



General Assembly

Amendment

January Session, 2007

LCO No. 7795

SB0145107795SD0

Offered by:
SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. 1451 File No. 625 Cal. No. 506

**"AN ACT ESTABLISHING THE CONNECTICUT HOMECARE
OPTION PROGRAM FOR THE ELDERLY."**

-
- 1 In line 10, strike "for the integral activities of"
- 2 Strike line 11 in its entirety and insert the following in lieu thereof:
- 3 ", (B) a homemaker or companion service that is registered with the
- 4 Department of Consumer Protection, (C) licensed transportation
- 5 services, or (D) a personal care assistant.
- 6 (4) "Instrumental activities of daily living" means activities related to
- 7 independent living necessary to maintain an individual in their home
- 8 or other noninstitutional setting, and includes, but is not limited to,
- 9 adult day care, chore services, companion services, meal preparation
- 10 or home-delivered meals, or transportation or homemaker services."
- 11 In line 12, strike "(4)" and insert in lieu thereof "(5)"
- 12 In line 15, strike "(5)" and insert in lieu thereof "(6)"

13 In line 16, after "provider" insert "for the instrumental activities of
14 daily living"

15 In line 17, strike "a licensed" and insert in lieu thereof "an eligible
16 home care"

17 In line 19, strike "(6)" and insert in lieu thereof "(7)"

18 Strike lines 20 to 28, inclusive, and insert the following in lieu
19 thereof:

20 "(b) There is established the Connecticut Homecare Option Program
21 for the Elderly, to allow individuals to plan for the cost of services that
22 will allow them to remain in their homes or in a noninstitutional
23 setting as they age. The Comptroller shall establish the Connecticut
24 Home Care Trust Fund, which shall be comprised of individual
25 savings accounts for those qualified home care expenses not covered
26 by a long-term care insurance policy and for those qualified home care
27 expenses that supplement the coverage provided by a long-term care
28 policy or Medicare. Withdrawals from the fund may be used for
29 qualified home care expenses, upon receipt by the fund of a
30 physician's certification that the designated beneficiary is in need of
31 services for the instrumental activities of daily living. Upon the death
32 of a designated beneficiary, any available funds in such beneficiary's
33 account shall be an asset of the estate of such beneficiary."

34 In line 38, strike "committed" and insert in lieu thereof "committee"

35 In line 43, strike "Treasurer" and insert in lieu thereof "Comptroller"

36 In line 55, strike "Notwithstanding sections 3-"

37 Strike line 56 in its entirety and insert in lieu thereof "The
38 Comptroller shall invest"

39 In line 60, strike "Treasurer" and insert in lieu thereof "Comptroller"

40 In line 64, strike "Treasurer" and insert in lieu thereof "Comptroller"

41 In line 66, strike "Treasurer" and insert in lieu thereof "Comptroller"

42 In line 78, strike "a licensed" and insert in lieu thereof "an eligible"

43 In line 79, strike "or transportation"

44 In line 96, strike "Treasurer" and insert in lieu thereof "Comptroller"

45 In line 99, strike "Treasurer" and insert in lieu thereof "Comptroller"

46 After the last section, add the following and renumber sections and
47 internal references accordingly:

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

52 (B) There shall be subtracted therefrom (i) to the extent properly
53 includable in gross income for federal income tax purposes, any
54 income with respect to which taxation by any state is prohibited by
55 federal law, (ii) to the extent allowable under section 12-718, exempt
56 dividends paid by a regulated investment company, (iii) the amount of
57 any refund or credit for overpayment of income taxes imposed by this
58 state, or any other state of the United States or a political subdivision
59 thereof, or the District of Columbia, to the extent properly includable
60 in gross income for federal income tax purposes, (iv) to the extent
61 properly includable in gross income for federal income tax purposes
62 and not otherwise subtracted from federal adjusted gross income
63 pursuant to clause (x) of this subparagraph in computing Connecticut
64 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
65 extent any additional allowance for depreciation under Section 168(k)
66 of the Internal Revenue Code, as provided by Section 101 of the Job
67 Creation and Worker Assistance Act of 2002, for property placed in
68 service after December 31, 2001, but prior to September 10, 2004, was
69 added to federal adjusted gross income pursuant to subparagraph (A)
70 (ix) of this subdivision in computing Connecticut adjusted gross

