



General Assembly

January Session, 2007

Amendment

LCO No. 8210

SB0148308210SRO

Offered by:

SEN. DELUCA, 32 nd Dist.	REP. FAHRBACH, 61 st Dist.
REP. CAFERO, 142 nd Dist.	REP. FERRARI, 62 nd Dist.
SEN. MCKINNEY, 28 th Dist.	REP. FLOREN, 149 th Dist.
REP. HAMZY, 78 th Dist.	REP. FREY, 111 th Dist.
REP. KLARIDES, 114 th Dist.	REP. GIBBONS, 150 th Dist.
SEN. NICKERSON, 36 th Dist.	REP. GIEGLER, 138 th Dist.
REP. MINER, 66 th Dist.	REP. GIULIANO, 23 rd Dist.
SEN. CAPPIELLO, 24 th Dist.	REP. GREENE, 105 th Dist.
REP. DELGOBBO, 70 th Dist.	REP. HARKINS, 120 th Dist.
SEN. FASANO, 34 th Dist.	REP. HETHERINGTON, 125 th Dist.
SEN. FREEDMAN, 26 th Dist.	REP. HOVEY, 112 th Dist.
SEN. GUGLIELMO, 35 th Dist.	REP. KALINOWSKI, 100 th Dist.
SEN. HERLIHY, 8 th Dist.	REP. LABRIOLA, 131 st Dist.
SEN. KISSEL, 7 th Dist.	REP. MILLER, 122 nd Dist.
SEN. RORABACK, 30 th Dist.	REP. NOUJAIM, 74 th Dist.
REP. ADINOLFI, 103 rd Dist.	REP. O'NEILL, 69 th Dist.
REP. ALBERTS, 50 th Dist.	REP. PISCOPO, 76 th Dist.
REP. AMAN, 14 th Dist.	REP. POWERS, 151 st Dist.
REP. BACCHIOCHI, 52 nd Dist.	REP. ROWE, 123 rd Dist.
REP. BELDEN, 113 th Dist.	REP. RUWET, 65 th Dist.
REP. BOUCHER, 143 rd Dist.	REP. RYAN, 141 st Dist.
REP. BURNS, 77 th Dist.	REP. SAWYER, 55 th Dist.
REP. CANDELORA, 86 th Dist.	REP. SCRIBNER, 107 th Dist.
REP. CARON, 44 th Dist.	REP. STRIPP, 135 th Dist.
REP. CARSON, 108 th Dist.	REP. WASSERMAN, 106 th Dist.
REP. CHAPIN, 67 th Dist.	REP. WILLIAMS, 68 th Dist.
REP. D'AMELIO, 71 st Dist.	REP. WITKOS, 17 th Dist.

To: Senate Bill No. 1483

File No.

Cal. No.

(As Amended)

"AN ACT CONCERNING REVENUES FROM THE CIGARETTE TAX."

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

3 "Section 1. Section 12-217ii of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective January 1, 2008, and*
5 *applicable to income years commencing on or after January 1, 2008*):

6 (a) As used in this section:

7 (1) "Commissioner" means the Commissioner of Economic and
8 Community Development;

9 [(2) "Relocation to Connecticut" or "relocation" means the taxpayer
10 creating the new job shall not have been conducting business in
11 Connecticut prior to the taxpayer's application to the commissioner for
12 an eligibility certificate under this section;]

13 [(3)] (2) "Income year" means, with respect to entities subject to the
14 insurance premiums tax under chapter 207, the corporation business
15 tax under this chapter, [or the utilities company] the utility companies
16 tax under chapter 212, or the business entities tax under chapter 213a,
17 the income year as determined under each of said chapters, as the case
18 may be;

19 [(4)] (3) "Taxpayer" means a person subject to tax under chapter 207,
20 this chapter or chapter 212, [who was not conducting business in
21 Connecticut prior to relocation to Connecticut] or a limited liability
22 company, limited liability partnership, limited partnership or a S
23 corporation, the partners or members of which are subject to tax under
24 chapter 229;

25 [(5) "New] (4) "Net new job" means a full-time job which [(A) did
26 not exist in this state prior to a taxpayer's application to the
27 commissioner for an eligibility certificate under this section for a job
28 creation credit, and (B)] is filled by a new employee;

29 [(6)] (5) "New employee" means a person hired by the taxpayer to
30 fill a new full-time job in Connecticut. A new employee does not
31 include a person who was employed in Connecticut by a related
32 person with respect to the taxpayer during the prior twelve months;

33 [(7)] (6) "Full-time job" means a job in which an employee is
34 required to work at least thirty-five or more hours per week. A full-
35 time job does not include a temporary or seasonal job;

36 [(8)] (7) "Related person" means (A) a corporation, limited liability
37 company, partnership, association or trust controlled by the taxpayer,
38 (B) an individual, corporation, limited liability company, partnership,
39 association or trust that is in control of the taxpayer, (C) a corporation,
40 limited liability company, partnership, association or trust controlled
41 by an individual, corporation, limited liability company, partnership,
42 association or trust that is in control of the taxpayer, or (D) a member
43 of the same controlled group as the taxpayer; and

44 [(9)] (8) "Control", with respect to a corporation, means ownership,
45 directly or indirectly, of stock possessing fifty per cent or more of the
46 total combined voting power of all classes of the stock of such
47 corporation entitled to vote. "Control", with respect to a trust, means
48 ownership, directly or indirectly, of fifty per cent or more of the
49 beneficial interest in the principal or income of such trust. The
50 ownership of stock in a corporation, of a capital or profits interest in a
51 partnership, limited liability company or association or of a beneficial
52 interest in a trust shall be determined in accordance with the rules for
53 constructive ownership of stock provided in Section 267(c) of the
54 Internal Revenue Code of 1986, or any subsequent corresponding
55 internal revenue code of the United States, as from time to time
56 amended, other than paragraph (3) of said Section 267(c).

57 (b) (1) There is established a jobs creation tax credit program
58 whereby a taxpayer who creates [at least fifty new jobs pursuant to a
59 relocation to Connecticut] a net new job may be allowed a credit
60 against the insurance premiums tax imposed under chapter 207, the
61 tax imposed under this chapter, [or] the utility companies tax imposed
62 under chapter 212, or, if a partner or a member of a limited liability
63 company, limited liability partnership, limited partnership or S
64 corporation, against the personal income tax imposed under chapter
65 229, in an amount up to [twenty-five] thirty-five per cent of the income
66 tax deducted and withheld from the wages of new employees and paid
67 over to the state pursuant to chapter 229 during the taxpayer's income
68 year.

69 [(2) For each new employee, credits may be granted for five
70 successive years.]

71 [(3)] (2) The credit shall be claimed in the income year in which it is
72 earned. Any credits not used in a tax year shall expire.

73 (c) Any taxpayer planning to [relocate to Connecticut] create one or
74 more net new jobs and claim a credit under the provisions of this
75 section shall apply to the commissioner in accordance with the
76 provisions of this section. The application shall be on a form provided
77 by the commissioner, and shall contain sufficient information
78 concerning the nature of the [relocation] increased number of jobs,
79 including a detailed description of the type of business, the number of
80 net new jobs to be created, feasibility studies or business plans for the
81 [relocation] increased number of jobs, projected state and local revenue
82 that might derive as a result of the [relocation] job growth and other
83 information necessary to demonstrate [the financial viability of the
84 relocation and] that there will be net benefits to the economy of the
85 municipality and the state. The commissioner shall impose a fee for
86 such application as the commissioner deems appropriate.

87 (d) The commissioner shall determine whether (1) the taxpayer
88 making the application is eligible for the tax credit, and (2) the

89 [proposed relocation] job growth (A) is economically viable only with
90 use of the tax credit, and (B) would provide a net benefit to economic
91 development and employment opportunities in the state. The
92 commissioner may require the applicant to submit such additional
93 information as may be necessary to evaluate the application.

94 (e) (1) The commissioner, upon consideration of the application and
95 any additional information the commissioner requires concerning [a
96 proposed relocation] the job growth, may approve the credit
97 application, in whole or in part, if the commissioner concludes that the
98 [relocation] increase in the number of jobs is economically viable only
99 with the use of the tax credit and that the revenue generated due to
100 economic development and employment opportunities created in the
101 state exceeds the credit and any other credits to be taken. If the
102 commissioner disapproves an application, the commissioner shall
103 specifically identify the defects in the application and specifically
104 explain the reasons for the disapproval. The commissioner shall render
105 a decision on an application not later than ninety days after the date of
106 its receipt by the commissioner.

107 [(2) The total amount of credits granted to all taxpayers shall not
108 exceed ten million dollars in any one fiscal year.

109 (3) A credit under this section may be granted to a taxpayer for not
110 more than five successive income years.]

111 [(4)] (2) The commissioner may combine approval of a credit
112 application with the exercise of any of the commissioner's other
113 powers, including, but not limited to, the provision of other forms of
114 financial assistance.

115 (f) Upon approving a taxpayer's credit application, the
116 commissioner shall issue a credit allocation notice certifying that the
117 credits will be available to be claimed by the taxpayer if the taxpayer
118 otherwise meets the requirements of this section. No later than thirty
119 days after the close of the taxpayer's income year, the taxpayer shall
120 provide information to the commissioner regarding the number of new

121 jobs created for the year and the income tax deducted and withheld
122 from the wages of such new employees and paid over to the state for
123 such year. The commissioner shall issue a certificate of eligibility that
124 includes the taxpayer's name, the number of new jobs created, and the
125 amount of the credit certified for the year. The certificate shall be
126 issued by the commissioner sixty days after the close of the taxpayer's
127 income year or thirty days after the information is provided,
128 whichever comes first.

129 (g) The commissioner shall, upon request, provide a copy of the
130 certificate of eligibility issued under subsection (f) of this section to the
131 Commissioner of Revenue Services.

132 [(h) (1) If (A) the number of new employees on account of which a
133 taxpayer claimed the credit allowed by this section decreases to less
134 than the number for which the commissioner issued an eligibility
135 certificate during any of the four years succeeding the first full income
136 year following the issuance of an eligibility certificate, and (B) those
137 employees are not replaced by other employees who have not been
138 shifted from an existing location of the taxpayer or a related person in
139 this state, the taxpayer shall be required to recapture a percentage of
140 the credit allowed under this section on its tax return, as determined
141 under the provisions of subdivision (2) of this subsection. The
142 commissioner shall provide notice of the required recapture amount to
143 both the taxpayer and the Commissioner of Revenue Services.

144 (2) If the taxpayer is required under the provisions of subdivision
145 (1) of this subsection to recapture a portion of the credit during (A) the
146 first of such four years, then ninety per cent of the credit allowed shall
147 be recaptured on the tax return required to be filed for such year, (B)
148 the second of such four years, then sixty-five per cent of the credit
149 allowed for the entire period of eligibility shall be recaptured on the
150 tax return required to be filed for such year, (C) the third of such four
151 years, then fifty per cent of the credit allowed for the entire period of
152 eligibility shall be recaptured on the tax return required to be filed for
153 such year, (D) the fourth of such four years, then thirty per cent of the

154 credit allowed for the entire period of eligibility shall be recaptured on
155 the tax return required to be filed for such year.]

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

159 (a) As used in this section:

160 (1) "Commissioner" means the Commissioner of Revenue Services.

161 (2) "Commission" means the Connecticut Commission on Culture
162 and Tourism.

163 (3) (A) "Qualified production" means [the process of producing any
164 type of] entertainment content, [which shall include] including motion
165 pictures; documentaries; [long-form, specials,] mini-series, series,
166 videos, music videos; [and interstitials television programming;]
167 interactive television; interactive games; videogames; commercials;
168 [infomercials; any format] other formats of digital media created
169 [primarily] for distribution or exhibition to the general public, [; and
170 any trailer, pilot, video teaser or demo created primarily to stimulate
171 the sale, marketing, promotion or exploitation of future investment in
172 either a product or a qualified production via any means and media in
173 any digital media format, film or videotape, provided such program
174 meets all the underlying criteria of a qualified production.]

175 (B) "Qualified production" shall not include [(A)] any ongoing
176 program created primarily as news, weather or financial market
177 reports, a production featuring current events, sporting events, an
178 awards show or other gala event, a production whose sole purpose is
179 fundraising, a long-form production that primarily markets a product
180 or service, a production used for corporate training or in-house
181 corporate advertising or other similar productions, or [(B)] any
182 production [containing any material or performance that is obscene, as
183 defined in section 53a-193] for which records are required to be
184 maintained under 18 USC 2257 with respect to sexually explicit

185 content.

186 (4) "Eligible production company" means a corporation, partnership,
187 limited liability company, or other business entity engaged in the
188 business of producing qualified productions on a one-time or ongoing
189 basis, and qualified by the Secretary of the State to engage in business
190 in the state. "Eligible production company" shall not include any
191 business entity owned or controlled by any entity or person that is in
192 default on a loan made by the state or a loan guaranteed by the state.

