



General Assembly

Amendment

January Session, 2007

LCO No. 8356

HB0740008356HRO

Offered by:

REP. CAFERO, 142nd Dist.

REP. HAMZY, 78th Dist.

REP. KLARIDES, 114th Dist.

To: Subst. House Bill No. 7400

File No. 716

Cal. No. 558

(As Amended)

"AN ACT CONCERNING MOTION PICTURE TAX CREDITS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subparagraph (B) of subdivision (20) of subsection (a) of
4 section 12-701 of the general statutes is repealed and the following is
5 substituted in lieu thereof (*Effective October 1, 2007, and applicable to*
6 *taxable years commencing on or after January 1, 2007*):

7 (B) There shall be subtracted therefrom (i) to the extent properly
8 includable in gross income for federal income tax purposes, any
9 income with respect to which taxation by any state is prohibited by
10 federal law, (ii) to the extent allowable under section 12-718, exempt
11 dividends paid by a regulated investment company, (iii) the amount of
12 any refund or credit for overpayment of income taxes imposed by this

13 state, or any other state of the United States or a political subdivision
14 thereof, or the District of Columbia, to the extent properly includable
15 in gross income for federal income tax purposes, (iv) to the extent
16 properly includable in gross income for federal income tax purposes
17 and not otherwise subtracted from federal adjusted gross income
18 pursuant to clause (x) of this subparagraph in computing Connecticut
19 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
20 extent any additional allowance for depreciation under Section 168(k)
21 of the Internal Revenue Code, as provided by Section 101 of the Job
22 Creation and Worker Assistance Act of 2002, for property placed in
23 service after December 31, 2001, but prior to September 10, 2004, was
24 added to federal adjusted gross income pursuant to subparagraph (A)
25 (ix) of this subdivision in computing Connecticut adjusted gross
26 income for a taxable year ending after December 31, 2001, twenty-five
27 per cent of such additional allowance for depreciation in each of the
28 four succeeding taxable years, (vi) to the extent properly includable in
29 gross income for federal income tax purposes, any interest income
30 from obligations issued by or on behalf of the state of Connecticut, any
31 political subdivision thereof, or public instrumentality, state or local
32 authority, district or similar public entity created under the laws of the
33 state of Connecticut, (vii) to the extent properly includable in
34 determining the net gain or loss from the sale or other disposition of
35 capital assets for federal income tax purposes, any gain from the sale
36 or exchange of obligations issued by or on behalf of the state of
37 Connecticut, any political subdivision thereof, or public
38 instrumentality, state or local authority, district or similar public entity
39 created under the laws of the state of Connecticut, in the income year
40 such gain was recognized, (viii) any interest on indebtedness incurred
41 or continued to purchase or carry obligations or securities the interest
42 on which is subject to tax under this chapter but exempt from federal
43 income tax, to the extent that such interest on indebtedness is not
44 deductible in determining federal adjusted gross income and is
45 attributable to a trade or business carried on by such individual, (ix)
46 ordinary and necessary expenses paid or incurred during the taxable
47 year for the production or collection of income which is subject to

48 taxation under this chapter but exempt from federal income tax, or the
49 management, conservation or maintenance of property held for the
50 production of such income, and the amortizable bond premium for the
51 taxable year on any bond the interest on which is subject to tax under
52 this chapter but exempt from federal income tax, to the extent that
53 such expenses and premiums are not deductible in determining federal
54 adjusted gross income and are attributable to a trade or business
55 carried on by such individual, (x) (I) for a person who files a return
56 under the federal income tax as an unmarried individual whose
57 federal adjusted gross income for such taxable year is less than fifty
58 thousand dollars, or as a married individual filing separately whose
59 federal adjusted gross income for such taxable year is less than fifty
60 thousand dollars, or for a husband and wife who file a return under
61 the federal income tax as married individuals filing jointly whose
62 federal adjusted gross income for such taxable year is less than sixty
63 thousand dollars or a person who files a return under the federal
64 income tax as a head of household whose federal adjusted gross
65 income for such taxable year is less than sixty thousand dollars, an
66 amount equal to the Social Security benefits includable for federal
67 income tax purposes; and (II) for a person who files a return under the
68 federal income tax as an unmarried individual whose federal adjusted
69 gross income for such taxable year is fifty thousand dollars or more, or
70 as a married individual filing separately whose federal adjusted gross
71 income for such taxable year is fifty thousand dollars or more, or for a
72 husband and wife who file a return under the federal income tax as
73 married individuals filing jointly whose federal adjusted gross income
74 from such taxable year is sixty thousand dollars or more or for a
75 person who files a return under the federal income tax as a head of
76 household whose federal adjusted gross income for such taxable year
77 is sixty thousand dollars or more, an amount equal to the difference
78 between the amount of Social Security benefits includable for federal
79 income tax purposes and the lesser of twenty-five per cent of the Social
80 Security benefits received during the taxable year, or twenty-five per
81 cent of the excess described in Section 86(b)(1) of the Internal Revenue
82 Code, (xi) to the extent properly includable in gross income for federal

