



General Assembly

February Session, 2008

Committee Bill No. 5442

LCO No. 2210

* HB05442VA_PH_030408 *

Referred to Committee on Select Committee on Veterans' Affairs

Introduced by:
(VA)

AN ACT CONCERNING TRICARE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage and applicable to taxable years*
2 *commencing on or after January 1, 2008*):

3 (a) For the purposes of this section, "provider" means any licensed
4 health care professional, including individual practice associations.

5 (b) There shall be allowed a credit for all taxpayers against the tax
6 imposed under section 12-217 of the 2008 supplement to the general
7 statutes, in an amount equal to two thousand five hundred dollars for
8 a provider who joins TriCare network of preferred providers for the
9 first time.

10 (c) There shall be allowed a credit for all taxpayers against the tax
11 imposed under section 12-217 of the 2008 supplement to the general
12 statutes, in an annual amount of one thousand dollars for providers
13 who actively participate in TriCare network of preferred providers.

14 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
15 section 12-701 of the 2008 supplement to the general statutes is

16 repealed and the following is substituted in lieu thereof (*Effective from*
17 *passage and applicable to taxable years commencing on or after January 1,*
18 *2008*):

19 (B) There shall be subtracted therefrom (i) to the extent properly
20 includable in gross income for federal income tax purposes, any
21 income with respect to which taxation by any state is prohibited by
22 federal law, (ii) to the extent allowable under section 12-718, exempt
23 dividends paid by a regulated investment company, (iii) the amount of
24 any refund or credit for overpayment of income taxes imposed by this
25 state, or any other state of the United States or a political subdivision
26 thereof, or the District of Columbia, to the extent properly includable
27 in gross income for federal income tax purposes, (iv) to the extent
28 properly includable in gross income for federal income tax purposes
29 and not otherwise subtracted from federal adjusted gross income
30 pursuant to clause (x) of this subparagraph in computing Connecticut
31 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
32 extent any additional allowance for depreciation under Section 168(k)
33 of the Internal Revenue Code, as provided by Section 101 of the Job
34 Creation and Worker Assistance Act of 2002, for property placed in
35 service after December 31, 2001, but prior to September 10, 2004, was
36 added to federal adjusted gross income pursuant to subparagraph
37 (A)(ix) of this subdivision in computing Connecticut adjusted gross
38 income for a taxable year ending after December 31, 2001, twenty-five
39 per cent of such additional allowance for depreciation in each of the
40 four succeeding taxable years, (vi) to the extent properly includable in
41 gross income for federal income tax purposes, any interest income
42 from obligations issued by or on behalf of the state of Connecticut, any
43 political subdivision thereof, or public instrumentality, state or local
44 authority, district or similar public entity created under the laws of the
45 state of Connecticut, (vii) to the extent properly includable in
46 determining the net gain or loss from the sale or other disposition of
47 capital assets for federal income tax purposes, any gain from the sale
48 or exchange of obligations issued by or on behalf of the state of
49 Connecticut, any political subdivision thereof, or public