193 (5) (A) "Production expenses or costs" means all expenditures
194 clearly and demonstrably incurred in the state in the [development,]
195 preproduction, production or postproduction [costs] of a qualified
196 production, including:

197 [(A) Expenditures for optioning or purchase of any intellectual
198 property including, but not limited to, books, scripts, music or
199 trademarks relating to the development or purchase of a script,
200 screenplay or format, provided (i) the intellectual property was
201 produced primarily in the state, (ii) seventy-five per cent of the
202 qualified production based on such intellectual property is produced
203 in the state, and (iii) the production expenses or costs for such
204 optioning or purchase are less than thirty-five per cent of the
205 production expenses or costs incurred in the state. Such expenses or
206 costs shall include all expenditures generally associated with the
207 optioning or purchase of intellectual property, including option
208 money, agent fees and attorney fees relating to the transaction, but
209 shall not include any and all deferrals, deferments, royalties, profit
210 participation or recourse or nonrecourse loans which the eligible
211 production company may negotiate in order to obtain the rights to the
212 intellectual property;]

213 (B) Expenditures incurred in the state in the form of either
214 compensation or purchases including production work, production
215 equipment, production software, postproduction work,
216 postproduction equipment, postproduction software, set design, set

217 construction, props, lighting, wardrobe, makeup, makeup accessories,
218 special effects, visual effects, audio effects, film processing, music,
219 sound mixing, editing, location fees, soundstages and [any and all]
220 other costs [or services directly] incurred in the state in connection
221 with a state-certified qualified production;

222 [(C) Expenditures for distribution, including preproduction,
223 production or postproduction costs relating to the creation of trailers,
224 marketing videos, commercials, point-of-purchase videos and any and
225 all content created on film or digital media, including the duplication
226 of films, videos, CDs, DVDs and any and all digital files now in
227 existence and those yet to be created for mass consumer consumption;
228 the purchase, by a company in the state, of any and all equipment
229 relating to the duplication or mass market distribution of any content
230 created or produced in the state by any digital media format which is
231 now in use and those formats yet to be created for mass consumer
232 consumption; and]

233 [(D)] (C) "Production expenses or costs" does not include the
234 following: (i) [Talent fees for extras, principal day players and
235 atmosphere, as defined by the Screen Actors Guild, to the extent the
236 individual performer costs exceed the rates of the Screen Actors Guild
237 for double scale wages under the current collective bargaining
238 agreements] Compensation in excess of five million dollars paid to any
239 individual or entity representing an individual for services provided in
240 the production of a qualified production; (ii) media buys, promotional
241 events or gifts or public relations associated with the promotion, [or]
242 marketing or advertising of any qualified production; (iii) deferred,
243 leveraged or profit participation costs relating to any and all personnel
244 associated with any and all aspects of the production, including, but
245 not limited to, producer fees, director fees, talent fees and writer fees;
246 (iv) costs relating to the transfer of the production tax credits; and (v)
247 any amounts paid to persons or businesses as a result of their
248 participation in profits from the exploitation of the qualified
249 production.

250 (6) "State-certified qualified production" means a qualified
251 production produced by an eligible production company that (A) is in
252 compliance with regulations adopted pursuant to subsection (e) of this
253 section, (B) is authorized to conduct business in this state, and (C) has
254 been approved by the commission as qualifying for a production tax
255 credit under this section.

256 (b) The Connecticut Commission on Culture and Tourism shall
257 administer a system of tax credit vouchers within the resources,
258 requirements and purposes of this section for eligible production
259 companies producing a state-certified qualified production in the state.
260 For income years commencing on or after January 1, [2006] 2007, any
261 eligible production company incurring production expenses or costs in
262 excess of two hundred fifty thousand dollars shall be eligible for a
263 credit against the tax imposed under this chapter equal to thirty per
264 cent of such production expenses or costs. Any credit allowed
265 pursuant to this subsection may be sold, assigned or otherwise
266 transferred, in whole or in part, to one or more taxpayers, provided
267 such taxpayers may claim such credit only for an income year in which
268 the eligible production company would have been eligible to claim
269 such credit. Any such credit allowed under this subsection shall be
270 claimed against the tax imposed under this chapter for the income year
271 in which final certification for the state-certified qualified production is
272 made by the commission pursuant to this section, and may be carried
273 forward for the three immediately succeeding income years. Any
274 production tax credit allowed under this subsection shall be
275 nonrefundable.

276 (c) (1) An eligible production company shall apply to the
277 commission for an eligibility certificate not later than ninety days after
278 the first production expenses or costs are incurred in the production of
279 a qualified production, and shall provide with such application such
280 information as the commission may require to determine such
281 company's eligibility to claim a credit under this section.

282 (2) Not later than ninety days after the last production expenses or

283 costs are incurred in the production of a qualified production, an
284 eligible production company shall apply to the commission for a
285 production tax credit certificate, and shall provide with such
286 application such information as the commission may require
287 pertaining to the amount of the company's production expenses or
288 costs. If the commission determines that the company is eligible to be
289 issued a production tax credit certificate, the commission shall enter on
290 the certificate the amount of production expenses or costs that has
291 been established to the satisfaction of the commission, and the amount
292 of the company's credit under this section. The commission shall
293 provide a copy of such certificate to the commissioner, upon request.

294 (d) If an eligible production company sells, assigns or otherwise
295 transfers a credit under this section to another taxpayer, the transferor
296 and transferee shall jointly submit written notification of such transfer
297 to the commission not later than thirty days after such transfer. The
298 notification shall include the credit certificate number, the date of
299 transfer, the amount of such credit transferred, the tax credit balance
300 before and after the transfer, the tax identification numbers for both
301 the transferor and the transferee, and any other information required
302 by the commission. Failure to comply with this subsection will result
303 in a disallowance of the tax credit until there is full compliance on both
304 the part of the transferor and the transferee. The commission shall
305 provide a copy of the notification of assignment to the commissioner
306 upon request.

307 (e) Any eligible production company that wilfully submits
308 information to the commission that it knows to be fraudulent or false
309 shall, in addition to any other penalties provided by law, be liable for a
310 penalty equal to the amount of such company's credit entered on the
311 production tax credit certificate issued under this section.

312 [(e)] (f) The commission, in consultation with the commissioner,
313 shall adopt regulations, in accordance with the provisions of chapter
314 54, as may be necessary for the administration of this section.

315 Sec. 3. Subsection (b) of section 12-284b of the general statutes is
316 repealed and the following is substituted in lieu thereof (*Effective July*
317 *1, 2007, and applicable to taxable years commencing on or after January 1,*
318 *2007*):

319 (b) Each limited liability company, limited liability partnership,
320 limited partnership and S corporation shall be liable for the tax
321 imposed by this section for each taxable year or portion thereof that
322 such company, partnership or corporation is an affected business
323 entity. Each affected business entity shall annually, on or before the
324 fifteenth day of the fourth month following the close of its taxable year,
325 pay to the Commissioner of Revenue Services a tax in the [amount of
326 two hundred fifty dollars] following amounts: For taxable years
327 commencing prior to January 1, 2007, two hundred fifty dollars; for the
328 taxable year commencing on or after January 1, 2007, but prior to
329 January 1, 2008, one hundred twenty-five dollars; and for taxable years
330 commencing on or after January 1, 2008, zero.

331 Sec. 4. Subsection (g) of section 12-391 of the general statutes is
332 repealed and the following is substituted in lieu thereof (*Effective July*
333 *1, 2007, and applicable to estates of decedents dying on or after January 1,*
334 *2007*):

335 (g) (1) With respect to the estates of decedents dying [on or after
336 January 1, 2005] during the period from January 1, 2005, to December
337 31, 2006, inclusive, the tax based on the Connecticut taxable estate shall
338 be as provided in the following 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

339 (2) With respect to the estates of decedents dying during the period
 340 from January 1, 2007, to December 31, 2007, inclusive, the tax based on
 341 the Connecticut taxable estate shall be as provided in the following
 342 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>	
T32	<u>but not over \$2,100,000</u>	<u>5.085% of the excess over \$2,000,000</u>
T33	<u>Over \$2,100,000</u>	<u>\$106,800 plus 8% 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>\$146,800 plus 8.8% 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>\$190,800 plus 9.6% 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>\$238,800 plus 10.4% 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>\$290,800 plus 11.2% 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>\$402,800 plus 12% 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>\$522,800 plus 12.8% 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>\$650,800 plus 13.6% 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>\$786,800 plus 14.4% 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>\$930,800 plus 15.2% of the excess</u>
T52	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T53	<u>Over \$10,100,000</u>	<u>\$1,082,800 plus 16% of the excess</u>
T54		<u>over \$10,100,000</u>

343 (3) With respect to the estates of decedents dying on or after January
344 1, 2008, but prior to January 1, 2009, the tax based on the Connecticut
345 taxable estate shall be as provided in the following schedule:

	<u>Amount of Connecticut</u>	<u>Rate of Tax</u>
T55	<u>Taxable Estate</u>	
T56	<u>Not over \$4,100,000</u>	<u>None</u>
T57	<u>Over \$4,100,000</u>	<u>\$0 plus 11.2% of the excess</u>
T58	<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
T59	<u>Over \$5,100,000</u>	<u>\$112,000 plus 12% of the excess</u>
T60	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T61	<u>Over \$6,100,000</u>	<u>\$232,000 plus 12.8% of the excess</u>
T62	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T63	<u>Over \$7,100,000</u>	<u>\$360,000 plus 13.6% of the excess</u>
T64	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T65	<u>Over \$8,100,000</u>	<u>\$496,000 plus 14.4% of the excess</u>
T66	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T67	<u>Over \$9,100,000</u>	<u>\$640,000 plus 15.2% of the excess</u>
T68	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T69	<u>Over \$10,100,000</u>	<u>\$792,000 plus 16% of the excess</u>
T70		<u>over \$10,100,000</u>
T71		

346 (3) With respect to the estates of decedents dying on or after January
347 1, 2009, but prior to January 1, 2010, the tax based on the Connecticut
348 taxable estate shall be as provided in the following schedule:

	<u>Amount of Connecticut</u>	<u>Rate of Tax</u>
T72	<u>Taxable Estate</u>	
T73	<u>Not over \$5,100,000</u>	<u>None</u>
T74	<u>Over \$5,100,000</u>	<u>\$0 plus 12% of the excess</u>
T75	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T76	<u>Over \$6,100,000</u>	<u>\$120,000 plus 12.8% of the excess</u>
T77	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T78	<u>Over \$7,100,000</u>	<u>\$248,000 plus 13.6% of the excess</u>
T79	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T80	<u>Over \$8,100,000</u>	<u>\$384,000 plus 14.4% of the excess</u>
T81	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T82	<u>Over \$9,100,000</u>	<u>\$528,000 plus 15.2% of the excess</u>
T83	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T84	<u>Over \$10,100,000</u>	<u>\$680,000 plus 16% of the excess</u>
T85		

T86 over \$10,100,000

349 (4) With respect to the estates of decedents dying on or after January
 350 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut
 351 taxable estate shall be as provided in the following schedule:

T87	<u>Amount of Connecticut</u>	<u>Rate of Tax</u>
T88	<u>Taxable Estate</u>	
T89	<u>Not over \$7,100,000</u>	<u>None</u>
T90	<u>Over \$7,100,000</u>	<u>\$0 plus 13.6% of the excess</u>
T91	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T92	<u>Over \$8,100,000</u>	<u>\$136,000 plus 14.4% of the excess</u>
T93	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T94	<u>Over \$9,100,000</u>	<u>\$280,000 plus 15.2% of the excess</u>
T95	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T96	<u>Over \$10,100,000</u>	<u>\$432,000 plus 16% of the excess</u>
T97		<u>over \$10,100,000</u>

352 (5) With respect to the estates of decedents dying on or after January
 353 1, 2011, but prior to January 1, 2012, the tax based on the Connecticut
 354 taxable estate shall be as provided in the following schedule:

T98	<u>Amount of Connecticut</u>	<u>Rate of Tax</u>
T99	<u>Taxable Estate</u>	
T100	<u>Not over \$10,100,000</u>	<u>None</u>
T101	<u>Over \$10,100,000</u>	<u>\$0 plus 16% of the excess</u>
T102		<u>over \$10,100,000</u>

355 (6) With respect to the estates of decedents dying on or after January
 356 1, 2012, no tax shall be imposed by this chapter upon the transfer of the
 357 estate.

358 Sec. 5. Subdivision (1) of subsection (d) of section 12-391 of the

359 general statutes is repealed and the following is substituted in lieu
360 thereof (*Effective July 1, 2007, and applicable to estates of decedents dying on*
361 *or after January 1, 2007*):

362 (d) (1) With respect to the estates of decedents who die on or after
363 January 1, 2005, but prior to January 1, 2012, a tax is imposed upon the
364 transfer of the estate of each person who at the time of death was a
365 resident of this state. The amount of the tax shall be determined using
366 the schedule in subsection (g) of this section, as amended by this act. A
367 credit shall be allowed against such tax for any taxes paid to this state
368 pursuant to section 12-642, as amended by this act, for Connecticut
369 taxable gifts made on or after January 1, 2005. With respect to the
370 estates of decedents who die on or after January 1, 2012, no tax shall be
371 imposed by this chapter upon the transfer of the estate.

