



General Assembly

Amendment

January Session, 2007

LCO No. 7569

HB0698807569HRO

Offered by:
REP. MILLER, 122nd Dist.

To: House Bill No. 6988

File No. 8

Cal. No. 55

"AN ACT UPDATING THE SOCIAL SECURITY RETIREMENT AGE TO REFLECT FEDERAL CHANGES."

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

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4 section 12-701 of the general statutes is repealed and the following is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

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

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

51 taxable year on any bond the interest on which is subject to tax under
52 this chapter but exempt from federal income tax, to the extent that
53 such expenses and premiums are not deductible in determining federal
54 adjusted gross income and are attributable to a trade or business
55 carried on by such individual, (x) (I) for a person who files a return
56 under the federal income tax as an unmarried individual whose
57 federal adjusted gross income for such taxable year is less than fifty
58 thousand dollars, or as a married individual filing separately whose
59 federal adjusted gross income for such taxable year is less than fifty
60 thousand dollars, or for a husband and wife who file a return under
61 the federal income tax as married individuals filing jointly whose
62 federal adjusted gross income for such taxable year is less than sixty
63 thousand dollars or a person who files a return under the federal
64 income tax as a head of household whose federal adjusted gross
65 income for such taxable year is less than sixty thousand dollars, an
66 amount equal to the Social Security benefits includable for federal
67 income tax purposes; and (II) for a person who files a return under the
68 federal income tax as an unmarried individual whose federal adjusted
69 gross income for such taxable year is fifty thousand dollars or more, or
70 as a married individual filing separately whose federal adjusted gross
71 income for such taxable year is fifty thousand dollars or more, or for a
72 husband and wife who file a return under the federal income tax as
73 married individuals filing jointly whose federal adjusted gross income
74 from such taxable year is sixty thousand dollars or more or for a
75 person who files a return under the federal income tax as a head of
76 household whose federal adjusted gross income for such taxable year
77 is sixty thousand dollars or more, an amount equal to the difference
78 between the amount of Social Security benefits includable for federal
79 income tax purposes and the lesser of twenty-five per cent of the Social
80 Security benefits received during the taxable year, or twenty-five per
81 cent of the excess described in Section 86(b)(1) of the Internal Revenue
82 Code, (xi) to the extent properly includable in gross income for federal
83 income tax purposes, any amount rebated to a taxpayer pursuant to
84 section 12-746, (xii) to the extent properly includable in the gross
85 income for federal income tax purposes of a designated beneficiary,

86 any distribution to such beneficiary from any qualified state tuition
87 program, as defined in Section 529(b) of the Internal Revenue Code,
88 established and maintained by this state or any official, agency or
89 instrumentality of the state, (xiii) to the extent allowable under section
90 12-701a, contributions to accounts established pursuant to any
91 qualified state tuition program, as defined in Section 529(b) of the
92 Internal Revenue Code, established and maintained by this state or
93 any official, agency or instrumentality of the state, (xiv) to the extent
94 properly includable in gross income for federal income tax purposes,
95 the amount of any Holocaust victims' settlement payment received in
96 the taxable year by a Holocaust victim, [and] (xv) to the extent
97 properly includable in gross income for federal income tax purposes of
98 an account holder, as defined in section 31-51ww, interest earned on
99 funds deposited in the individual development account, as defined in
100 section 31-51ww, of such account holder, and (xvi) all income received
101 from defined benefit pension plans and Social Security.

102 Sec. 502. Subparagraph (B) of subdivision (20) of subsection (a) of
103 section 12-701 of the general statutes, as amended by section 71 of
104 public act 05-251 and section 77 of public act 06-186, is repealed and
105 the following is substituted in lieu thereof (*Effective October 1, 2007, and*
106 *applicable to taxable years commencing on or after January 1, 2008*):

107 (B) There shall be subtracted therefrom (i) to the extent properly
108 includable in gross income for federal income tax purposes, any
109 income with respect to which taxation by any state is prohibited by
110 federal law, (ii) to the extent allowable under section 12-718, exempt
111 dividends paid by a regulated investment company, (iii) the amount of
112 any refund or credit for overpayment of income taxes imposed by this
113 state, or any other state of the United States or a political subdivision
114 thereof, or the District of Columbia, to the extent properly includable
115 in gross income for federal income tax purposes, (iv) to the extent
116 properly includable in gross income for federal income tax purposes
117 and not otherwise subtracted from federal adjusted gross income
118 pursuant to clause (x) of this subparagraph in computing Connecticut
119 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the