50 instrumentality, state or local authority, district or similar public entity
51 created under the laws of the state of Connecticut, in the income year
52 such gain was recognized, (viii) any interest on indebtedness incurred
53 or continued to purchase or carry obligations or securities the interest
54 on which is subject to tax under this chapter but exempt from federal
55 income tax, to the extent that such interest on indebtedness is not
56 deductible in determining federal adjusted gross income and is
57 attributable to a trade or business carried on by such individual, (ix)
58 ordinary and necessary expenses paid or incurred during the taxable
59 year for the production or collection of income which is subject to
60 taxation under this chapter but exempt from federal income tax, or the
61 management, conservation or maintenance of property held for the
62 production of such income, and the amortizable bond premium for the
63 taxable year on any bond the interest on which is subject to tax under
64 this chapter but exempt from federal income tax, to the extent that
65 such expenses and premiums are not deductible in determining federal
66 adjusted gross income and are attributable to a trade or business
67 carried on by such individual, (x) (I) for a person who files a return
68 under the federal income tax as an unmarried individual whose
69 federal adjusted gross income for such taxable year is less than fifty
70 thousand dollars, or as a married individual filing separately whose
71 federal adjusted gross income for such taxable year is less than fifty
72 thousand dollars, or for a husband and wife who file a return under
73 the federal income tax as married individuals filing jointly whose
74 federal adjusted gross income for such taxable year is less than sixty
75 thousand dollars or a person who files a return under the federal
76 income tax as a head of household whose federal adjusted gross
77 income for such taxable year is less than sixty thousand dollars, an
78 amount equal to the Social Security benefits includable for federal
79 income tax purposes; and (II) for a person who files a return under the
80 federal income tax as an unmarried individual whose federal adjusted
81 gross income for such taxable year is fifty thousand dollars or more, or
82 as a married individual filing separately whose federal adjusted gross
83 income for such taxable year is fifty thousand dollars or more, or for a
84 husband and wife who file a return under the federal income tax as

85 married individuals filing jointly whose federal adjusted gross income
86 from such taxable year is sixty thousand dollars or more or for a
87 person who files a return under the federal income tax as a head of
88 household whose federal adjusted gross income for such taxable year
89 is sixty thousand dollars or more, an amount equal to the difference
90 between the amount of Social Security benefits includable for federal
91 income tax purposes and the lesser of twenty-five per cent of the Social
92 Security benefits received during the taxable year, or twenty-five per
93 cent of the excess described in Section 86(b)(1) of the Internal Revenue
94 Code, (xi) to the extent properly includable in gross income for federal
95 income tax purposes, any amount rebated to a taxpayer pursuant to
96 section 12-746, (xii) to the extent properly includable in the gross
97 income for federal income tax purposes of a designated beneficiary,
98 any distribution to such beneficiary from any qualified state tuition
99 program, as defined in Section 529(b) of the Internal Revenue Code,
100 established and maintained by this state or any official, agency or
101 instrumentality of the state, (xiii) to the extent allowable under section
102 12-701a, contributions to accounts established pursuant to any
103 qualified state tuition program, as defined in Section 529(b) of the
104 Internal Revenue Code, established and maintained by this state or
105 any official, agency or instrumentality of the state, (xiv) to the extent
106 properly includable in gross income for federal income tax purposes,
107 the amount of any Holocaust victims' settlement payment received in
108 the taxable year by a Holocaust victim, (xv) to the extent properly
109 includable in gross income for federal income tax purposes of an
110 account holder, as defined in section 31-51ww, interest earned on
111 funds deposited in the individual development account, as defined in
112 section 31-51ww, of such account holder, (xvi) to the extent properly
113 includable in the gross income for federal income tax purposes of a
114 designated beneficiary, as defined in section 3-123aa of the 2008
115 supplement to the general statutes, interest earned on contributions to
116 accounts established for the designated beneficiary pursuant to the
117 Connecticut Homecare Option Program for the Elderly established by
118 sections 3-123aa to 3-123ff, inclusive, of the 2008 supplement to the
119 general statutes, [and] (xvii) to the extent properly included in gross

120 income for federal income tax purposes, fifty per cent of the income
 121 received from the United States government as retirement pay for a
 122 retired member of (I) the Armed Forces of the United States, as defined
 123 in Section 101 of Title 10 of the United States Code, or (II) the National
 124 Guard, as defined in Section 101 of Title 10 of the United States Code,
 125 and (xviii) to the extent properly included in gross income for federal
 126 income tax purposes, an amount equal to any payments received for
 127 services rendered by any provider for the first two years of
 128 participation in the network of preferred providers in TriCare.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage and applicable to taxable years commencing on or after January 1, 2008</i> | New section |
| Sec. 2 | <i>from passage and applicable to taxable years commencing on or after January 1, 2008</i> | 12-701(a)(20)(B) |

VA

Joint Favorable C/R

PH