372 Sec. 6. Subsection (e) of section 12-391 of the general statutes is
373 repealed and the following is substituted in lieu thereof (*Effective July*
374 *1, 2007, and applicable to estates of decedents dying on or after January 1,*
375 *2007*):

376 (e) (1) With respect to the estates of decedents who die on or after
377 January 1, 2005, but prior to January 1, 2012, a tax is imposed upon the
378 transfer of the estate of each person who at the time of death was a
379 nonresident of this state. The amount of such tax shall be computed by
380 multiplying (A) the amount of tax determined using the schedule in
381 subsection (g) of this section, as amended by this act, by (B) a fraction,
382 (i) the numerator of which is the value of that part of the decedent's
383 gross estate over which this state has jurisdiction for estate tax
384 purposes, and (ii) the denominator of which is the value of the
385 decedent's gross estate. A credit shall be allowed against such tax for
386 any taxes paid to this state pursuant to section 12-642, as amended by
387 this act, for Connecticut taxable gifts made on or after January 1, 2005.

388 (2) With respect to the estates of decedents who die on or after
389 January 1, 2012, no tax shall be imposed by this chapter.

390 ~~[(2)]~~ (3) Property of a nonresident estate over which this state has

391 jurisdiction for estate tax purposes includes real property situated in
 392 this state and tangible personal property having an actual situs in this
 393 state.

394 Sec. 7. Subsection (a) of section 12-642 of the general statutes is
 395 repealed and the following is substituted in lieu thereof (*Effective July*
 396 *1, 2007, and applicable to calendar years commencing on or after January 1,*
 397 *2007*):

398 (a) (1) With respect to calendar years commencing prior to January
 399 1, 2001, the tax imposed by section 12-640 for the calendar year shall be
 400 at a rate of the taxable gifts made by the donor during the calendar
 401 year set forth in the following schedule:

T103	Amount of Taxable Gifts	Rate of Tax
T104	Not over \$25,000	1%
T105	Over \$25,000	\$250, plus 2% of the excess
T106	but not over \$50,000	over \$25,000
T107	Over \$50,000	\$750, plus 3% of the excess
T108	but not over \$75,000	over \$50,000
T109	Over \$75,000	\$1,500, plus 4% of the excess
T110	but not over \$100,000	over \$75,000
T111	Over \$100,000	\$2,500, plus 5% of the excess
T112	but not over \$200,000	over \$100,000
T113	Over \$200,000	\$7,500, plus 6% of the excess
T114		over \$200,000

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

T115	Amount of Taxable Gifts	Rate of Tax
T116	Over \$25,000	\$250, plus 2% of the excess
T117	but not over \$50,000	over \$25,000
T118	Over \$50,000	\$750, plus 3% of the excess
T119	but not over \$75,000	over \$50,000
T120	Over \$75,000	\$1,500, plus 4% of the excess
T121	but not over \$100,000	over \$75,000
T122	Over \$100,000	\$2,500, plus 5% of the excess
T123	but not over \$675,000	over \$100,000
T124	Over \$675,000	\$31,250, plus 6% of the excess
T125		over \$675,000

407 (3) With respect to Connecticut taxable gifts, as defined in section
 408 12-643, made by a donor during a calendar year commencing on or
 409 after January 1, 2005, and prior to January 1, 2007, including the
 410 aggregate amount of all Connecticut taxable gifts made by the donor
 411 during all calendar years commencing on or after January 1, 2005 the
 412 tax imposed by section 12-640 for the calendar year shall be at the rate
 413 set forth in the following schedule, with a credit allowed against such
 414 tax for any tax previously paid to this state pursuant to this
 415 subdivision:

T126	Amount of Taxable Gifts	Rate of Tax
T127	Not over \$2,000,000	None
T128	Over \$2,000,000	
T129	but not over \$2,100,000	5.085% of the excess over \$0
T130	Over \$2,100,000	\$106,800 plus 8% of the excess
T131	but not over \$2,600,000	over \$2,100,000
T132	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T133	but not over \$3,100,000	over \$2,600,000
T134	Over \$3,100,000	\$190,800 plus 9.6% of the excess

T135	but not over \$3,600,000	over \$3,100,000
T136	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T137	but not over \$4,100,000	over \$3,600,000
T138	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T139	but not over \$5,100,000	over \$4,100,000
T140	Over \$5,100,000	\$402,800 plus 12% of the excess
T141	but not over \$6,100,000	over \$5,100,000
T142	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T143	but not over \$7,100,000	over \$6,100,000
T144	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T145	but not over \$8,100,000	over \$7,100,000
T146	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T147	but not over \$9,100,000	over \$8,100,000
T148	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T149	but not over \$10,100,000	over \$9,100,000
T150	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T151		over \$10,100,000

416 (4) With respect to Connecticut taxable gifts, as defined in section
 417 12-643, made by a donor during a calendar year commencing on or
 418 after January 1, 2005, and prior to January 1, 2008, including the
 419 aggregate amount of all Connecticut taxable gifts made by the donor
 420 during all calendar years commencing on or after January 1, 2005, the
 421 tax imposed by section 12-640 for the calendar year shall be at the rate
 422 set forth in the following schedule, with a credit allowed against such
 423 tax for any tax previously paid to this state pursuant to this
 424 subdivision:

425 (5) With respect to Connecticut taxable gifts, as defined in section
 426 12-643, made by a donor during the calendar year commencing
 427 January 1, 2008, including the aggregate amount of all Connecticut
 428 taxable gifts made by the donor during all calendar years commencing

429 on or after January 1, 2005, the tax imposed by section 12-640 for the
 430 calendar year shall be at the rate set forth in the following schedule,
 431 with a credit allowed against such tax for any tax previously paid to
 432 this state pursuant to this subdivision:

T152	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T153	<u>Not over \$4,100,000</u>	<u>None</u>
T154	<u>Over \$4,100,000</u>	<u>\$0 plus 11.2% of the excess</u>
T155	<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
T156	<u>Over \$5,100,000</u>	<u>\$112,000 plus 12% of the excess</u>
T157	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T158	<u>Over \$6,100,000</u>	<u>\$232,000 plus 12.8% of the excess</u>
T159	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T160	<u>Over \$7,100,000</u>	<u>\$360,000 plus 13.6% of the excess</u>
T161	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T162	<u>Over \$8,100,000</u>	<u>\$496,000 plus 14.4% of the excess</u>
T163	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T164	<u>Over \$9,100,000</u>	<u>\$640,000 plus 15.2% of the excess</u>
T165	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T166	<u>Over \$10,100,000</u>	<u>\$792,000 plus 16% of the excess</u>
T167		<u>over \$10,100,000</u>

433 (6) With respect to Connecticut taxable gifts, as defined in section
 434 12-643, made by a donor during the calendar year commencing
 435 January 1, 2009, including the aggregate amount of all Connecticut
 436 taxable gifts made by the donor during all calendar years commencing
 437 on or after January 1, 2005, the tax imposed by section 12-640 for the
 438 calendar year shall be at the rate set forth in the following schedule,
 439 with a credit allowed against such tax for any tax previously paid to
 440 this state pursuant to this subdivision:

T168	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T169	<u>Not over \$5,100,000</u>	<u>None</u>
T170	<u>Over \$5,100,000</u>	<u>\$0 plus 12% of the excess</u>
T171	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T172	<u>Over \$6,100,000</u>	<u>\$120,000 plus 12.8% of the excess</u>

T173	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T174	<u>Over \$7,100,000</u>	<u>\$248,000 plus 13.6% of the excess</u>
T175	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T176	<u>Over \$8,100,000</u>	<u>\$384,000 plus 14.4% of the excess</u>
T177	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T178	<u>Over \$9,100,000</u>	<u>\$528,000 plus 15.2% of the excess</u>
T179	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T180	<u>Over \$10,100,000</u>	<u>\$680,000 plus 16% of the excess</u>
T181		<u>over \$10,100,000</u>

441 (7) With respect to Connecticut taxable gifts, as defined in section
 442 12-643, made by a donor during the calendar year commencing
 443 January 1, 2010, including the aggregate amount of all Connecticut
 444 taxable gifts made by the donor during all calendar years commencing
 445 on or after January 1, 2005, the tax imposed by section 12-640 for the
 446 calendar year shall be at the rate set forth in the following schedule,
 447 with a credit allowed against such tax for any tax previously paid to
 448 this state pursuant to this subdivision:

T182	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T183	<u>Not over \$7,100,000</u>	<u>None</u>
T184	<u>Over \$7,100,000</u>	<u>\$0 plus 13.6% of the excess</u>
T185	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T186	<u>Over \$8,100,000</u>	<u>\$136,000 plus 14.4% of the excess</u>
T187	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T188	<u>Over \$9,100,000</u>	<u>\$280,000 plus 15.2% of the excess</u>
T189	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T190	<u>Over \$10,100,000</u>	<u>\$432,000 plus 16% of the excess</u>
T191		<u>over \$10,100,000</u>

449 (8) With respect to Connecticut taxable gifts, as defined in section
 450 12-643, made by a donor during the calendar year commencing
 451 January 1, 2011, including the aggregate amount of all Connecticut
 452 taxable gifts made by the donor during all calendar years commencing
 453 on or after January 1, 2005, the tax imposed by section 12-640 for the
 454 calendar year shall be at the rate set forth in the following schedule,

455 with a credit allowed against such tax for any tax previously paid to
 456 this state pursuant to this subdivision:

T192	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T193	<u>Not over \$10,100,000</u>	<u>None</u>
T194	<u>Over \$10,100,000</u>	<u>\$0 plus 16% of the excess over</u>
T195		<u>\$10,100,000</u>

457 (9) With respect to Connecticut taxable gifts, as defined in section
 458 12-643, made by a donor during the calendar year commencing on or
 459 after January 1, 2012, including the aggregate amount of all
 460 Connecticut taxable gifts made by the donor during all prior calendar
 461 years commencing on or after January 1, 2005, no tax shall be imposed
 462 by section 12-640 for the calendar year.

463 Sec. 8. Subdivision (3) of section 12-412 of the general statutes is
 464 repealed and the following is substituted in lieu thereof (*Effective July*
 465 *1, 2007, and applicable to sales occurring on or after July 1, 2007*):

466 (3) (A) The sale, furnishing or service of gas, including bottled gas,
 467 and electricity when delivered to consumers through mains, lines,
 468 pipes or bottles for use (i) in any residential dwelling, or (ii) directly in
 469 agricultural production, fabrication of a finished product to be sold or
 470 an industrial manufacturing plant, provided the exemption under this
 471 subdivision (ii) shall only be allowed with respect to a metered
 472 building, location or premise at which not less than seventy-five per
 473 cent of the gas, including bottled gas, or electricity consumed at such
 474 metered building, location or premise is used for the purpose of such
 475 production, fabrication or manufacturing. Bottled gas as used in this
 476 subsection means L.P. (propane) gas.

477 (B) The sale or furnishing of telephone service and community
 478 antenna television and cable service, provided the exemption for
 479 services described in this subparagraph shall not be applicable to any
 480 such service rendered on or after January 1, 1990.

481 (C) The sale, furnishing or service of water, steam and telegraph
482 when delivered to consumers through mains, lines, pipes or bottles.

483 (D) The sale or furnishing of electricity, not subject to the exemption
484 under subparagraph (A) of this subsection, with respect to that portion
485 of the charges applicable to such electricity for any month of service
486 which is not in excess of one hundred fifty dollars, provided the rate of
487 such tax for sales or furnishing occurring on and after July 1, 2007, but
488 prior to July 1, 2008, shall be three per cent, and provided further that
489 there shall be no tax on such sales or furnishing on and after July 1,
490 2008.

491 (E) The sale, furnishing or service of gas, water, steam or electricity
492 for use directly in the furnishing of gas, water, steam or electricity
493 delivered to consumers through mains, lines or pipes.

494 Sec. 9. Subdivision (115) of section 12-412 of the general statutes is
495 repealed and the following is substituted in lieu thereof (*Effective July*
496 *1, 2007*):

497 (115) On and after October 1, 2004, and prior to [October 1, 2008]
498 June 30, 2010, the sale of any hybrid passenger car that has a United
499 States Environmental Protection Agency estimated highway gasoline
500 mileage rating of at least forty miles per gallon. For purposes of this
501 subdivision, "hybrid passenger car" means a passenger car that draws
502 acceleration energy from two onboard sources of stored energy, which
503 are both an internal combustion or heat engine using combustible fuel
504 and a rechargeable energy storage system and, for a passenger car or
505 light truck with a model year of 2004 or later, is certified to meet or
506 exceed the tier II bin 5 low emission vehicle classification.

507 Sec. 10. Section 12-412 of the general statutes is amended by adding
508 subdivisions (117) to (119), inclusive, as follows (*Effective July 1, 2007,*
509 *and applicable to sales occurring on or after July 1, 2007, and prior to July 1,*
510 *2010*):

511 (NEW) (117) Sales of and the storage, use or other consumption of

512 machinery and equipment used for blending renewable fuels. For
513 purposes of this subdivision, "renewable fuels" means a blended
514 product the components of which individually meet the specifications
515 of the American Society of Testing and Materials (ASTM) designation
516 D 396, D 975 or D 6751 and at least five per cent by volume of such
517 blended product is fuel meeting the ASTM designation D 6751.