120 extent any additional allowance for depreciation under Section 168(k)
121 of the Internal Revenue Code, as provided by Section 101 of the Job
122 Creation and Worker Assistance Act of 2002, for property placed in
123 service after December 31, 2001, but prior to September 10, 2004, was
124 added to federal adjusted gross income pursuant to subparagraph
125 (A)(ix) of this subdivision in computing Connecticut adjusted gross
126 income for a taxable year ending after December 31, 2001, twenty-five
127 per cent of such additional allowance for depreciation in each of the
128 four succeeding taxable years, (vi) to the extent properly includable in
129 gross income for federal income tax purposes, any interest income
130 from obligations issued by or on behalf of the state of Connecticut, any
131 political subdivision thereof, or public instrumentality, state or local
132 authority, district or similar public entity created under the laws of the
133 state of Connecticut, (vii) to the extent properly includable in
134 determining the net gain or loss from the sale or other disposition of
135 capital assets for federal income tax purposes, any gain from the sale
136 or exchange of obligations issued by or on behalf of the state of
137 Connecticut, any political subdivision thereof, or public
138 instrumentality, state or local authority, district or similar public entity
139 created under the laws of the state of Connecticut, in the income year
140 such gain was recognized, (viii) any interest on indebtedness incurred
141 or continued to purchase or carry obligations or securities the interest
142 on which is subject to tax under this chapter but exempt from federal
143 income tax, to the extent that such interest on indebtedness is not
144 deductible in determining federal adjusted gross income and is
145 attributable to a trade or business carried on by such individual, (ix)
146 ordinary and necessary expenses paid or incurred during the taxable
147 year for the production or collection of income which is subject to
148 taxation under this chapter but exempt from federal income tax, or the
149 management, conservation or maintenance of property held for the
150 production of such income, and the amortizable bond premium for the
151 taxable year on any bond the interest on which is subject to tax under
152 this chapter but exempt from federal income tax, to the extent that
153 such expenses and premiums are not deductible in determining federal
154 adjusted gross income and are attributable to a trade or business

155 carried on by such individual, (x) (I) for a person who files a return
156 under the federal income tax as an unmarried individual whose
157 federal adjusted gross income for such taxable year is less than fifty
158 thousand dollars, or as a married individual filing separately whose
159 federal adjusted gross income for such taxable year is less than fifty
160 thousand dollars, or for a husband and wife who file a return under
161 the federal income tax as married individuals filing jointly whose
162 federal adjusted gross income for such taxable year is less than sixty
163 thousand dollars or a person who files a return under the federal
164 income tax as a head of household whose federal adjusted gross
165 income for such taxable year is less than sixty thousand dollars, an
166 amount equal to the Social Security benefits includable for federal
167 income tax purposes; and (II) for a person who files a return under the
168 federal income tax as an unmarried individual whose federal adjusted
169 gross income for such taxable year is fifty thousand dollars or more, or
170 as a married individual filing separately whose federal adjusted gross
171 income for such taxable year is fifty thousand dollars or more, or for a
172 husband and wife who file a return under the federal income tax as
173 married individuals filing jointly whose federal adjusted gross income
174 from such taxable year is sixty thousand dollars or more or for a
175 person who files a return under the federal income tax as a head of
176 household whose federal adjusted gross income for such taxable year
177 is sixty thousand dollars or more, an amount equal to the difference
178 between the amount of Social Security benefits includable for federal
179 income tax purposes and the lesser of twenty-five per cent of the Social
180 Security benefits received during the taxable year, or twenty-five per
181 cent of the excess described in Section 86(b)(1) of the Internal Revenue
182 Code, (xi) to the extent properly includable in gross income for federal
183 income tax purposes, any amount rebated to a taxpayer pursuant to
184 section 12-746, (xii) to the extent properly includable in the gross
185 income for federal income tax purposes of a designated beneficiary,
186 any distribution to such beneficiary from any qualified state tuition
187 program, as defined in Section 529(b) of the Internal Revenue Code,
188 established and maintained by this state or any official, agency or
189 instrumentality of the state, (xiii) to the extent allowable under section

190 12-701a, contributions to accounts established pursuant to any
191 qualified state tuition program, as defined in Section 529(b) of the
192 Internal Revenue Code, established and maintained by this state or
193 any official, agency or instrumentality of the state, (xiv) to the extent
194 properly includable in gross income for federal income tax purposes,
195 the amount of any Holocaust victims' settlement payment received in
196 the taxable year by a Holocaust victim, (xv) to the extent properly
197 includable in gross income for federal income tax purposes of an
198 account holder, as defined in section 31-51ww, interest earned on
199 funds deposited in the individual development account, as defined in
200 section 31-51ww, of such account holder, (xvi) all income received
201 from defined benefit pension plans and Social Security, and [(xvi)]
202 (xvii) to the extent properly included in gross income for federal
203 income tax purposes, fifty per cent of the income received from the
204 United States government as retirement pay for a retired member of (I)
205 the Armed Forces of the United States, as defined in Section 101 of
206 Title 10 of the United States Code, or (II) the National Guard, as
207 defined in Section 101 of Title 10 of the United States Code."