71 income for a taxable year ending after December 31, 2001, twenty-five
72 per cent of such additional allowance for depreciation in each of the
73 four succeeding taxable years, (vi) to the extent properly includable in
74 gross income for federal income tax purposes, any interest income
75 from obligations issued by or on behalf of the state of Connecticut, any
76 political subdivision thereof, or public instrumentality, state or local
77 authority, district or similar public entity created under the laws of the
78 state of Connecticut, (vii) to the extent properly includable in
79 determining the net gain or loss from the sale or other disposition of
80 capital assets for federal income tax purposes, any gain from the sale
81 or exchange of obligations issued by or on behalf of the state of
82 Connecticut, any political subdivision thereof, or public
83 instrumentality, state or local authority, district or similar public entity
84 created under the laws of the state of Connecticut, in the income year
85 such gain was recognized, (viii) any interest on indebtedness incurred
86 or continued to purchase or carry obligations or securities the interest
87 on which is subject to tax under this chapter but exempt from federal
88 income tax, to the extent that such interest on indebtedness is not
89 deductible in determining federal adjusted gross income and is
90 attributable to a trade or business carried on by such individual, (ix)
91 ordinary and necessary expenses paid or incurred during the taxable
92 year for the production or collection of income which is subject to
93 taxation under this chapter but exempt from federal income tax, or the
94 management, conservation or maintenance of property held for the
95 production of such income, and the amortizable bond premium for the
96 taxable year on any bond the interest on which is subject to tax under
97 this chapter but exempt from federal income tax, to the extent that
98 such expenses and premiums are not deductible in determining federal
99 adjusted gross income and are attributable to a trade or business
100 carried on by such individual, (x) (I) for a person who files a return
101 under the federal income tax as an unmarried individual whose
102 federal adjusted gross income for such taxable year is less than fifty
103 thousand dollars, or as a married individual filing separately whose
104 federal adjusted gross income for such taxable year is less than fifty
105 thousand dollars, or for a husband and wife who file a return under

106 the federal income tax as married individuals filing jointly whose
107 federal adjusted gross income for such taxable year is less than sixty
108 thousand dollars or a person who files a return under the federal
109 income tax as a head of household whose federal adjusted gross
110 income for such taxable year is less than sixty thousand dollars, an
111 amount equal to the Social Security benefits includable for federal
112 income tax purposes; and (II) for a person who files a return under the
113 federal income tax as an unmarried individual whose federal adjusted
114 gross income for such taxable year is fifty thousand dollars or more, or
115 as a married individual filing separately whose federal adjusted gross
116 income for such taxable year is fifty thousand dollars or more, or for a
117 husband and wife who file a return under the federal income tax as
118 married individuals filing jointly whose federal adjusted gross income
119 from such taxable year is sixty thousand dollars or more or for a
120 person who files a return under the federal income tax as a head of
121 household whose federal adjusted gross income for such taxable year
122 is sixty thousand dollars or more, an amount equal to the difference
123 between the amount of Social Security benefits includable for federal
124 income tax purposes and the lesser of twenty-five per cent of the Social
125 Security benefits received during the taxable year, or twenty-five per
126 cent of the excess described in Section 86(b)(1) of the Internal Revenue
127 Code, (xi) to the extent properly includable in gross income for federal
128 income tax purposes, any amount rebated to a taxpayer pursuant to
129 section 12-746, (xii) to the extent properly includable in the gross
130 income for federal income tax purposes of a designated beneficiary,
131 any distribution to such beneficiary from any qualified state tuition
132 program, as defined in Section 529(b) of the Internal Revenue Code,
133 established and maintained by this state or any official, agency or
134 instrumentality of the state, (xiii) to the extent allowable under section
135 12-701a, contributions to accounts established pursuant to any
136 qualified state tuition program, as defined in Section 529(b) of the
137 Internal Revenue Code, established and maintained by this state or
138 any official, agency or instrumentality of the state, (xiv) to the extent
139 properly includable in gross income for federal income tax purposes,
140 the amount of any Holocaust victims' settlement payment received in

141 the taxable year by a Holocaust victim, [and] (xv) to the extent
142 properly includable in gross income for federal income tax purposes of
143 an account holder, as defined in section 31-51ww, interest earned on
144 funds deposited in the individual development account, as defined in
145 section 31-51ww, of such account holder, and (xvi) to the extent
146 properly includable in the gross income for federal income tax
147 purposes of a designated beneficiary, as defined in section 1 of this act,
148 interest earned on contributions to accounts established for the
149 designated beneficiary pursuant to the Connecticut Homecare Option
150 Program for the Elderly established by sections 1 to 6, inclusive, of this
151 act.

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

157 (B) There shall be subtracted therefrom (i) to the extent properly
158 includable in gross income for federal income tax purposes, any
159 income with respect to which taxation by any state is prohibited by
160 federal law, (ii) to the extent allowable under section 12-718, exempt
161 dividends paid by a regulated investment company, (iii) the amount of
162 any refund or credit for overpayment of income taxes imposed by this
163 state, or any other state of the United States or a political subdivision
164 thereof, or the District of Columbia, to the extent properly includable
165 in gross income for federal income tax purposes, (iv) to the extent
166 properly includable in gross income for federal income tax purposes
167 and not otherwise subtracted from federal adjusted gross income
168 pursuant to clause (x) of this subparagraph in computing Connecticut
169 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
170 extent any additional allowance for depreciation under Section 168(k)
171 of the Internal Revenue Code, as provided by Section 101 of the Job
172 Creation and Worker Assistance Act of 2002, for property placed in
173 service after December 31, 2001, but prior to September 10, 2004, was
174 added to federal adjusted gross income pursuant to subparagraph