518 (NEW) (118) Sales of solar energy electricity generating systems and
519 passive or active solar water or space heating systems and geo-thermal
520 resource systems, including equipment related to such systems, and
521 sales of services relating to the installation of such systems.

522 (NEW) (119) Sales of ice storage systems used for cooling, including
523 equipment related to such systems, and sales of services relating to the
524 installation of such systems by a utility ratepayer who is billed by such
525 utility on a time-of-service metering basis.

526 Sec. 11. Section 12-412k of the general statutes is repealed and the
527 following is substituted in lieu thereof (*Effective July 1, 2007*):

528 (a) For purposes of this section, "residential weatherization
529 products" means programmable thermostats, window film, caulking,
530 window and door weather strips, insulation, water heater blankets,
531 water heaters, natural gas and propane furnaces and boilers that meet
532 the federal Energy Star standard, windows and doors that meet the
533 federal Energy Star standard, oil furnaces and boilers that are not less
534 than eighty-five per cent efficient and ground-based heat pumps that
535 meet the minimum federal energy efficiency rating.

536 (b) Notwithstanding the provisions of the general statutes, [from
537 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,
538 2007,] the provisions of this chapter shall not apply to sales of any
539 residential weatherization products.

540 Sec. 12. (NEW) (*Effective from passage*) Notwithstanding the
541 provisions of the general statutes, from the effective date of this section
542 to June 30, 2008, the provisions of chapter 219 of the general statutes

543 shall not apply to sales of any household appliance that meets the
544 federal Energy Star standard.

545 Sec. 13. Subdivision (3) of subsection (a) of section 12-458 of the
546 general statutes is repealed and the following is substituted in lieu
547 thereof (*Effective from passage*):

548 (3) Said tax shall not be payable on such fuel as may have been (A)
549 sold to the United States, (B) sold to a municipality of this state, (i) for
550 use by any contractor performing a service for such municipality in
551 accordance with a contract, provided such fuel is used by such
552 contractor exclusively for the purposes of and in accordance with such
553 contract, or (ii) for use exclusively in a school bus, as defined in section
554 14-275, (C) sold to a municipality of this state, a transit district of this
555 state, or this state, at other than a retail outlet, for governmental
556 purposes and for use in vehicles owned and operated, or leased and
557 operated by such municipality, such transit district or this state, (D)
558 sold to a person licensed as a distributor in this state under section 12-
559 456, (E) transferred from storage within this state to some point
560 without this state, (F) sold to the holder of a permit issued under
561 section 12-458a for sale or use without this state, (G) sold to the holder
562 of a permit issued under subdivision (63) of section 12-412, provided
563 (i) such fuel is not used in motor vehicles registered or required to be
564 registered to operate upon the public highways of this state, unless
565 such fuel is used in motor vehicles registered exclusively for farming
566 purposes, (ii) such fuel is not delivered, upon such sale, to a tank in
567 which such person keeps fuel for personal and farm use, and (iii) a
568 statement, prescribed as to form by the Commissioner of Revenue
569 Services and bearing notice to the effect that false statements made
570 under this section are punishable, that such fuel is used exclusively for
571 farming purposes, is submitted by such person to the distributor, (H)
572 sold exclusively to furnish power for an industrial plant in the actual
573 fabrication of finished products to be sold, or for the fishing industry,
574 (I) sold exclusively for heating purposes, (J) sold exclusively to furnish
575 gas, water, steam or electricity, if delivered to consumers through
576 mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as

577 defined in section 15-34, exclusively for aviation purposes, provided (i)
578 for purposes of this subdivision, "aviation purposes" means for the
579 purpose of powering an aircraft or an aircraft engine, (ii) such fuel is
580 delivered, upon such sale, to a tank in which fuel is kept exclusively
581 for aviation purposes, and (iii) a statement, prescribed as to form by
582 the Commissioner of Revenue Services and bearing notice to the effect
583 that false statements made under this section are punishable, that such
584 fuel is used exclusively for aviation purposes, is submitted by such
585 person to the distributor, (L) sold to a dealer who is licensed under
586 section 12-462 and whose place of business is located upon an
587 established airport within this state, [or] (M) diesel fuel sold
588 exclusively for use in portable power system generators that are larger
589 than one hundred fifty kilowatts, or (N) sold during the period from
590 the effective date of this section, to Monday, September 3, 2007, known
591 as Labor Day, inclusive.

592 Sec. 14. (*Effective from passage*) The Comptroller may transfer up to
593 one hundred twenty-four million seven hundred thousand dollars
594 from the General Fund to the Special Transportation Fund for the fiscal
595 year ending June 30, 2007, of which an amount equal to the number of
596 days in June that the tax imposed by section 12-458 of the general
597 statutes is suspended pursuant to section 13 of this act, multiplied by
598 one million three hundred thousand dollars shall be deposited into the
599 Special Transportation Fund for the fiscal year ending June 30, 2007,
600 and eighty-three million dollars shall be deemed deposited into the
601 Special Transportation Fund for the fiscal year ending June 30, 2008.

602 Sec. 15. (NEW) (*Effective from passage*) During the period specified in
603 subparagraph (N) of subdivision (3) of subsection (a) of section 12-458
604 of the general statutes, as amended by this act, upon the reduction in
605 the tax required by subsection (a) of section 12-458 of the general
606 statutes, as amended by this act, each distributor, as defined in section
607 12-455a of the general statutes, shall reduce the per-gallon price of
608 gasoline or other product intended for use in the propelling of motor
609 vehicles using combustion type engines sold in this state by such
610 distributor to any retail dealer, as defined in section 14-318 of the

611 general statutes, in an amount equal to the amount of the reduction in
612 such tax that is imposed on each gallon of such gasoline or other
613 product.

614 Sec. 16. Section 14-332 of the general statutes is repealed and the
615 following is substituted in lieu thereof (*Effective from passage*):

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

621 (b) The commissioner, in consultation with the Secretary of the
622 Office of Policy and Management, shall adopt emergency regulations,
623 in accordance with chapter 54, to establish a program to monitor and
624 enforce compliance with the requirements of subsection (c) of section
625 14-332a, as amended by this act.

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

628 (a) As used in subsection (b) of this section: (1) "Surcharge" means
629 any charge by a retail dealer to any person for the pumping or sale of
630 gasoline or other product intended for use in the propelling of motor
631 vehicles using combustion type engines which exceeds the amount of
632 the posted retail price displayed on such price signs as may be
633 required by law; and (2) "tie-in-sale" means any sale by a retail dealer
634 of any petroleum product, except gasoline, or of any other product or
635 merchandise or of any service which is made a condition for the
636 purchase of gasoline.

637 (b) Any retail dealer that adds a surcharge to the price of gasoline or
638 other product intended for use in the propelling of motor vehicles
639 using combustion type engines sold by him at retail, or requires a tie-
640 in-sale as a condition of such sale, shall be subject to the penalties
641 provided in section 14-331. Nothing in this subsection shall be

642 construed to prohibit any charge for financing in accordance with
643 sections 36a-675 to 36a-685, inclusive.

644 (c) (1) During the period [commencing on July 1, 1998, and ending
645 on October 1, 1998] specified in subparagraph (N) of subdivision (3) of
646 subsection (a) of section 12-458, as amended by this act, upon the
647 reduction in the tax required by said section, [12-458, that is effective
648 July 1, 1998, and during the period commencing on July 1, 2000, and
649 ending November 1, 2000, upon the reduction in the tax required by
650 said section 12-458, that is effective July 1, 2000,] each retail dealer
651 shall, in accordance with subdivision (2) of this subsection, reduce the
652 per-gallon price of gasoline or other product intended for use in the
653 propelling of motor vehicles using combustion type engines sold by
654 such retail dealer at retail in an amount equal to the amount of the
655 reduction in such tax that is imposed on each gallon of such gasoline
656 or other product. [Such retail dealer shall maintain any such price
657 reduction in effect for a period of not less than one hundred twenty
658 days after such tax reduction.]

659 (2) The price reduction required by subdivision (1) of this subsection
660 shall take effect not later than (A) two days following the effective date
661 of the applicable tax reduction, or (B) the close of business on the
662 business day on which the retail dealer has completed the sale of an
663 amount of such gasoline or other product equal to the total number of
664 gallons of such gasoline or other product in the inventory of the retail
665 dealer at midnight on the effective date of such tax reduction,
666 whichever is later.

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

671 (4) The following shall be affirmative defenses to any action or
672 administrative proceeding brought against a retail dealer under section
673 14-331 or chapter 735a for an alleged violation of this subsection: (A)

674 An increase in the wholesale price of such gasoline or other product
675 that occurs after any such tax reduction; (B) an increase in any other
676 tax imposed on such gasoline or other product that occurs after any
677 such tax reduction; or (C) any other bona fide business cost increase
678 incurred by a retail dealer and upon which the retail dealer relied in
679 making the decision to forego the implementation or continuation of
680 any such price reduction in whole or in part.

681 Sec. 18. (NEW) (*Effective from passage*) (a) This section shall be known
682 as and may be cited as the "Petroleum Transparency and Reporting
683 Oversight Law".

684 (b) As used in this section:

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

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

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

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

697 (2) "Office of the Attorney General" means the office of the Attorney
698 General of the state of Connecticut;

699 (3) "Distributor" has the same meaning as provided in section 14-
700 327a of the general statutes;

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

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

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

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

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

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

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

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

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

731 (A) The total number of gallons or units of fuel, by type or grade,
732 compounded by the distributor within the state and the number of

733 gallons or units of fuel, by type or grade, sold, exchanged or otherwise
734 transferred or used by the distributor in each transaction;

735 (B) The total number of gallons or units of fuel, by type or grade,
736 imported or exported by the distributor; the total volumes of fuel, by
737 type or grade, sold, exchanged or otherwise transferred or used by the
738 distributor; the number of gallons or units of fuel, by type or grade,
739 sold, exchanged or otherwise transferred or used by the distributor in
740 each transaction;

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

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

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

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

757 (G) Weekly weighted average retail prices, and sales volumes of
758 finished unleaded regular and premium motor gasoline, and of each
759 other grade of gasoline sold, by transaction, by retail distributor outlets
760 of all classes of retail trade and by any distributor to other end-users;
761 provided the office of the Attorney General may purchase retail price
762 data from data service companies that said office may use to substitute
763 some or all data to meet the reporting requirement for retail price data

764 under this subdivision;

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

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

779 (J) For each distributor, the gross margins or spreads between the
780 distributor's average weighted price for each gallon or unit of fuel
781 acquired by the distributor and the average weighted prices for each
782 gallon or unit of fuel sold, by transaction, to another distributor, a
783 retail dealer, end-user or consumer.

784 (2) The office of the Attorney General shall prescribe applicable
785 standards and practices for reporting to facilitate uniformity,
786 consistency and comparability of the data to be submitted pursuant to
787 this subsection.

788 (3) On and after the effective date of this section, distributors shall
789 maintain all data required to be reported to the office of the Attorney
790 General pursuant to this subsection and shall report such data to said
791 office on the date and in the manner required by subdivision (1) of this
792 subsection.

793 (e) Each major marketer shall submit to the office of the Attorney
794 General, at a time and in a form as said office shall prescribe,

795 information, including petroleum and petroleum product receipts,
796 exchanges, inventories and distributions.

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

800 (g) Information in the statements filed pursuant to subsections (d),
801 (e), (f) and (h) of this section shall be collected and maintained for the
802 purpose of facilitating the analysis required by subsection (i) of this
803 section, provided the office of the Attorney General shall make
804 available to the public the information contained in the statements but
805 not the statements themselves, as provided in subsections (k) and (m)
806 of this section.

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

811 (1) Major oil transporters shall report the capacities of each major
812 petroleum transportation system, the amount transported by each
813 system and inventories thereof;

814 (2) Major oil storers shall report on their storage capacity,
815 inventories, receipts and distributions, and methods of transportation
816 of receipts and distributions; and

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

819 (i) (1) The office of the Attorney General, with said office's own staff
820 and other support staff with expertise and experience in, or with, the
821 petroleum industry, shall gather, analyze and interpret the information
822 submitted to it pursuant to subsections (d), (e), (f) and (h) of this
823 section and other information relating to the supply, prices, margins
824 and profits of petroleum products, with particular emphasis on motor

825 vehicle fuels, including, but not limited to, the following:

826 (A) The nature, cause and extent of any petroleum or petroleum
827 product situation or condition affecting supply, price, margins or
828 profits;

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

833 (C) The income, expenses, margins and profits in the state, both
834 before and after taxes, of each distributor and the income, expenses,
835 margins and profits, both before and after taxes, of major oil
836 companies in other regions of the United States and other countries;
837 and

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

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

843 (3) The office of the Attorney General shall annually submit to the
844 Governor and the General Assembly, in accordance with section 11-4a
845 of the general statutes, twenty days prior to the first day of each
846 regular legislative session a summary, including any analysis and
847 interpretation of the information submitted to it pursuant to this
848 section and any other activities taken by said office, including civil
849 penalties imposed and violation notices issued by the Attorney
850 General under subsection (n) of this section.