83 income tax purposes, any amount rebated to a taxpayer pursuant to
84 section 12-746, (xii) to the extent properly includable in the gross
85 income for federal income tax purposes of a designated beneficiary,
86 any distribution to such beneficiary from any qualified state tuition
87 program, as defined in Section 529(b) of the Internal Revenue Code,
88 established and maintained by this state or any official, agency or
89 instrumentality of the state, (xiii) to the extent allowable under section
90 12-701a, contributions to accounts established pursuant to any
91 qualified state tuition program, as defined in Section 529(b) of the
92 Internal Revenue Code, established and maintained by this state or
93 any official, agency or instrumentality of the state, (xiv) to the extent
94 properly includable in gross income for federal income tax purposes,
95 the amount of any Holocaust victims' settlement payment received in
96 the taxable year by a Holocaust victim, [and] (xv) to the extent
97 properly includable in gross income for federal income tax purposes of
98 an account holder, as defined in section 31-51ww, interest earned on
99 funds deposited in the individual development account, as defined in
100 section 31-51ww, of such account holder, and (xvi) to the extent
101 properly includable in gross income for federal income tax purposes,
102 in the taxable year commencing January 1, 2009, but prior to January 1,
103 2010, one-third of all income received from defined benefit pension
104 plans, defined contribution plans or Social Security; to the extent
105 properly includable in gross income for federal tax purposes, in the
106 taxable year commencing on January 1, 2010, but prior to January 1,
107 2011, two-thirds of all income received from defined benefit pension
108 plans, defined contribution plans or Social Security; and to the extent
109 properly includable in gross income for federal tax purposes, in
110 taxable years commencing on and after January 1, 2011, all income
111 received from defined benefit pension plans, defined contribution
112 plans or Social Security.

113 Sec. 502. Subparagraph (B) of subdivision (20) of subsection (a) of
114 section 12-701 of the general statutes, as amended by section 71 of
115 public act 05-251 and section 77 of public act 06-186, is repealed and
116 the following is substituted in lieu thereof (*Effective October 1, 2007, and*

117 *applicable to taxable years commencing on or after January 1, 2008):*

118 (B) There shall be subtracted therefrom (i) to the extent properly
119 includable in gross income for federal income tax purposes, any
120 income with respect to which taxation by any state is prohibited by
121 federal law, (ii) to the extent allowable under section 12-718, exempt
122 dividends paid by a regulated investment company, (iii) the amount of
123 any refund or credit for overpayment of income taxes imposed by this
124 state, or any other state of the United States or a political subdivision
125 thereof, or the District of Columbia, to the extent properly includable
126 in gross income for federal income tax purposes, (iv) to the extent
127 properly includable in gross income for federal income tax purposes
128 and not otherwise subtracted from federal adjusted gross income
129 pursuant to clause (x) of this subparagraph in computing Connecticut
130 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
131 extent any additional allowance for depreciation under Section 168(k)
132 of the Internal Revenue Code, as provided by Section 101 of the Job
133 Creation and Worker Assistance Act of 2002, for property placed in
134 service after December 31, 2001, but prior to September 10, 2004, was
135 added to federal adjusted gross income pursuant to subparagraph
136 (A)(ix) of this subdivision in computing Connecticut adjusted gross
137 income for a taxable year ending after December 31, 2001, twenty-five
138 per cent of such additional allowance for depreciation in each of the
139 four succeeding taxable years, (vi) to the extent properly includable in
140 gross income for federal income tax purposes, any interest income
141 from obligations issued by or on behalf of the state of Connecticut, any
142 political subdivision thereof, or public instrumentality, state or local
143 authority, district or similar public entity created under the laws of the
144 state of Connecticut, (vii) to the extent properly includable in
145 determining the net gain or loss from the sale or other disposition of
146 capital assets for federal income tax purposes, any gain from the sale
147 or exchange of obligations issued by or on behalf of the state of
148 Connecticut, any political subdivision thereof, or public
149 instrumentality, state or local authority, district or similar public entity
150 created under the laws of the state of Connecticut, in the income year

