



House Bill No. 7101

December Special Session, Public Act No. 09-2

AN ACT CONCERNING THE ESTATE AND GIFT TAX.

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

Section 1. Subsection (g) of section 12-391 of the general statutes, as amended by section 116 of public act 09-3 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective January 1, 2010, and applicable to estates of decedents who die on or after said date*):

(g) (1) With respect to the estates of decedents dying on or after January 1, 2005, but prior to January 1, 2010, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

Amount of Connecticut Taxable Estate	Rate of Tax
Not over \$2,000,000	None
Over \$2,000,000 but not over \$2,100,000	5.085% of the excess over \$0
Over \$2,100,000 but not over \$2,600,000	\$106,800 plus 8% of the excess over \$2,100,000
Over \$2,600,000 but not over \$3,100,000	\$146,800 plus 8.8% of the excess over \$2,600,000
Over \$3,100,000 but not over \$3,600,000	\$190,800 plus 9.6% of the excess over \$3,100,000
Over \$3,600,000 but not over \$4,100,000	\$238,800 plus 10.4% of the excess over \$3,600,000
Over \$4,100,000 but not over \$5,100,000	\$290,800 plus 11.2% of the excess over \$4,100,000
Over \$5,100,000 but not over \$6,100,000	\$402,800 plus 12% of the excess over \$5,100,000

Over \$6,100,000 but not over \$7,100,000	\$522,800 plus 12.8% of the excess over \$6,100,000
Over \$7,100,000 but not over \$8,100,000	\$650,800 plus 13.6% of the excess over \$7,100,000
Over \$8,100,000 but not over \$9,100,000	\$786,800 plus 14.4% of the excess over \$8,100,000
Over \$9,100,000 but not over \$10,100,000	\$930,800 plus 15.2% of the excess over \$9,100,000
Over \$10,100,000	\$1,082,800 plus 16% of the excess over \$10,100,000

(2) With respect to the estates of decedents dying on or after January 1, 2010, but prior to January 1, 2012, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<u>Amount of Connecticut Taxable Estate</u>	<u>Rate of Tax</u>
<u>Not over \$2,000,000</u>	<u>None</u>
<u>Over \$2,000,000 but not over \$2,100,000</u>	<u>8.0% of the excess over \$2,000,000</u>
<u>Over \$2,100,000 but not over \$2,600,000</u>	<u>\$8,000 plus 9.6% of the excess over \$2,100,000</u>
<u>Over \$2,600,000 but not over \$3,100,000</u>	<u>\$56,000 plus 11.2% of the excess over \$2,600,000</u>
<u>Over \$3,100,000 but not over \$3,600,000</u>	<u>\$112,000 plus 12.8% of the excess over \$3,100,000</u>
<u>Over \$3,600,000 but not over \$4,100,000</u>	<u>\$176,000 plus 13.6% of the excess over \$3,600,000</u>
<u>Over \$4,100,000 but not over \$5,100,000</u>	<u>\$244,000 plus 14.4% of the excess over \$4,100,000</u>
<u>Over \$5,100,000 but not over \$6,100,000</u>	<u>\$388,000 plus 15.2% of the excess over \$5,100,000</u>
<u>Over \$6,100,000 but not over \$7,100,000</u>	<u>\$540,000 plus 16.0% of the excess over \$6,100,000</u>
<u>Over \$7,100,000 but not over \$8,100,000</u>	<u>\$700,000 plus 16.8% of the excess over \$7,100,000</u>
<u>Over \$8,100,000 but not over \$9,100,000</u>	<u>\$868,000 plus 17.2% of the excess over \$8,100,000</u>
<u>Over \$9,100,000</u>	<u>\$1,040,000 plus 17.6% of the</u>

<u>but not over \$10,100,000</u>	<u>excess over \$9,100,000</u>
<u>Over \$10,100,000</u>	<u>\$1,216,000 plus 18.0% of the</u>
-	<u>excess over \$10,100,000</u>

[(2)] (3) With respect to the estates of decedents dying on or after January 1, [2010] 2012, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

Amount of Connecticut Taxable Estate	Rate of Tax
Not over \$3,500,000	None
Over \$3,500,000 but not over \$3,600,000	7.2% of the excess over \$3,500,000
Over \$3,600,000 but not over \$4,100,000	\$7,200 plus 7.8% of the excess over \$3,600,000
Over \$4,100,000 but not over \$5,100,000	\$46,200 plus 8.4% of the excess over \$4,100,000
Over \$5,100,000 but not over \$6,100,000	\$130,200 plus 9.0% of the excess over \$5,100,000
Over \$6,100,000 but not over \$7,100,000	\$220,200 plus 9.6% of the excess over \$6,100,000
Over \$7,100,000 but not over \$8,100,000	\$316,200 plus 10.2% of the excess over \$7,100,000
Over \$8,100,000 but not over \$9,100,000	\$418,200 plus 10.8% of the excess over \$8,100,000
Over \$9,100,000 but not over \$10,100,000	\$526,200 plus 11.4% of the excess over \$9,100,000
Over \$10,100,000	\$640,200 plus 12% of the excess over \$10,100,000
-	-