851 (j) The office of the Attorney General shall establish a petroleum
852 transparency and reporting oversight program that includes
853 development and maintenance of an automated petroleum industry
854 information reporting system that meets the requirements of

855 government, industry and the public while promoting sound policy-
856 making and consumer information and protection. Such program shall
857 conduct and facilitate the efficient analysis and reporting of all
858 information and data provided by the petroleum industry pursuant to
859 this section. The office of the Attorney General shall develop such
860 program in a manner that will result in greater market transparency
861 and provide useful information to the general public and those
862 agencies that are authorized to conduct oversight of the petroleum
863 industry and ensure compliance with all relevant laws.

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

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

871 (3) Unless otherwise provided by law, with respect to data that the
872 office of the Attorney General obtains or is provided pursuant to
873 subsections (d), (e) or (f) of this section, neither the office of the
874 Attorney General or any employee of said office may do any of the
875 following:

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

878 (B) Permit any person other than the office of the Attorney General,
879 the Department of Revenue Services, the Commissioner of Consumer
880 Protection or the Chief State's Attorney and the authorized
881 representatives and employees of each to examine the individual
882 reports or statements provided.

883 (l) Any confidential information pertinent to the responsibilities of
884 the office of the Attorney General specified in this section that is
885 obtained by another agency or department of this state shall be treated

886 in a confidential manner;

887 (m) (1) Notwithstanding the provisions of any general statutes,
888 including any other provision of this section, not later than fourteen
889 days after the reporting date established by the office of the Attorney
890 General under subsection (e) of this section, said office shall disclose to
891 the public, using the best readily available technology, the information
892 contained in the statements, but not the statements themselves, that are
893 filed pursuant to said section;

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

898 (n) (1) The office of the Attorney General shall notify those persons
899 who have failed to timely provide the information specified in
900 subsections (d) and (h) of this section or requested by the office of the
901 Attorney General under said subsections. If, within five business days
902 after being notified of the failure to provide the specified or requested
903 information, the person fails to supply the specified or requested
904 information, the person shall be subject to a civil penalty of not less
905 than fifty thousand dollars per day or more than one hundred
906 thousand dollars per day for each day the submission of information is
907 refused or delayed;

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

916 (o) The provisions of subsections (a) to (n), inclusive, of this section
917 shall not be applied in a manner that would render its application

918 preempted by the "Petroleum Marketing Practices Act", 15 USC 2801,
919 et seq., as amended from time to time, or other applicable federal law."

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

925 Sec. 19. Subparagraph (B) of subdivision (20) of subsection (a) of
926 section 12-701 of the general statutes is repealed and the following is
927 substituted in lieu thereof (*Effective October 1, 2007, and applicable to*
928 *taxable years commencing on or after January 1, 2007*):

929 (B) There shall be subtracted therefrom (i) to the extent properly
930 includable in gross income for federal income tax purposes, any
931 income with respect to which taxation by any state is prohibited by
932 federal law, (ii) to the extent allowable under section 12-718, exempt
933 dividends paid by a regulated investment company, (iii) the amount of
934 any refund or credit for overpayment of income taxes imposed by this
935 state, or any other state of the United States or a political subdivision
936 thereof, or the District of Columbia, to the extent properly includable
937 in gross income for federal income tax purposes, (iv) to the extent
938 properly includable in gross income for federal income tax purposes
939 and not otherwise subtracted from federal adjusted gross income
940 pursuant to clause (x) of this subparagraph in computing Connecticut
941 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
942 extent any additional allowance for depreciation under Section 168(k)
943 of the Internal Revenue Code, as provided by Section 101 of the Job
944 Creation and Worker Assistance Act of 2002, for property placed in
945 service after December 31, 2001, but prior to September 10, 2004, was
946 added to federal adjusted gross income pursuant to subparagraph (A)
947 (ix) of this subdivision in computing Connecticut adjusted gross
948 income for a taxable year ending after December 31, 2001, twenty-five
949 per cent of such additional allowance for depreciation in each of the
950 four succeeding taxable years, (vi) to the extent properly includable in

951 gross income for federal income tax purposes, any interest income
952 from obligations issued by or on behalf of the state of Connecticut, any
953 political subdivision thereof, or public instrumentality, state or local
954 authority, district or similar public entity created under the laws of the
955 state of Connecticut, (vii) to the extent properly includable in
956 determining the net gain or loss from the sale or other disposition of
957 capital assets for federal income tax purposes, any gain from the sale
958 or exchange of obligations issued by or on behalf of the state of
959 Connecticut, any political subdivision thereof, or public
960 instrumentality, state or local authority, district or similar public entity
961 created under the laws of the state of Connecticut, in the income year
962 such gain was recognized, (viii) any interest on indebtedness incurred
963 or continued to purchase or carry obligations or securities the interest
964 on which is subject to tax under this chapter but exempt from federal
965 income tax, to the extent that such interest on indebtedness is not
966 deductible in determining federal adjusted gross income and is
967 attributable to a trade or business carried on by such individual, (ix)
968 ordinary and necessary expenses paid or incurred during the taxable
969 year for the production or collection of income which is subject to
970 taxation under this chapter but exempt from federal income tax, or the
971 management, conservation or maintenance of property held for the
972 production of such income, and the amortizable bond premium for the
973 taxable year on any bond the interest on which is subject to tax under
974 this chapter but exempt from federal income tax, to the extent that
975 such expenses and premiums are not deductible in determining federal
976 adjusted gross income and are attributable to a trade or business
977 carried on by such individual, (x) (I) for a person who files a return
978 under the federal income tax as an unmarried individual whose
979 federal adjusted gross income for such taxable year is less than fifty
980 thousand dollars, or as a married individual filing separately whose
981 federal adjusted gross income for such taxable year is less than fifty
982 thousand dollars, or for a husband and wife who file a return under
983 the federal income tax as married individuals filing jointly whose
984 federal adjusted gross income for such taxable year is less than sixty
985 thousand dollars or a person who files a return under the federal

986 income tax as a head of household whose federal adjusted gross
987 income for such taxable year is less than sixty thousand dollars, an
988 amount equal to the Social Security benefits includable for federal
989 income tax purposes; and (II) for a person who files a return under the
990 federal income tax as an unmarried individual whose federal adjusted
991 gross income for such taxable year is fifty thousand dollars or more, or
992 as a married individual filing separately whose federal adjusted gross
993 income for such taxable year is fifty thousand dollars or more, or for a
994 husband and wife who file a return under the federal income tax as
995 married individuals filing jointly whose federal adjusted gross income
996 from such taxable year is sixty thousand dollars or more or for a
997 person who files a return under the federal income tax as a head of
998 household whose federal adjusted gross income for such taxable year
999 is sixty thousand dollars or more, an amount equal to the difference
1000 between the amount of Social Security benefits includable for federal
1001 income tax purposes and the lesser of twenty-five per cent of the Social
1002 Security benefits received during the taxable year, or twenty-five per
1003 cent of the excess described in Section 86(b)(1) of the Internal Revenue
1004 Code, (xi) to the extent properly includable in gross income for federal
1005 income tax purposes, any amount rebated to a taxpayer pursuant to
1006 section 12-746, (xii) to the extent properly includable in the gross
1007 income for federal income tax purposes of a designated beneficiary,
1008 any distribution to such beneficiary from any qualified state tuition
1009 program, as defined in Section 529(b) of the Internal Revenue Code,
1010 established and maintained by this state or any official, agency or
1011 instrumentality of the state, (xiii) to the extent allowable under section
1012 12-701a, contributions to accounts established pursuant to any
1013 qualified state tuition program, as defined in Section 529(b) of the
1014 Internal Revenue Code, established and maintained by this state or
1015 any official, agency or instrumentality of the state, (xiv) to the extent
1016 properly includable in gross income for federal income tax purposes,
1017 the amount of any Holocaust victims' settlement payment received in
1018 the taxable year by a Holocaust victim, [and] (xv) to the extent
1019 properly includable in gross income for federal income tax purposes of
1020 an account holder, as defined in section 31-51ww, interest earned on

1021 funds deposited in the individual development account, as defined in
1022 section 31-51ww, of such account holder, and (xvi) to the extent
1023 properly includable in gross income for federal income tax purposes,
1024 in the taxable year commencing January 1, 2008, but prior to January 1,
1025 2009, one-third of all income received from defined benefit pension
1026 plans, defined contribution plans or Social Security; to the extent
1027 properly includable in gross income for federal tax purposes, in the
1028 taxable year commencing on January 1, 2009, but prior to January 1,
1029 2010, two-thirds of all income received from defined benefit pension
1030 plans, defined contribution plans or Social Security; and to the extent
1031 properly includable in gross income for federal tax purposes, in
1032 taxable years commencing on and after January 1, 2010, all income
1033 received from defined benefit pension plans, defined contribution
1034 plans or Social Security, and (xvii) amounts paid by individuals for
1035 health insurance premiums.

1036 Sec. 20. Subparagraph (B) of subdivision (20) of subsection (a) of
1037 section 12-701 of the general statutes, as amended by section 71 of
1038 public act 05-251 and section 77 of public act 06-186, is repealed and
1039 the following is substituted in lieu thereof (*Effective October 1, 2007, and*
1040 *applicable to taxable years commencing on or after January 1, 2008*):

1041 (B) There shall be subtracted therefrom (i) to the extent properly
1042 includable in gross income for federal income tax purposes, any
1043 income with respect to which taxation by any state is prohibited by
1044 federal law, (ii) to the extent allowable under section 12-718, exempt
1045 dividends paid by a regulated investment company, (iii) the amount of
1046 any refund or credit for overpayment of income taxes imposed by this
1047 state, or any other state of the United States or a political subdivision
1048 thereof, or the District of Columbia, to the extent properly includable
1049 in gross income for federal income tax purposes, (iv) to the extent
1050 properly includable in gross income for federal income tax purposes
1051 and not otherwise subtracted from federal adjusted gross income
1052 pursuant to clause (x) of this subparagraph in computing Connecticut
1053 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
1054 extent any additional allowance for depreciation under Section 168(k)

1055 of the Internal Revenue Code, as provided by Section 101 of the Job
1056 Creation and Worker Assistance Act of 2002, for property placed in
1057 service after December 31, 2001, but prior to September 10, 2004, was
1058 added to federal adjusted gross income pursuant to subparagraph
1059 (A)(ix) of this subdivision in computing Connecticut adjusted gross
1060 income for a taxable year ending after December 31, 2001, twenty-five
1061 per cent of such additional allowance for depreciation in each of the
1062 four succeeding taxable years, (vi) to the extent properly includable in
1063 gross income for federal income tax purposes, any interest income
1064 from obligations issued by or on behalf of the state of Connecticut, any
1065 political subdivision thereof, or public instrumentality, state or local
1066 authority, district or similar public entity created under the laws of the
1067 state of Connecticut, (vii) to the extent properly includable in
1068 determining the net gain or loss from the sale or other disposition of
1069 capital assets for federal income tax purposes, any gain from the sale
1070 or exchange of obligations issued by or on behalf of the state of
1071 Connecticut, any political subdivision thereof, or public
1072 instrumentality, state or local authority, district or similar public entity
1073 created under the laws of the state of Connecticut, in the income year
1074 such gain was recognized, (viii) any interest on indebtedness incurred
1075 or continued to purchase or carry obligations or securities the interest
1076 on which is subject to tax under this chapter but exempt from federal
1077 income tax, to the extent that such interest on indebtedness is not
1078 deductible in determining federal adjusted gross income and is
1079 attributable to a trade or business carried on by such individual, (ix)
1080 ordinary and necessary expenses paid or incurred during the taxable
1081 year for the production or collection of income which is subject to
1082 taxation under this chapter but exempt from federal income tax, or the
1083 management, conservation or maintenance of property held for the
1084 production of such income, and the amortizable bond premium for the
1085 taxable year on any bond the interest on which is subject to tax under
1086 this chapter but exempt from federal income tax, to the extent that
1087 such expenses and premiums are not deductible in determining federal
1088 adjusted gross income and are attributable to a trade or business
1089 carried on by such individual, (x) (I) for a person who files a return

1090 under the federal income tax as an unmarried individual whose
1091 federal adjusted gross income for such taxable year is less than fifty
1092 thousand dollars, or as a married individual filing separately whose
1093 federal adjusted gross income for such taxable year is less than fifty
1094 thousand dollars, or for a husband and wife who file a return under
1095 the federal income tax as married individuals filing jointly whose
1096 federal adjusted gross income for such taxable year is less than sixty
1097 thousand dollars or a person who files a return under the federal
1098 income tax as a head of household whose federal adjusted gross
1099 income for such taxable year is less than sixty thousand dollars, an
1100 amount equal to the Social Security benefits includable for federal
1101 income tax purposes; and (II) for a person who files a return under the
1102 federal income tax as an unmarried individual whose federal adjusted
1103 gross income for such taxable year is fifty thousand dollars or more, or
1104 as a married individual filing separately whose federal adjusted gross
1105 income for such taxable year is fifty thousand dollars or more, or for a
1106 husband and wife who file a return under the federal income tax as
1107 married individuals filing jointly whose federal adjusted gross income
1108 from such taxable year is sixty thousand dollars or more or for a
1109 person who files a return under the federal income tax as a head of
1110 household whose federal adjusted gross income for such taxable year
1111 is sixty thousand dollars or more, an amount equal to the difference
1112 between the amount of Social Security benefits includable for federal
1113 income tax purposes and the lesser of twenty-five per cent of the Social
1114 Security benefits received during the taxable year, or twenty-five per
1115 cent of the excess described in Section 86(b)(1) of the Internal Revenue
1116 Code, (xi) to the extent properly includable in gross income for federal
1117 income tax purposes, any amount rebated to a taxpayer pursuant to
1118 section 12-746, (xii) to the extent properly includable in the gross
1119 income for federal income tax purposes of a designated beneficiary,
1120 any distribution to such beneficiary from any qualified state tuition
1121 program, as defined in Section 529(b) of the Internal Revenue Code,
1122 established and maintained by this state or any official, agency or
1123 instrumentality of the state, (xiii) to the extent allowable under section
1124 12-701a, contributions to accounts established pursuant to any