151 such gain was recognized, (viii) any interest on indebtedness incurred
152 or continued to purchase or carry obligations or securities the interest
153 on which is subject to tax under this chapter but exempt from federal
154 income tax, to the extent that such interest on indebtedness is not
155 deductible in determining federal adjusted gross income and is
156 attributable to a trade or business carried on by such individual, (ix)
157 ordinary and necessary expenses paid or incurred during the taxable
158 year for the production or collection of income which is subject to
159 taxation under this chapter but exempt from federal income tax, or the
160 management, conservation or maintenance of property held for the
161 production of such income, and the amortizable bond premium for the
162 taxable year on any bond the interest on which is subject to tax under
163 this chapter but exempt from federal income tax, to the extent that
164 such expenses and premiums are not deductible in determining federal
165 adjusted gross income and are attributable to a trade or business
166 carried on by such individual, (x) (I) for a person who files a return
167 under the federal income tax as an unmarried individual whose
168 federal adjusted gross income for such taxable year is less than fifty
169 thousand dollars, or as a married individual filing separately whose
170 federal adjusted gross income for such taxable year is less than fifty
171 thousand dollars, or for a husband and wife who file a return under
172 the federal income tax as married individuals filing jointly whose
173 federal adjusted gross income for such taxable year is less than sixty
174 thousand dollars or a person who files a return under the federal
175 income tax as a head of household whose federal adjusted gross
176 income for such taxable year is less than sixty thousand dollars, an
177 amount equal to the Social Security benefits includable for federal
178 income tax purposes; and (II) for a person who files a return under the
179 federal income tax as an unmarried individual whose federal adjusted
180 gross income for such taxable year is fifty thousand dollars or more, or
181 as a married individual filing separately whose federal adjusted gross
182 income for such taxable year is fifty thousand dollars or more, or for a
183 husband and wife who file a return under the federal income tax as
184 married individuals filing jointly whose federal adjusted gross income
185 from such taxable year is sixty thousand dollars or more or for a

186 person who files a return under the federal income tax as a head of
187 household whose federal adjusted gross income for such taxable year
188 is sixty thousand dollars or more, an amount equal to the difference
189 between the amount of Social Security benefits includable for federal
190 income tax purposes and the lesser of twenty-five per cent of the Social
191 Security benefits received during the taxable year, or twenty-five per
192 cent of the excess described in Section 86(b)(1) of the Internal Revenue
193 Code, (xi) to the extent properly includable in gross income for federal
194 income tax purposes, any amount rebated to a taxpayer pursuant to
195 section 12-746, (xii) to the extent properly includable in the gross
196 income for federal income tax purposes of a designated beneficiary,
197 any distribution to such beneficiary from any qualified state tuition
198 program, as defined in Section 529(b) of the Internal Revenue Code,
199 established and maintained by this state or any official, agency or
200 instrumentality of the state, (xiii) to the extent allowable under section
201 12-701a, contributions to accounts established pursuant to any
202 qualified state tuition program, as defined in Section 529(b) of the
203 Internal Revenue Code, established and maintained by this state or
204 any official, agency or instrumentality of the state, (xiv) to the extent
205 properly includable in gross income for federal income tax purposes,
206 the amount of any Holocaust victims' settlement payment received in
207 the taxable year by a Holocaust victim, (xv) to the extent properly
208 includable in gross income for federal income tax purposes of an
209 account holder, as defined in section 31-51ww, interest earned on
210 funds deposited in the individual development account, as defined in
211 section 31-51ww, of such account holder, (xvi) to the extent properly
212 includable in gross income for federal income tax purposes, in the
213 taxable year commencing on January 1, 2009, but prior to January 1,
214 2010, one-third of all income received from defined benefit pension
215 plans, defined contribution plans or Social Security; to the extent
216 properly includable in gross income for federal tax purposes, in the
217 taxable year commencing on January 1, 2010, but prior to January 1,
218 2011, two-thirds of all income received from defined benefit pension
219 plans, defined contribution plans or Social Security; and to the extent
220 properly includable in gross income for federal tax purposes, in

221 taxable years commencing on and after January 1, 2011, all income
 222 received from defined benefit pension plans, defined contribution
 223 plans or Social Security, and [(xvi)] (xvii) to the extent properly
 224 included in gross income for federal income tax purposes, fifty per
 225 cent of the income received from the United States government as
 226 retirement pay for a retired member of (I) the Armed Forces of the
 227 United States, as defined in Section 101 of Title 10 of the United States
 228 Code, or (II) the National Guard, as defined in Section 101 of Title 10 of
 229 the United States Code."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>October 1, 2007, and applicable to taxable years commencing on or after January 1, 2007</i>	12-701(a)(20)(B)
Sec. 502	<i>October 1, 2007, and applicable to taxable years commencing on or after January 1, 2008</i>	12-701(a)(20)(B)