing any chlorate or perchlorate  
1854 salts do not exceed five grams of composition per item, and (3) when  
1855 more than one fountain is mounted on a common base, the total  
1856 pyrotechnic composition does not exceed two hundred grams.

1857 (b) The State Fire Marshal shall adopt reasonable regulations, in  
1858 accordance with chapter 54, for the granting of permits for supervised  
1859 displays of fireworks or for the indoor use of pyrotechnics, sparklers  
1860 and fountains for special effects by municipalities, fair associations,  
1861 amusement parks, other organizations or groups of individuals or  
1862 artisans in pursuit of their trade. Such permit may be issued upon  
1863 application to said State Fire Marshal and after (1) inspection of the site  
1864 of such display or use by the local fire marshal to determine

1865 compliance with the requirements of such regulations, (2) approval of  
1866 the chiefs of the police and fire departments, or, if there is no police or  
1867 fire department, of the first selectman, of the municipality wherein the  
1868 display is to be held as is provided in this section, and (3) the filing of a  
1869 bond by the applicant as provided in section 29-358. No such display  
1870 shall be handled or fired by any person until such person has been  
1871 granted a certificate of competency by the State Fire Marshal, in  
1872 respect to which a fee of [fifty] one hundred dollars shall be payable to  
1873 the State Treasurer when issued and which may be renewed every  
1874 three years upon payment of a fee of [thirty] one hundred fifty dollars  
1875 to the State Treasurer, provided such certificate may be suspended or  
1876 revoked by said marshal at any time for cause. Such certificate of  
1877 competency shall attest to the fact that such operator is competent to  
1878 fire a display. Such display shall be of such a character and so located,  
1879 discharged or fired as in the opinion of the chiefs of the police and fire  
1880 departments or such selectman, after proper inspection, will not be  
1881 hazardous to property or endanger any person or persons. In an aerial  
1882 bomb, no salute, report or maroon may be used that is composed of a  
1883 formula of chlorate of potash, sulphur, black needle antimony and  
1884 dark aluminum. Formulas that may be used in a salute, report or  
1885 maroon are as follows: (A) Perchlorate of potash, black needle  
1886 antimony and dark aluminum, and (B) perchlorate of potash, dark  
1887 aluminum and sulphur. No high explosive such as dynamite,  
1888 fulminate of mercury or other stimulator for detonating shall be used  
1889 in any aerial bomb or other pyrotechnics. Application for permits shall  
1890 be made in writing at least fifteen days prior to the date of display, on  
1891 such notice as the State Fire Marshal by regulation prescribes, on forms  
1892 furnished by him, and a fee of [thirty-five] fifty dollars shall be payable  
1893 to the State Treasurer with each such application. After such permit  
1894 has been granted, sales, possession, use and distribution of fireworks  
1895 for such display shall be lawful for that purpose only. No permit  
1896 granted hereunder shall be transferable. Any permit issued under the  
1897 provisions of this section may be suspended or revoked by the State  
1898 Fire Marshal or the local fire marshal for violation by the permittee of  
1899 any provision of the general statutes, any regulation or any ordinance

1900 relating to fireworks.

1901 (c) The State Fire Marshal may grant variations or exemptions from,  
1902 or approve equivalent or alternate compliance with, particular  
1903 provisions of any regulation issued under the provisions of subsection  
1904 (b) of this section where strict compliance with such provisions would  
1905 entail practical difficulty or unnecessary hardship or is otherwise  
1906 adjudged unwarranted, provided any such variation, exemption,  
1907 approved equivalent or alternate compliance shall, in the opinion of  
1908 the State Fire Marshal, secure the public safety and shall be made in  
1909 writing.

1910 (d) Any person, firm or corporation violating the provisions of this  
1911 section shall be fined not more than one hundred dollars or  
1912 imprisoned not more than ninety days or be both fined and  
1913 imprisoned, except that (1) any person, firm or corporation violating  
1914 the provisions of subsection (a) of this section by offering for sale,  
1915 exposing for sale or selling at retail or possessing with intent to sell any  
1916 fireworks with a value exceeding ten thousand dollars shall be guilty  
1917 of a class A misdemeanor, and (2) any person, firm or corporation  
1918 violating any provision of subsection (b) of this section or any  
1919 regulation adopted thereunder shall be guilty of a class A  
1920 misdemeanor, except if death or injury results from any such violation,  
1921 such person, firm or corporation shall be fined not more than ten  
1922 thousand dollars or imprisoned not more than ten years, or both.

1923 Sec. 39. Section 29-365 of the general statutes is repealed and the  
1924 following is substituted in lieu thereof (*Effective July 1, 2007*):

1925 The fee to be paid to the licensing authority upon each application  
1926 shall be as follows: For a fireworks manufacturing license, [one] two  
1927 hundred dollars; for a dealer, wholesaler and jobber, [fifty] two  
1928 hundred dollars. Fees collected by the State Fire Marshal shall be paid  
1929 to the State Treasurer.