1125 qualified state tuition program, as defined in Section 529(b) of the
1126 Internal Revenue Code, established and maintained by this state or
1127 any official, agency or instrumentality of the state, (xiv) to the extent
1128 properly includable in gross income for federal income tax purposes,
1129 the amount of any Holocaust victims' settlement payment received in
1130 the taxable year by a Holocaust victim, (xv) to the extent properly
1131 includable in gross income for federal income tax purposes of an
1132 account holder, as defined in section 31-51ww, interest earned on
1133 funds deposited in the individual development account, as defined in
1134 section 31-51ww, of such account holder, (xvi) to the extent properly
1135 includable in gross income for federal income tax purposes, in the
1136 taxable year commencing on January 1, 2008, but prior to January 1,
1137 2009, one-third of all income received from defined benefit pension
1138 plans, defined contribution plans or Social Security; to the extent
1139 properly includable in gross income for federal tax purposes, in the
1140 taxable year commencing on January 1, 2009, but prior to January 1,
1141 2010, two-thirds of all income received from defined benefit pension
1142 plans, defined contribution plans or Social Security; and to the extent
1143 properly includable in gross income for federal tax purposes, in
1144 taxable years commencing on and after January 1, 2010, all income
1145 received from defined benefit pension plans, defined contribution
1146 plans or Social Security and (xvii) amounts paid by individuals for
1147 health insurance premiums, and [(xvi)] (xviii) to the extent properly
1148 included in gross income for federal income tax purposes, fifty per
1149 cent of the income received from the United States government as
1150 retirement pay for a retired member of (I) the Armed Forces of the
1151 United States, as defined in Section 101 of Title 10 of the United States
1152 Code, or (II) the National Guard, as defined in Section 101 of Title 10 of
1153 the United States Code.

1154 Sec. 21. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of
1155 Economic and Community Development, in consultation with the
1156 Commissioner of Revenue Services, shall establish a first-time
1157 homebuyer savings program whereby graduates of a public or
1158 independent institution of higher education in the state, for the period

1159 ending ten years after the date of graduation, may elect to have one
1160 hundred per cent of the amount paid by such graduate for the income
1161 tax under chapter 229 of the general statutes in each calendar year
1162 segregated by the Commissioner of Revenue Services and deposited
1163 into the fund established by subsection (e) of this section and used for
1164 the purchase of the first home of such graduate. Taxes shall be
1165 segregated for tax years commencing on January 1, 2008. Payments to
1166 a graduate shall equal the amount paid for the income taxes by the
1167 graduate. Enrollment in the program shall begin on January 1, 2008,
1168 and shall be open to graduates who graduate from a public or
1169 independent institution of higher education in the state, on or after
1170 January 1, 2007.

1171 (b) The Commissioner of Economic and Community Development,
1172 in consultation with the Commissioner of Revenue Services, shall
1173 adopt regulations, in accordance with the provisions of chapter 54 of
1174 the general statutes, to carry out the provisions of this section.

1175 (c) Not later than December 1, 2007, within available appropriations,
1176 the Commissioner of Economic and Community Development shall
1177 develop a comprehensive public education program to educate recent
1178 graduates of a public or independent institution of higher education in
1179 the state, about the first-time homebuyer savings program established
1180 under this section. The public education program shall include, but not
1181 be limited to, information concerning lifetime savings plans and
1182 information on the purchase of a house. The department shall begin to
1183 implement the outreach program not later than January 1, 2008.

1184 (d) Not later than January 1, 2009, and annually thereafter, the
1185 Commissioner of Economic and Community Development shall
1186 submit a report to the select committee of the General Assembly
1187 having cognizance of matters relating to housing, and to the joint
1188 standing committee of the General Assembly having cognizance of
1189 matters relating to commerce, on the program established pursuant to
1190 this section. Said report shall review the program and may include
1191 recommendations for legislation.

1192 (e) There is created a "Connecticut First-time Homebuyers Fund".
1193 Moneys segregated by the Commissioner of Revenue Services
1194 pursuant to subsection (a) of this section shall be deposited in the fund.
1195 Amounts deposited in the fund shall be available to the Commissioner
1196 of Economic and Community Development for payments to
1197 participants in the first-time home buyer program established
1198 pursuant to subsection (a) of this section. The State Treasurer shall
1199 invest the proceeds of the fund and investment earnings shall be
1200 credited to and become part of the General Fund. Annually, on or
1201 before September first, the Treasurer shall notify the Commissioner of
1202 Economic and Community Development of the total amount in the
1203 fund. Any balance remaining in the fund at the end of each fiscal year
1204 shall be carried forward in the fund for the succeeding fiscal year. Any
1205 funds segregated for a participant in the program that are not used in
1206 the purchase of a home shall be transferred to the General Fund. Any
1207 costs incurred by the State Treasurer in administering the fund shall be
1208 paid from the fund.

1209 Sec. 22. (NEW) (*Effective July 1, 2007, and applicable to income years*
1210 *commencing on or after January 1, 2007*) (a) Each company, as defined in
1211 subdivision (1) of subsection (a) of section 12-213 of the general
1212 statutes, producing one hundred per cent pure biodiesel fuel,
1213 commonly known as "B100" that is a distributor, as defined in
1214 subsection (a) of section 12-455a of the general statutes, shall be
1215 entitled to a credit against the tax imposed by chapter 208 of the
1216 general statutes in an amount equal to fifty cents per gallon of such
1217 biodiesel produced in this state by such company, provided such
1218 biodiesel meets American Society for Testing and Materials
1219 specifications of ASTM D 6751, "Standard Specification for Biodiesel
1220 Fuel Blend Stock (B100) for Middle Distillate Fuels", and the
1221 registration requirements for fuels and fuel additives established by
1222 the United States Environmental Protection Agency under Section 211
1223 of the Clean Air Act, 42 USC 7545.

1224 (b) If, after taking into account the provisions of section 12-217zz of
1225 the general statutes, the amount of the credit to which a company is

1226 entitled under this section for the income year exceeds the allowable
1227 credit to the company for that income year, then such excess may be
1228 carried forward for the five succeeding income years.

1229 (c) A credit under this section may be granted to a taxpayer for not
1230 more than four successive income years.

1231 (d) A company shall not be entitled to a credit under this section
1232 with respect to its production of biodiesel as described in subsection
1233 (a) of this section during any income year commencing on or after
1234 January 1, 2020.

1235 Sec. 23. (NEW) (*Effective July 1, 2007, and applicable to income and*
1236 *taxable years commencing on and after January 1, 2008*) (a) For purposes of
1237 this section, "small business" means a business entity, including its
1238 affiliates, that employs fifty or fewer full-time, permanent employees,
1239 and does not, as of the effective date of this section, provide health
1240 insurance coverage to such employees.

1241 (b) There shall be allowed as a credit against the tax imposed on any
1242 small business under chapters 207, 208, 209, 210, 211, 211a, 211b, 212,
1243 or 229 of the general statutes, with respect to any taxable or income
1244 year of such small business commencing on or after January 1, 2008, in
1245 an amount up to a per cent of the cost to the small business of
1246 providing health insurance coverage to all of its full-time, permanent
1247 employees.

1248 Sec. 24. Section 29-112 of the general statutes is repealed and the
1249 following is substituted in lieu thereof (*Effective July 1, 2007*):

1250 The following fees shall be collected by the commissioner and by
1251 him paid to the State Treasurer: For inspection and annual approval of
1252 any premises or place where moving picture films are used or
1253 exhibited, [thirty-five] fifty dollars; for inspection and approval of any
1254 projection room or area as defined in regulations adopted under
1255 section 29-109, [ten] twenty-five dollars; for inspection of any other
1256 building or plan of building, incident to the administration of section

1257 29-109, [ten] twenty-five dollars. Permits and approvals issued under
1258 the provisions of said sections may be for definite dates only, but,
1259 unless otherwise specified, shall cover the premises described from
1260 date of issue until the first day of February next following.

1261 Sec. 25. Section 29-117 of the general statutes is repealed and the
1262 following is substituted in lieu thereof (*Effective July 1, 2007*):

1263 No person shall exhibit, show or use any moving picture film, reel
1264 or view in any place to which an admission fee is charged, except in a
1265 church, parish house, school or other building of a religious,
1266 ecclesiastical or educational organization in furtherance of its
1267 purposes, without a license for such purpose issued by the
1268 Commissioner of Public Safety. The commissioner, after investigation,
1269 shall issue the license required herein to any person found by him to
1270 be a suitable person, provided he shall have received a written
1271 application therefor, which application shall describe the location of
1272 the place and shall give its seating capacity and such other information
1273 as the commissioner requires. Such license shall be effective until
1274 September first next following its issuance, unless suspended or
1275 revoked for cause, and the applicant shall pay for the same and for
1276 each renewal thereof the sum of [thirty-five] fifty dollars. When any
1277 person so licensed exhibits, shows or uses or permits to be exhibited,
1278 shown or used in any place described in such license any moving
1279 picture film, title, subtitle or part thereof, reel or view of an immoral,
1280 degrading or criminal character, or which is unlawful under the
1281 provisions of section 53a-194 or 53a-196, the commissioner may, upon
1282 complaint or upon his own motion, suspend or revoke the license of
1283 such person. No license shall be granted to any person to whom two of
1284 the licenses issued have been either suspended or revoked. Any
1285 person, or the officer of any corporation, violating any provision of this
1286 section shall be fined not more than one thousand dollars or
1287 imprisoned not more than one year or both.

1288 Sec. 26. Section 29-130 of the general statutes is repealed and the
1289 following is substituted in lieu thereof (*Effective July 1, 2007*):

1290 The Commissioner of Public Safety shall prescribe a form of
1291 application to be signed by each applicant and may require such
1292 information respecting the business in which the applicant proposes to
1293 engage as he finds necessary to safeguard the public from all forms of
1294 lascivious conduct, immoral practices, vice or violations of the law.
1295 Said commissioner or any employee of the Department of Public
1296 Safety authorized by him for said purpose may enter into any place so
1297 licensed or upon the premises where such business is being conducted
1298 for the purpose of observing the conduct of the same. Said
1299 commissioner shall issue to each applicant so licensed a certificate to
1300 be designated "amusement park license", and each certificate shall state
1301 the name of the applicant, the location of the place where such
1302 amusement, entertainment, diversion or recreation may be conducted
1303 and the hours each day during which the same may be conducted.
1304 Each certificate shall be displayed conspicuously for public view by
1305 the licensee at the place where the business so licensed is conducted.
1306 Any such license may be suspended or revoked by said commissioner
1307 whenever it appears that any of the conditions required to be stated in
1308 such license have been violated. Such applications and license
1309 certificates shall be printed at the expense of the state. The annual
1310 license fee shall be [thirty-five] fifty dollars to be paid by the applicant
1311 to the Commissioner of Public Safety with each application for such
1312 license. Such licenses shall not be transferable and, if any licensee
1313 voluntarily discontinues operations thereunder, all rights secured
1314 thereby shall terminate. On and after January 1, 1986, the license year
1315 shall be from January first until December thirty-first following,
1316 inclusive. Each such license shall be for a period of one license year.

1317 Sec. 27. Section 29-134 of the general statutes is repealed and the
1318 following is substituted in lieu thereof (*Effective July 1, 2007*):

1319 No owner shall exhibit or provide any amusement, as defined in
1320 section 29-133, in this state unless he has obtained a license therefor as
1321 hereinafter provided and otherwise complies with the provisions of
1322 sections 29-133 to 29-142, inclusive. An annual license fee of [fifty] one
1323 hundred dollars shall be paid by the applicant to the Commissioner of

1324 Public Safety with each application for such amusement license.

1325 Sec. 28. Section 29-193 of the general statutes is repealed and the
1326 following is substituted in lieu thereof (*Effective July 1, 2007*):

1327 No new elevator or escalator shall be erected or installed and no
1328 elevator or escalator shall be relocated or altered until detailed plans
1329 and specifications of the proposed construction or other work have
1330 been submitted in triplicate to the department for approval. A fee of
1331 [one hundred fifty] two hundred dollars for each elevator or escalator
1332 payable to the department shall accompany each such proposal. Notice
1333 that such plans are approved or disapproved shall be given within a
1334 reasonable time and final inspection of the elevator or escalator, when
1335 installed, relocated or altered, shall be made before final approval for
1336 operation is given by the department. The department may issue a
1337 temporary operating permit, if necessary, pending final inspection and
1338 approval. The provisions of this chapter shall not prevent the
1339 operation of any elevator installed for temporary use in connection
1340 with building operations or the operation of any elevator for purposes
1341 connected with the installation or the testing of the same.