175 (A)(ix) of this subdivision in computing Connecticut adjusted gross
176 income for a taxable year ending after December 31, 2001, twenty-five
177 per cent of such additional allowance for depreciation in each of the
178 four succeeding taxable years, (vi) to the extent properly includable in
179 gross income for federal income tax purposes, any interest income
180 from obligations issued by or on behalf of the state of Connecticut, any
181 political subdivision thereof, or public instrumentality, state or local
182 authority, district or similar public entity created under the laws of the
183 state of Connecticut, (vii) to the extent properly includable in
184 determining the net gain or loss from the sale or other disposition of
185 capital assets for federal income tax purposes, any gain from the sale
186 or exchange of obligations issued by or on behalf of the state of
187 Connecticut, any political subdivision thereof, or public
188 instrumentality, state or local authority, district or similar public entity
189 created under the laws of the state of Connecticut, in the income year
190 such gain was recognized, (viii) any interest on indebtedness incurred
191 or continued to purchase or carry obligations or securities the interest
192 on which is subject to tax under this chapter but exempt from federal
193 income tax, to the extent that such interest on indebtedness is not
194 deductible in determining federal adjusted gross income and is
195 attributable to a trade or business carried on by such individual, (ix)
196 ordinary and necessary expenses paid or incurred during the taxable
197 year for the production or collection of income which is subject to
198 taxation under this chapter but exempt from federal income tax, or the
199 management, conservation or maintenance of property held for the
200 production of such income, and the amortizable bond premium for the
201 taxable year on any bond the interest on which is subject to tax under
202 this chapter but exempt from federal income tax, to the extent that
203 such expenses and premiums are not deductible in determining federal
204 adjusted gross income and are attributable to a trade or business
205 carried on by such individual, (x) (I) for a person who files a return
206 under the federal income tax as an unmarried individual whose
207 federal adjusted gross income for such taxable year is less than fifty
208 thousand dollars, or as a married individual filing separately whose
209 federal adjusted gross income for such taxable year is less than fifty

210 thousand dollars, or for a husband and wife who file a return under
211 the federal income tax as married individuals filing jointly whose
212 federal adjusted gross income for such taxable year is less than sixty
213 thousand dollars or a person who files a return under the federal
214 income tax as a head of household whose federal adjusted gross
215 income for such taxable year is less than sixty thousand dollars, an
216 amount equal to the Social Security benefits includable for federal
217 income tax purposes; and (II) for a person who files a return under the
218 federal income tax as an unmarried individual whose federal adjusted
219 gross income for such taxable year is fifty thousand dollars or more, or
220 as a married individual filing separately whose federal adjusted gross
221 income for such taxable year is fifty thousand dollars or more, or for a
222 husband and wife who file a return under the federal income tax as
223 married individuals filing jointly whose federal adjusted gross income
224 from such taxable year is sixty thousand dollars or more or for a
225 person who files a return under the federal income tax as a head of
226 household whose federal adjusted gross income for such taxable year
227 is sixty thousand dollars or more, an amount equal to the difference
228 between the amount of Social Security benefits includable for federal
229 income tax purposes and the lesser of twenty-five per cent of the Social
230 Security benefits received during the taxable year, or twenty-five per
231 cent of the excess described in Section 86(b)(1) of the Internal Revenue
232 Code, (xi) to the extent properly includable in gross income for federal
233 income tax purposes, any amount rebated to a taxpayer pursuant to
234 section 12-746, (xii) to the extent properly includable in the gross
235 income for federal income tax purposes of a designated beneficiary,
236 any distribution to such beneficiary from any qualified state tuition
237 program, as defined in Section 529(b) of the Internal Revenue Code,
238 established and maintained by this state or any official, agency or
239 instrumentality of the state, (xiii) to the extent allowable under section
240 12-701a, contributions to accounts established pursuant to any
241 qualified state tuition program, as defined in Section 529(b) of the
242 Internal Revenue Code, established and maintained by this state or
243 any official, agency or instrumentality of the state, (xiv) to the extent
244 properly includable in gross income for federal income tax purposes,

245 the amount of any Holocaust victims' settlement payment received in
246 the taxable year by a Holocaust victim, (xv) to the extent properly
247 includable in gross income for federal income tax purposes of an
248 account holder, as defined in section 31-51ww, interest earned on
249 funds deposited in the individual development account, as defined in
250 section 31-51ww, of such account holder, (xvi) to the extent properly
251 includable in the gross income for federal income tax purposes of a
252 designated beneficiary, as defined in section 1 of this act, interest
253 earned on contributions to accounts established for the designated
254 beneficiary pursuant to the Connecticut Homecare Option Program for
255 the Elderly established by sections 1 to 6, inclusive, of this act, and
256 [(xvi)] (xvii) to the extent properly included in gross income for federal
257 income tax purposes, fifty per cent of the income received from the
258 United States government as retirement pay for a retired member of (I)
259 the Armed Forces of the United States, as defined in Section 101 of
260 Title 10 of the United States Code, or (II) the National Guard, as
261 defined in Section 101 of Title 10 of the United States Code."