1930 Sec. 40. Section 29-402 of the general statutes is repealed and the  
1931 following is substituted in lieu thereof (*Effective July 1, 2007*):

1932 (a) No person shall engage in the business of demolition of  
1933 buildings without a certificate of registration obtained from the  
1934 Department of Public Safety. An applicant for initial registration shall  
1935 file an application with the Department of Public Safety, furnish  
1936 evidence of expertise and financial responsibility and pay a fee of three  
1937 hundred fifty dollars for a class B certificate and seven hundred fifty  
1938 dollars for a class A certificate. Each certificate shall be valid for twelve  
1939 months from date of issuance and shall be renewable on application of  
1940 the registrant upon payment of an annual fee of two hundred dollars  
1941 for a class B certificate and six hundred dollars for a class A certificate.  
1942 The department may refuse to issue any such certificate for cause, and  
1943 may revoke or refuse to renew any such certificate for failure to carry  
1944 out and conform to the provisions of this part or to any regulations  
1945 adopted hereunder, or for any violation of title 22a. No person shall be  
1946 refused a certificate or a renewal thereof, and no certificate shall be  
1947 revoked, without an opportunity for a hearing conducted by the  
1948 Department of Public Safety.

1949 (b) As used in this part, the term "registration" includes the whole or  
1950 part of any permit which the Department of Public Safety issues under  
1951 authority of the general statutes and which (1) requires persons to  
1952 place their names on a list maintained by the department before they  
1953 can engage in the business of demolition of buildings, (2) does not  
1954 require a person to demonstrate competence by examination or other  
1955 means, and (3) may be revoked or suspended by the department for  
1956 cause.

1957 (c) The provisions of this section shall not apply to (1) a person who  
1958 is engaged in the disassembling, transportation and reconstruction of  
1959 historic buildings for historical purposes or in the demolition of farm  
1960 buildings or in the renovation, alteration or reconstruction of a single-  
1961 family residence, (2) the removal of underground petroleum storage  
1962 tanks, (3) the burning of a building or structure as part of an organized  
1963 fire department training exercise, or (4) the demolition of a single-  
1964 family residence or out building by an owner of such structure if it  
1965 does not exceed a height of thirty feet, provided (A) the owner shall be

1966 present on site while such demolition work is in progress and shall be  
 1967 held personally liable for any injury to individuals or damage to public  
 1968 or private property caused by such demolition, and (B) such  
 1969 demolition shall be permitted only with respect to buildings which  
 1970 have clearance from other structures, roads or highways equal to or  
 1971 greater than the height of the structure subject to demolition. The local  
 1972 building official may require additional clearance when deemed  
 1973 necessary for safety.

1974 Sec. 41. Subparagraph (A) of subdivision (37) of subsection (a) of  
 1975 section 12-407, subdivision (47) of section 12-412 and section 12-412b of  
 1976 the general statutes are repealed. (*Effective July 1, 2007, and applicable to*  
 1977 *sales occurring on or after July 1, 2007*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007, and applicable to income years commencing on or after January 1, 2007</i>	12-211a
Sec. 2	<i>July 1, 2007, and applicable to income years commencing on or after January 1, 2007</i>	12-217zz
Sec. 3	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-296
Sec. 4	<i>July 1, 2007, and applicable to the storage or use of unstamped cigarettes occurring on or after July 1, 2007</i>	12-316
Sec. 5	<i>July 1, 2007</i>	New section
Sec. 6	<i>July 1, 2007, and applicable to the estates of decedents who die on or after January 1, 2007</i>	12-391
Sec. 7	<i>July 1, 2007</i>	12-407(a)(37)

Sec. 8	<i>July 1, 2007</i>	12-408(1)
Sec. 9	<i>July 1, 2007, and applicable to sales occurring on and after July 1, 2007</i>	12-412(55)
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-412(27)
Sec. 12	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-412k(b)
Sec. 13	<i>July 1, 2007</i>	12-460a
Sec. 14	<i>July 1, 2007</i>	12-494(a)
Sec. 15	<i>from passage</i>	12-458(a)
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>from passage</i>	14-332
Sec. 18	<i>from passage</i>	14-332a
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>July 1, 2007</i>	12-587
Sec. 22	<i>July 1, 2007, and applicable to calendar years commencing on or after January 1, 2007</i>	12-642(a)
Sec. 23	<i>July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007</i>	12-700(a)
Sec. 24	<i>July 1, 2007</i>	New section
Sec. 25	<i>July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007</i>	12-704c(b) and (c)
Sec. 26	<i>July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007</i>	New section
Sec. 27	<i>July 1, 2007</i>	29-112
Sec. 28	<i>July 1, 2007</i>	29-117

---

Sec. 29	<i>July 1, 2007</i>	29-130
Sec. 30	<i>July 1, 2007</i>	29-134
Sec. 31	<i>July 1, 2007</i>	29-193
Sec. 32	<i>July 1, 2007</i>	29-196
Sec. 33	<i>July 1, 2007</i>	29-204
Sec. 34	<i>July 1, 2007</i>	29-206
Sec. 35	<i>July 1, 2007</i>	29-237
Sec. 36	<i>July 1, 2007</i>	29-238
Sec. 37	<i>July 1, 2007</i>	29-349
Sec. 38	<i>July 1, 2007</i>	29-357
Sec. 39	<i>July 1, 2007</i>	29-365
Sec. 40	<i>July 1, 2007</i>	29-402
Sec. 41	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	Repealer section