1342 Sec. 29. Section 29-196 of the general statutes is repealed and the
1343 following is substituted in lieu thereof (*Effective July 1, 2007*):

1344 As soon as the department approves any new, relocated or altered
1345 elevator or escalator as being fit for operation, it shall issue to the
1346 owner a certificate of operation for a capacity and speed specified in
1347 the inspector's report. The fee for the certificate first issued shall be
1348 [one hundred fifty] two hundred dollars. Such certificate shall be
1349 posted conspicuously in the car or cage or on the platform of the
1350 elevator or escalator and shall be valid for twelve months. Thereafter,
1351 the certificate shall be renewed [each year] every two years upon
1352 receipt of the renewal fee of [forty] one hundred twenty dollars, except
1353 that private residence elevators, as defined in the regulations adopted
1354 pursuant to section 29-192, shall not be subject to said renewal
1355 requirement. No fee shall be required of the state or any agency of the

1356 state. No elevator or escalator may be lawfully operated without such
1357 certificate.

1358 Sec. 30. Section 29-204 of the general statutes is repealed and the
1359 following is substituted in lieu thereof (*Effective July 1, 2007*):

1360 No new passenger tramway shall be erected or installed and no
1361 passenger tramway shall be relocated or altered until detailed plans
1362 and specifications of the proposed construction or other work have
1363 been submitted in duplicate to the department for approval. A fee of
1364 [one] two hundred dollars payable to the Department of Public Safety
1365 shall accompany each such proposal. Notice that such plans are
1366 approved or disapproved shall be given within a reasonable time, and
1367 final inspection of the passenger tramway, when installed, relocated or
1368 altered, shall be made before final approval for operating is given by
1369 the department.

1370 Sec. 31. Section 29-206 of the general statutes is repealed and the
1371 following is substituted in lieu thereof (*Effective July 1, 2007*):

1372 The department shall enforce the regulations adopted pursuant to
1373 section 29-203, and shall inspect the construction, operation and
1374 maintenance of passenger tramways to determine whether such
1375 regulations have been complied with by the operators. Each passenger
1376 tramway shall be thoroughly inspected by a qualified inspector
1377 approved by the department at least once every twelve months. More
1378 frequent inspections of any passenger tramway may be made if the
1379 condition thereof indicates that additional inspections are necessary or
1380 desirable. As soon as the department inspects and approves any
1381 passenger tramway as being fit for operation, it shall issue to the
1382 operator, upon receipt of a fee of [one hundred fifty] two hundred
1383 dollars, a certificate of operation with such conditions and limitations
1384 as the commissioner shall prescribe. Such certificate shall be valid for
1385 twelve months and shall be renewed yearly, if the department
1386 approves the passenger tramway, upon payment of a renewal fee of
1387 [eighty] one hundred dollars. No passenger tramway may be operated

1388 without such operating certificate.

1389 Sec. 32. Section 29-237 of the general statutes is repealed and the
1390 following is substituted in lieu thereof (*Effective July 1, 2007*):

1391 All boilers included under this chapter shall be inspected by a state
1392 boiler inspector or by a special inspector employed by an insurance
1393 company licensed to insure boilers in this state as follows:

1394 (1) Power boilers, meaning boilers operating at steam or vapor
1395 pressures in excess of fifteen pounds per square inch gauge, except
1396 power boilers that operate with internal water treatment under the
1397 direct supervision of a qualified engineer, shall be inspected each year.
1398 Such boiler inspection shall consist of (A) a thorough internal and
1399 external inspection while not under pressure, and (B) an external
1400 inspection under operating conditions not more than six months after
1401 the internal and external inspection. No more than fourteen months
1402 shall elapse between internal inspections and between external
1403 inspections while under pressure.

1404 (2) Power boilers that operate with internal water treatment under
1405 the direct supervision of a qualified engineer shall be inspected every
1406 eighteen months. Such boiler inspection shall consist of (A) a thorough
1407 internal and external inspection while not under pressure, and (B) an
1408 external inspection under operating conditions not more than nine
1409 months after the internal and external inspection.

1410 (3) Where construction will permit, low pressure steam or vapor
1411 heating boilers, hot water heating boilers, hot water supply boilers and
1412 hot water heaters shall be inspected externally biennially and
1413 internally at the discretion of the boiler inspector. If a boiler inspector
1414 decides a hydrostatic test is necessary to determine the safety of a
1415 boiler or heater, such test shall be made under the inspector's direction.
1416 The Commissioner of Public Safety may order inspections by the
1417 Department of Public Safety or the insurance carrier in addition to the
1418 regular annual or biennial inspections to clear up any doubts as to the
1419 safety of continuing the operation of any boiler or heater included in

1420 this chapter. [, but no additional fee shall be charged or allowed for
1421 such additional inspections, unless the owner or user is found to have
1422 operated or ordered or permitted the operation of such boiler or
1423 heater, intentionally or negligently, in violation of this chapter or the
1424 boiler regulations.] Each boiler insurance carrier shall forward to the
1425 commissioner, [within] not later than thirty days [following] after each
1426 inspection as required by this chapter, a report of such inspection upon
1427 appropriate forms as promulgated by the commissioner, who may use
1428 the form suggested by the American Society of Mechanical Engineers.

1429 Sec. 33. Section 29-238 of the general statutes is repealed and the
1430 following is substituted in lieu thereof (*Effective July 1, 2007*):

1431 [The owner or user of a boiler required by this chapter to be
1432 inspected by the Commissioner of Public Safety or by state boiler
1433 inspectors shall pay to the commissioner at the time of inspection a fee
1434 as follows:

1435 (1) Boilers of fifty square feet or less of heating surface, thirty
1436 dollars; boilers of over fifty square feet of heating surface and less than
1437 one thousand square feet, forty dollars; boilers of over one thousand
1438 square feet of heating surface and less than four thousand square feet,
1439 sixty dollars; boilers of at least four thousand square feet of heating
1440 surface and less than ten thousand square feet of heating surface,
1441 eighty dollars; boilers of at least ten thousand square feet of heating
1442 surface, one hundred dollars. External inspection: Boilers having fifty
1443 square feet or less of heating surface, twenty dollars; boilers having
1444 over fifty square feet of heating surface, twenty-five dollars. Not more
1445 than the equivalent of the internal and external inspection fees shall be
1446 charged or collected for any and all such inspections of any boiler in
1447 any one year.

1448 (2) Inspection of heating boilers without a manhole, thirty dollars;
1449 inspection of heating boilers with a manhole, fifty dollars; inspection of
1450 hot water supply boilers and hot water heaters, thirty dollars. Not
1451 more than one fee shall be charged or collected for any and all such

1452 inspections of any low pressure boiler in any two-year period.

1453 (3) An additional fee based on the scale of fees applicable to an
1454 internal inspection of the boiler shall be charged in any instance where
1455 it is necessary to make a special trip to witness a hydrostatic test.]

1456 The owner or user of a boiler required by this chapter to be
1457 inspected by the Commissioner of Public Safety, state boiler inspectors
1458 or special inspectors shall pay to the commissioner the sum of forty
1459 dollars for each operating certificate issued. No fee shall be required of
1460 the state or any agency of the state. All fees collected by the
1461 commissioner under authority of this chapter shall be transferred by
1462 the commissioner to the State Treasurer for deposit in the General
1463 Fund. If the report of inspection by the Department of Public Safety
1464 inspector or special inspector indicates that any boiler meets the
1465 requirements of this chapter and the boiler regulations, an operating
1466 certificate shall be issued by the commissioner to the owner or user.
1467 Such certificate shall state the pressure and other conditions under
1468 which such boiler may be lawfully operated. An operating certificate
1469 shall be valid for a period of not more than twelve months from the
1470 date of internal inspection, in the case of power boilers inspected
1471 pursuant to subdivision (1) of section 29-237, except that the certificate
1472 shall be valid for a period of not more than two months beyond the
1473 period set by the Commissioner of Public Safety in accordance with
1474 section 29-237. An operating certificate shall be valid for a period of
1475 not more than eighteen months from the date of internal inspection in
1476 the case of power boilers inspected pursuant to subdivision (2) of
1477 section 29-237. Operating certificates shall be valid for twenty-four
1478 months in the case of low pressure steam or vapor heating boilers, hot
1479 water heating boilers, hot water supply boilers and hot water heaters
1480 approved by a nationally recognized testing agency. If a boiler
1481 inspected by a state boiler inspector or special inspector commissioned
1482 by said commissioner is found to conform with the requirements of
1483 this chapter and the boiler regulations, an operating certificate shall be
1484 issued by said commissioner to the owner or user upon the receipt of
1485 the insuring company's report or the state boiler inspector's report.

1486 [and such owner or user shall be exempt from the inspection fees
1487 provided by this section, except that for each certificate so issued the
1488 owner or user of the boiler shall pay to said commissioner the sum of
1489 twenty dollars.] Said commissioner may order reinspection if
1490 reasonable doubt exists regarding any inspection. Such certificate shall
1491 state the pressure and other conditions under which such boiler may
1492 be lawfully operated and shall be valid not more than the period
1493 indicated in this section and shall be renewed each year in the case of
1494 power boilers inspected pursuant to subdivision (1) of section 29-237,
1495 every eighteen months in the case of power boilers inspected pursuant
1496 to subdivision (2) of section 29-237, and biennially in the case of hot
1497 water heating or hot water supply boilers and hot water heaters. An
1498 operating certificate shall be immediately invalid if the boiler is
1499 relocated or altered, unless such relocation or alteration has been
1500 approved in accordance with this chapter or the boiler code and
1501 regulations. No boiler shall be operated unless a valid operating
1502 certificate is displayed under glass in a conspicuous place in the room
1503 in which such boiler is located. If the boiler is not located within the
1504 building, the certificate shall be posted in a location convenient to the
1505 boiler inspected. In the case of a portable boiler such certificate shall be
1506 kept in a metal container to be fastened to the boiler or kept in a tool
1507 box accompanying the boiler.

1508 Sec. 34. Section 29-349 of the general statutes is repealed and the
1509 following is substituted in lieu thereof (*Effective July 1, 2007*):

1510 (a) The Commissioner of Public Safety shall have exclusive
1511 jurisdiction in the preparation of and may enforce reasonable
1512 regulations for the safe and convenient storage, transportation and use
1513 of explosives and blasting agents used in connection therewith, which
1514 regulations shall deal in particular with the quantity and character of
1515 explosives and blasting agents to be stored, transported and used, the
1516 proximity of such storage to inhabited dwellings or other occupied
1517 buildings, public highways and railroad tracks, the character and
1518 construction of suitable magazines for such storage, protective
1519 measures to secure such stored explosives and blasting agents and the

1520 abatement of any hazard that may arise incident to the storage,
1521 transportation or use of such explosives and blasting agents.

1522 (b) No person, firm or corporation shall engage in any activity
1523 concerning the storage, transportation or use of explosives unless such
1524 person, firm or corporation has obtained a license therefor from the
1525 Commissioner of Public Safety. Such license shall be issued upon
1526 payment of a fee of [fifty] one hundred dollars and upon submission
1527 by the applicant of evidence of good moral character and of
1528 competence in the control and handling of explosives, provided, if
1529 such license is for the use of explosives, it may be issued only to an
1530 individual person after demonstration that such individual is
1531 technically qualified to detonate explosives. Any such license to use
1532 explosives shall bear both the fingerprints of the licensee obtained by
1533 the Commissioner of Public Safety at the time of licensing, and the
1534 licensee's photograph, furnished by the licensee, of a size specified by
1535 the commissioner and taken not more than one year prior to the
1536 issuance of the license. Each such license shall be valid for one year
1537 from the date of its issuance, unless sooner revoked or suspended, and
1538 may be renewed annually thereafter upon a payment of [thirty]
1539 seventy-five dollars.

1540 (c) The Commissioner of Public Safety shall require any applicant
1541 for a license under this section to submit to state and national criminal
1542 history records checks. The criminal history records checks required
1543 pursuant to this subsection shall be conducted in accordance with
1544 section 29-17a.

1545 (d) No person shall manufacture, keep, store, sell or deal in any
1546 explosives unless such person has a valid license under the provisions
1547 of subsection (b) of this section and obtains from the Commissioner of
1548 Public Safety or from the fire marshal of the town where such business
1549 is conducted a written permit therefor, which permit shall not be valid
1550 for more than one year and for which such person shall pay a fee of
1551 [twenty-five] fifty dollars. If the permit is issued by the Commissioner
1552 of Public Safety, the commissioner shall forward a copy thereof to the

1553 local fire marshal. Such permit so granted shall definitely state the
1554 location of the building where such business is to be carried on or such
1555 explosive deposited and shall state that such building or premises
1556 complies with the regulations provided for in this section.

