



General Assembly

February Session, 2008

Substitute Bill No. 5442

* HB05442PH_FIN031008 *

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 chapter 208 of the general statutes, in an amount equal
7 to two thousand five hundred dollars for a provider who joins TriCare
8 network of preferred providers for the first time.

9 (c) There shall be allowed a credit for all taxpayers against the tax
10 imposed under chapter 208 of the general statutes, in an annual
11 amount of one thousand dollars for providers who actively participate
12 in TriCare network of preferred providers.

13 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
14 section 12-701 of the 2008 supplement to the general statutes is
15 repealed and the following is substituted in lieu thereof (*Effective from*
16 *passage and applicable to taxable years commencing on or after January 1,*
17 *2008*):

18 (B) There shall be subtracted therefrom (i) to the extent properly

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

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

89 between the amount of Social Security benefits includable for federal
90 income tax purposes and the lesser of twenty-five per cent of the Social
91 Security benefits received during the taxable year, or twenty-five per
92 cent of the excess described in Section 86(b)(1) of the Internal Revenue
93 Code, (xi) to the extent properly includable in gross income for federal
94 income tax purposes, any amount rebated to a taxpayer pursuant to
95 section 12-746, (xii) to the extent properly includable in the gross
96 income for federal income tax purposes of a designated beneficiary,
97 any distribution to such beneficiary from any qualified state tuition
98 program, as defined in Section 529(b) of the Internal Revenue Code,
99 established and maintained by this state or any official, agency or
100 instrumentality of the state, (xiii) to the extent allowable under section
101 12-701a, contributions to accounts established pursuant to any
102 qualified state tuition program, as defined in Section 529(b) of the
103 Internal Revenue Code, established and maintained by this state or
104 any official, agency or instrumentality of the state, (xiv) to the extent
105 properly includable in gross income for federal income tax purposes,
106 the amount of any Holocaust victims' settlement payment received in
107 the taxable year by a Holocaust victim, (xv) to the extent properly
108 includable in gross income for federal income tax purposes of an
109 account holder, as defined in section 31-51ww, interest earned on
110 funds deposited in the individual development account, as defined in
111 section 31-51ww, of such account holder, (xvi) to the extent properly
112 includable in the gross income for federal income tax purposes of a
113 designated beneficiary, as defined in section 3-123aa of the 2008
114 supplement to the general statutes, interest earned on contributions to
115 accounts established for the designated beneficiary pursuant to the
116 Connecticut Homecare Option Program for the Elderly established by
117 sections 3-123aa to 3-123ff, inclusive, [and] (xvii) to the extent properly
118 included in gross income for federal income tax purposes, fifty per
119 cent of the income received from the United States government as
120 retirement pay for a retired member of (I) the Armed Forces of the
121 United States, as defined in Section 101 of Title 10 of the United States
122 Code, or (II) the National Guard, as defined in Section 101 of Title 10 of
123 the United States Code, and (xviii) to the extent properly included in