Sec. 2. Subsection (a) of section 12-642 of the general statutes, as amended by section 118 of public act 09-3 of the June special session and section 12 of public act 09-8 of the September special session, is repealed and the following is substituted in lieu thereof (*Effective January 1, 2010*):

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

Amount of Taxable Gifts	Rate of Tax
Not over \$25,000	1%
Over \$25,000 but not over \$50,000	\$250, plus 2% of the excess over \$25,000
Over \$50,000 but not over \$75,000	\$750, plus 3% of the excess over \$50,000
Over \$75,000 but not over \$100,000	\$1,500, plus 4% of the excess over \$75,000
Over \$100,000 but not over \$200,000	\$2,500, plus 5% of the excess over \$100,000
Over \$200,000	\$7,500, plus 6% of the excess over \$200,000

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

Amount of Taxable Gifts	Rate of Tax
Over \$25,000 but not over \$50,000	\$250, plus 2% of the excess over \$25,000
Over \$50,000 but not over \$75,000	\$750, plus 3% of the excess over \$50,000
Over \$75,000 but not over \$100,000	\$1,500, plus 4% of the excess over \$75,000
Over \$100,000 but not over \$675,000	\$2,500, plus 5% of the excess over \$100,000
Over \$675,000	\$31,250, plus 6% of the excess over \$675,000

(3) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2005, but prior to January 1, 2010, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, but prior to January 1, 2010, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule,

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

Amount of Taxable Gifts	Rate of Tax
Not over \$2,000,000	None
Over \$2,000,000 but not over \$2,100,000	5.085% of the excess over \$0
Over \$2,100,000 but not over \$2,600,000	\$106,800 plus 8% of the excess over \$2,100,000
Over \$2,600,000 but not over \$3,100,000	\$146,800 plus 8.8% of the excess over \$2,600,000
Over \$3,100,000 but not over \$3,600,000	\$190,800 plus 9.6% of the excess over \$3,100,000
Over \$3,600,000 but not over \$4,100,000	\$238,800 plus 10.4% of the excess over \$3,600,000
Over \$4,100,000 but not over \$5,100,000	\$290,800 plus 11.2% of the excess over \$4,100,000
Over \$5,100,000 but not over \$6,100,000	\$402,800 plus 12% of the excess over \$5,100,000
Over \$6,100,000 but not over \$7,100,000	\$522,800 plus 12.8% of the excess over \$6,100,000
Over \$7,100,000 but not over \$8,100,000	\$650,800 plus 13.6% of the excess over \$7,100,000
Over \$8,100,000 but not over \$9,100,000	\$786,800 plus 14.4% of the excess over \$8,100,000
Over \$9,100,000 but not over \$10,100,000	\$930,800 plus 15.2% of the excess over \$9,100,000
Over \$10,100,000	\$1,082,800 plus 16% of the excess over \$10,100,000

(4) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2010, but prior to January 1, 2012, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
<u>Not over \$2,000,000</u>	<u>None</u>
<u>Over \$2,000,000</u> <u>but not over \$2,100,000</u>	<u>8.0% of the excess over</u> <u>\$2,000,000</u>
<u>Over \$2,100,000</u> <u>but not over \$2,600,000</u>	<u>\$8,000 plus 9.6% of the excess</u> <u>over \$2,100,000</u>
<u>Over \$2,600,000</u> <u>but not over \$3,100,000</u>	<u>\$56,000 plus 11.2% of the</u> <u>excess over \$2,600,000</u>
<u>Over \$3,100,000</u> <u>but not over \$3,600,000</u>	<u>\$112,000 plus 12.8% of the</u> <u>excess over \$3,100,000</u>
<u>Over \$3,600,000</u> <u>but not over \$4,100,000</u>	<u>\$176,000 plus 13.6% of the</u> <u>excess over \$3,600,000</u>
<u>Over \$4,100,000</u> <u>but not over \$5,100,000</u>	<u>\$244,000 plus 14.4% of the</u> <u>excess over \$4,100,000</u>
<u>Over \$5,100,000</u> <u>but not over \$6,100,000</u>	<u>\$388,000 plus 15.2% of the</u> <u>excess over \$5,100,000</u>
<u>Over \$6,100,000</u> <u>but not over \$7,100,000</u>	<u>\$540,000 plus 16.0% of the</u> <u>excess over \$6,100,000</u>
<u>Over \$7,100,000</u> <u>but not over \$8,100,000</u>	<u>\$700,000 plus 16.8% of the</u> <u>excess over \$7,100,000</u>
<u>Over \$8,100,000</u> <u>but not over \$9,100,000</u>	<u>\$868,000 plus 17.2% of the</u> <u>excess over \$8,100,000</u>
<u>Over \$9,100,000</u> <u>but not over \$10,100,000</u>	<u>\$1,040,000 plus 17.6% of the</u> <u>excess over \$9,100,000</u>
<u>Over \$10,100,000</u>	<u>\$1,216,000 plus 18.0% of the</u> <u>excess over \$10,100,000</u>