1557 (e) No person shall procure, transport or use any explosives unless
1558 such person has a valid license under subsection (b) of this section and
1559 has obtained a written permit therefor signed by the Commissioner of
1560 Public Safety or by the fire marshal of the town where such explosive
1561 is to be used, specifying the name of the purchaser, the amount to be
1562 purchased and transported and the purpose for which it is to be used.
1563 Any such permit to use explosives shall state the number of years the
1564 permittee has been engaged in blasting activity. Such permit shall be
1565 valid for such period, not longer than one year, as is required to
1566 accomplish the purpose for which it was obtained. No carrier shall
1567 transport any such explosive until the vehicle transporting the
1568 explosive has been inspected and approved by the Department of
1569 Public Safety and unless such written permit accompanies the same
1570 and no person shall have in such person's possession any such
1571 explosive unless such person has a license and permit therefor. The fee
1572 for such inspection shall be [twenty-five] fifty dollars. The fee for such
1573 permit shall be [twenty] thirty dollars. Each person who has in such
1574 person's custody or possession any explosive or any detonating caps
1575 for explosives shall keep the same either under personal observation or
1576 securely locked up.

1577 (f) Any license or permit issued under the provisions of this section
1578 may be suspended or revoked by the issuing authority for violation by
1579 the licensee or permittee of any provision of law or regulation relating
1580 to explosives or conviction of such licensee or permittee of any felony
1581 or misdemeanor. Suspension or revocation of a license shall
1582 automatically suspend or revoke the permit and the suspension or
1583 revocation of a permit shall automatically suspend or revoke the
1584 license.

1585 (g) Any person who, by himself or herself or by such person's

1586 employee or agent or as the employee or agent of another, violates any
1587 provision of this section, or any regulation made by the Commissioner
1588 of Public Safety pursuant to the provisions of this section, shall be
1589 fined not more than ten thousand dollars or imprisoned not more than
1590 ten years or both.

1591 (h) As used in this section, "blasting agent" means any material,
1592 composition or mixture intended for blasting, consisting substantially
1593 of a fuel and oxidizer, none of the ingredients of which is an explosive
1594 as defined in section 29-343, and the finished product of which as
1595 mixed and packaged for use or shipment cannot be detonated by the
1596 test procedure established by regulations adopted by the
1597 Commissioner of Public Safety in accordance with chapter 54.

1598 (i) Notwithstanding the provisions of this section, the Labor
1599 Commissioner shall regulate the storage, transportation and use of
1600 explosives and blasting agents in places of employment insofar as such
1601 activities relate to employee health and safety, provided such
1602 regulations shall be no less stringent than those prepared and enforced
1603 by the Commissioner of Public Safety pursuant to this section.

1604 Sec. 35. Section 29-357 of the general statutes is repealed and the
1605 following is substituted in lieu thereof (*Effective July 1, 2007*):

1606 (a) Except as provided in subsection (b) of this section, no person,
1607 firm or corporation shall offer for sale, expose for sale, sell at retail or
1608 use or explode or possess with intent to sell, use or explode any
1609 fireworks. A person who is sixteen years of age or older may offer for
1610 sale, expose for sale, sell at retail, purchase, use or possess with intent
1611 to sell or use sparklers or fountains of not more than one hundred
1612 grams of pyrotechnic mixture per item, which are nonexplosive and
1613 nonaerial, provided (1) such sparklers and fountains do not contain
1614 magnesium, except for magnalium or magnesium-aluminum alloy, (2)
1615 such sparklers and fountains containing any chlorate or perchlorate
1616 salts do not exceed five grams of composition per item, and (3) when
1617 more than one fountain is mounted on a common base, the total

1618 pyrotechnic composition does not exceed two hundred grams.

1619 (b) The State Fire Marshal shall adopt reasonable regulations, in
1620 accordance with chapter 54, for the granting of permits for supervised
1621 displays of fireworks or for the indoor use of pyrotechnics, sparklers
1622 and fountains for special effects by municipalities, fair associations,
1623 amusement parks, other organizations or groups of individuals or
1624 artisans in pursuit of their trade. Such permit may be issued upon
1625 application to said State Fire Marshal and after (1) inspection of the site
1626 of such display or use by the local fire marshal to determine
1627 compliance with the requirements of such regulations, (2) approval of
1628 the chiefs of the police and fire departments, or, if there is no police or
1629 fire department, of the first selectman, of the municipality wherein the
1630 display is to be held as is provided in this section, and (3) the filing of a
1631 bond by the applicant as provided in section 29-358. No such display
1632 shall be handled or fired by any person until such person has been
1633 granted a certificate of competency by the State Fire Marshal, in
1634 respect to which a fee of [fifty] one hundred dollars shall be payable to
1635 the State Treasurer when issued and which may be renewed every
1636 three years upon payment of a fee of [thirty] one hundred fifty dollars
1637 to the State Treasurer, provided such certificate may be suspended or
1638 revoked by said marshal at any time for cause. Such certificate of
1639 competency shall attest to the fact that such operator is competent to
1640 fire a display. Such display shall be of such a character and so located,
1641 discharged or fired as in the opinion of the chiefs of the police and fire
1642 departments or such selectman, after proper inspection, will not be
1643 hazardous to property or endanger any person or persons. In an aerial
1644 bomb, no salute, report or maroon may be used that is composed of a
1645 formula of chlorate of potash, sulphur, black needle antimony and
1646 dark aluminum. Formulas that may be used in a salute, report or
1647 maroon are as follows: (A) Perchlorate of potash, black needle
1648 antimony and dark aluminum, and (B) perchlorate of potash, dark
1649 aluminum and sulphur. No high explosive such as dynamite,
1650 fulminate of mercury or other stimulator for detonating shall be used
1651 in any aerial bomb or other pyrotechnics. Application for permits shall

1652 be made in writing at least fifteen days prior to the date of display, on
1653 such notice as the State Fire Marshal by regulation prescribes, on forms
1654 furnished by him, and a fee of [thirty-five] fifty dollars shall be payable
1655 to the State Treasurer with each such application. After such permit
1656 has been granted, sales, possession, use and distribution of fireworks
1657 for such display shall be lawful for that purpose only. No permit
1658 granted hereunder shall be transferable. Any permit issued under the
1659 provisions of this section may be suspended or revoked by the State
1660 Fire Marshal or the local fire marshal for violation by the permittee of
1661 any provision of the general statutes, any regulation or any ordinance
1662 relating to fireworks.

1663 (c) The State Fire Marshal may grant variations or exemptions from,
1664 or approve equivalent or alternate compliance with, particular
1665 provisions of any regulation issued under the provisions of subsection
1666 (b) of this section where strict compliance with such provisions would
1667 entail practical difficulty or unnecessary hardship or is otherwise
1668 adjudged unwarranted, provided any such variation, exemption,
1669 approved equivalent or alternate compliance shall, in the opinion of
1670 the State Fire Marshal, secure the public safety and shall be made in
1671 writing.

1672 (d) Any person, firm or corporation violating the provisions of this
1673 section shall be fined not more than one hundred dollars or
1674 imprisoned not more than ninety days or be both fined and
1675 imprisoned, except that (1) any person, firm or corporation violating
1676 the provisions of subsection (a) of this section by offering for sale,
1677 exposing for sale or selling at retail or possessing with intent to sell any
1678 fireworks with a value exceeding ten thousand dollars shall be guilty
1679 of a class A misdemeanor, and (2) any person, firm or corporation
1680 violating any provision of subsection (b) of this section or any
1681 regulation adopted thereunder shall be guilty of a class A
1682 misdemeanor, except if death or injury results from any such violation,
1683 such person, firm or corporation shall be fined not more than ten
1684 thousand dollars or imprisoned not more than ten years, or both.

1685 Sec. 36. Section 29-365 of the general statutes is repealed and the
1686 following is substituted in lieu thereof (*Effective July 1, 2007*):

1687 The fee to be paid to the licensing authority upon each application
1688 shall be as follows: For a fireworks manufacturing license, [one] two
1689 hundred dollars; for a dealer, wholesaler and jobber, [fifty] two
1690 hundred dollars. Fees collected by the State Fire Marshal shall be paid
1691 to the State Treasurer.

1692 Sec. 37. Section 29-402 of the general statutes is repealed and the
1693 following is substituted in lieu thereof (*Effective July 1, 2007*):

1694 (a) No person shall engage in the business of demolition of
1695 buildings without a certificate of registration obtained from the
1696 Department of Public Safety. An applicant for initial registration shall
1697 file an application with the Department of Public Safety, furnish
1698 evidence of expertise and financial responsibility and pay a fee of three
1699 hundred fifty dollars for a class B certificate and seven hundred fifty
1700 dollars for a class A certificate. Each certificate shall be valid for twelve
1701 months from date of issuance and shall be renewable on application of
1702 the registrant upon payment of an annual fee of two hundred dollars
1703 for a class B certificate and six hundred dollars for a class A certificate.
1704 The department may refuse to issue any such certificate for cause, and
1705 may revoke or refuse to renew any such certificate for failure to carry
1706 out and conform to the provisions of this part or to any regulations
1707 adopted hereunder, or for any violation of title 22a. No person shall be
1708 refused a certificate or a renewal thereof, and no certificate shall be
1709 revoked, without an opportunity for a hearing conducted by the
1710 Department of Public Safety.

1711 (b) As used in this part, the term "registration" includes the whole or
1712 part of any permit which the Department of Public Safety issues under
1713 authority of the general statutes and which (1) requires persons to
1714 place their names on a list maintained by the department before they
1715 can engage in the business of demolition of buildings, (2) does not
1716 require a person to demonstrate competence by examination or other

1717 means, and (3) may be revoked or suspended by the department for
 1718 cause.

1719 (c) The provisions of this section shall not apply to (1) a person who
 1720 is engaged in the disassembling, transportation and reconstruction of
 1721 historic buildings for historical purposes or in the demolition of farm
 1722 buildings or in the renovation, alteration or reconstruction of a single-
 1723 family residence, (2) the removal of underground petroleum storage
 1724 tanks, (3) the burning of a building or structure as part of an organized
 1725 fire department training exercise, or (4) the demolition of a single-
 1726 family residence or out building by an owner of such structure if it
 1727 does not exceed a height of thirty feet, provided (A) the owner shall be
 1728 present on site while such demolition work is in progress and shall be
 1729 held personally liable for any injury to individuals or damage to public
 1730 or private property caused by such demolition, and (B) such
 1731 demolition shall be permitted only with respect to buildings which
 1732 have clearance from other structures, roads or highways equal to or
 1733 greater than the height of the structure subject to demolition. The local
 1734 building official may require additional clearance when deemed
 1735 necessary for safety."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2008, and applicable to income years commencing on or after January 1, 2008</i>	12-217ii
Sec. 2	<i>July 1, 2007, and applicable to income years commencing on or after January 1, 2007</i>	12-217jj
Sec. 3	<i>July 1, 2007, and applicable to taxable years commencing on or after January 1, 2007</i>	12-284b(b)

Sec. 4	<i>July 1, 2007, and applicable to estates of decedents dying on or after January 1, 2007</i>	12-391(g)
Sec. 5	<i>July 1, 2007, and applicable to estates of decedents dying on or after January 1, 2007</i>	12-391(d)(1)
Sec. 6	<i>July 1, 2007, and applicable to estates of decedents dying on or after January 1, 2007</i>	12-391(e)
Sec. 7	<i>July 1, 2007, and applicable to calendar years commencing on or after January 1, 2007</i>	12-642(a)
Sec. 8	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007</i>	12-412(3)
Sec. 9	<i>July 1, 2007</i>	12-412(115)
Sec. 10	<i>July 1, 2007, and applicable to sales occurring on or after July 1, 2007, and prior to July 1, 2010</i>	12-412
Sec. 11	<i>July 1, 2007</i>	12-412k
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	12-458(a)(3)
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>from passage</i>	14-332
Sec. 17	<i>from passage</i>	14-332a
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>October 1, 2007, and applicable to taxable years commencing on or after January 1, 2007</i>	12-701(a)(20)(B)
Sec. 20	<i>October 1, 2007, and applicable to taxable years commencing on or after January 1, 2008</i>	12-701(a)(20)(B)

Sec. 21	<i>July 1, 2007</i>	New section
Sec. 22	<i>July 1, 2007, and applicable to income years commencing on or after January 1, 2007</i>	New section
Sec. 23	<i>July 1, 2007, and applicable to income and taxable years commencing on and after January 1, 2008</i>	New section
Sec. 24	<i>July 1, 2007</i>	29-112
Sec. 25	<i>July 1, 2007</i>	29-117
Sec. 26	<i>July 1, 2007</i>	29-130
Sec. 27	<i>July 1, 2007</i>	29-134
Sec. 28	<i>July 1, 2007</i>	29-193
Sec. 29	<i>July 1, 2007</i>	29-196
Sec. 30	<i>July 1, 2007</i>	29-204
Sec. 31	<i>July 1, 2007</i>	29-206
Sec. 32	<i>July 1, 2007</i>	29-237
Sec. 33	<i>July 1, 2007</i>	29-238
Sec. 34	<i>July 1, 2007</i>	29-349
Sec. 35	<i>July 1, 2007</i>	29-357
Sec. 36	<i>July 1, 2007</i>	29-365
Sec. 37	<i>July 1, 2007</i>	29-402