[(4)] (5) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, [2010] 2012, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3) or (4) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

Amount of Taxable Gifts	Rate of Tax
-------------------------	-------------

Not over \$3,500,000	None
Over \$3,500,000 but not over \$3,600,000	7.2% of the excess over \$3,500,000
Over \$3,600,000 but not over \$4,100,000	\$7,200 plus 7.8% of the excess over \$3,600,000
Over \$4,100,000 but not over \$5,100,000	\$46,200 plus 8.4% of the excess over \$4,100,000
Over \$5,100,000 but not over \$6,100,000	\$130,200 plus 9.0% of the excess over \$5,100,000
Over \$6,100,000 but not over \$7,100,000	\$220,200 plus 9.6% of the excess over \$6,100,000
Over \$7,100,000 but not over \$8,100,000	\$316,200 plus 10.2% of the excess over \$7,100,000
Over \$8,100,000 but not over \$9,100,000	\$418,200 plus 10.8% of the excess over \$8,100,000
Over \$9,100,000 but not over \$10,100,000	\$526,200 plus 11.4% of the excess over \$9,100,000
Over \$10,100,000	\$640,200 plus 12% of the excess over \$10,100,000
-	

Sec. 3. Subparagraph (C) of subdivision (3) of subsection (b) of section 12-392 of the general statutes, as amended by section 10 of public act 09-8 of the September special session, is repealed and the following is substituted in lieu thereof (*Effective from passage, and applicable to estates of decedents dying on or after January 1, 2010*):

(C) A tax return shall be filed, in the case of every decedent who dies on or after January 1, [2010] 2012, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state. If the decedent's Connecticut taxable estate is over three million five hundred thousand dollars, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is three million five hundred thousand

dollars or less, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

Sec. 4. Subsection (e) of section 12-398 of the general statutes, as amended by section 11 of public act 09-8 of the September special session, is repealed and the following is substituted in lieu thereof (*Effective from passage, and applicable to estates of decedents dying on or after January 1, 2010*):

(e) Any person shall be entitled to a certificate of release of lien with respect to the interest of the decedent in such real property, if either the court of probate for the district within which the decedent resided at the date of his death or, if the decedent died a nonresident of this state, for the district within which real estate or tangible personal property of the decedent is situated, or the Commissioner of Revenue Services finds, upon evidence satisfactory to said court or said commissioner, as the case may be, that payment of the tax imposed under this chapter with respect to the interest of the decedent in such real property is adequately assured, or that no tax imposed under this chapter is due. If the decedent died prior to January 1, 2010, and such decedent's Connecticut taxable estate is two million dollars or less, or if the decedent died on or after January 1, [2010] 2012, and such decedent's Connecticut taxable estate is three million five hundred thousand dollars or less, the certificate of release of lien shall be issued by the court of probate. Such certificate may be recorded in the office of the town clerk of the town within which such real property is situated, and it shall be conclusive proof that such real property has been released from the operation of such lien. The commissioner may adopt regulations in accordance with the provisions of chapter 54 that establish procedures to be followed by a court of probate or by said commissioner, as the case may be, for issuing certificates of release of lien, and that establish the requirements and conditions that must be

satisfied in order for a court of probate or for the commissioner, as the case may be, to find that the payment of such tax is adequately assured or that no tax imposed under this chapter is due.

Sec. 5. Section 73 of public act 09-3 of the June special session, as amended by section 42 of public act 09-8 of the September special session, is amended to read as follows (*Effective from passage*):

(a) (1) Notwithstanding the provisions of section 4-30a of the general statutes, the State Treasurer shall, on [the effective date of this section] October 5, 2009, transfer the sum of one billion thirty-nine million seven hundred thousand dollars from the Budget Reserve Fund to the resources of the General Fund to be used as revenue for the fiscal year ending June 30, 2010.

(2) Notwithstanding the provisions of section 4-30a of the general statutes, the State Treasurer shall, on the effective date of this section, transfer the sum of seventy million three hundred thousand dollars from the Budget Reserve Fund to the resources of the General Fund to be used as revenue for the fiscal year ending June 30, 2010.

(b) Notwithstanding the provisions of section 4-30a of the general statutes, the State Treasurer shall, on July 1, 2010, transfer the sum of [three hundred forty-two million] two hundred seventy-one million seven hundred thousand dollars from the Budget Reserve Fund to the resources of the General Fund to be used as revenue for the fiscal year ending June 30, 2011.

Vetoed December 28, 2009