



General Assembly

January Session, 2009

**Raised Bill No. 933**

LCO No. 3523

\*03523\_\_\_\_\_FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

**AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATIONS ON REVENUE.**

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

1 Section 1. Section 12-407e of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 [From] (a) Except as otherwise provided in subsection (b) of this  
4 section, from the third Sunday in August until the Saturday next  
5 succeeding, inclusive, the provisions of this chapter shall not apply to  
6 sales of any article of clothing or footwear intended to be worn on or  
7 about the human body the cost of which article to the purchaser is less  
8 than three hundred dollars. For purposes of this section, clothing or  
9 footwear shall not include (1) any special clothing or footwear  
10 primarily designed for athletic activity or protective use and which is  
11 not normally worn except when used for the athletic activity or  
12 protective use for which it was designed, and (2) jewelry, handbags,  
13 luggage, umbrellas, wallets, watches and similar items carried on or  
14 about the human body but not worn on the body in the manner  
15 characteristic of clothing intended for exemption under this section.

16        (b) The provisions of subsection (a) of this section shall not apply to  
17        sales of articles described in said subsection (a) from the third Sunday  
18        in August until the Saturday next succeeding during the calendar  
19        years 2009 and 2010.

20        Sec. 2. Subsection (b) of section 10-416a of the general statutes is  
21        repealed and the following is substituted in lieu thereof (*Effective from*  
22        *passage and applicable to income years commencing on or after January 1,*  
23        *2009*):

24        (b) (1) The commission shall administer a system of tax credit  
25        vouchers within the resources, requirements and purposes of this  
26        section for owners rehabilitating certified historic structures.

27        (2) [The] Except as provided in subdivision (4) of this subsection, the  
28        credit authorized by this section shall be available in the tax year in  
29        which the substantially rehabilitated certified historic structure is  
30        placed in service. In the case of projects completed in phases, the tax  
31        credit shall be prorated to the substantially rehabilitated identifiable  
32        portion of the building placed in service. If the tax credit is more than  
33        the amount owed by the taxpayer for the year in which the  
34        substantially rehabilitated certified historic structure is placed in  
35        service, the amount that is more than the taxpayer's tax liability may be  
36        carried forward and credited against the taxes imposed for the  
37        succeeding five years or until the full credit is used, whichever occurs  
38        first.

39        (3) Any credits allowed under this section that are provided to  
40        multiple owners of certified historic structures shall be passed through  
41        to persons designated as partners, members or owners, pro rata or  
42        pursuant to an agreement among such persons designated as partners,  
43        members or owners documenting an alternative distribution method  
44        without regard to other tax or economic attributes of such entity. Any  
45        owner entitled to a credit under this section may assign, transfer or  
46        convey the credits, in whole or in part, by sale or otherwise to any  
47        individual or entity and such transferee shall be entitled to offset the

48 tax imposed under chapter 207, 208, 209, 210, 211 or 212 as if such  
49 transferee had incurred the qualified rehabilitation expenditure.

50 (4) (A) If the credit authorized by this section is first available in an  
51 income year commencing on or after January 1, 2009, but prior to  
52 January 1, 2011, the credit shall not be applied against any tax imposed  
53 under chapter 207, 208, 209, 210, 211 or 212 for such income year, but  
54 shall be deemed to be first available in the income year commencing  
55 on or after January 1, 2011, and may be carried forward to the five  
56 succeeding income years.

57 (B) Any carryforward of a credit authorized by this section shall not  
58 be applied against any tax imposed under chapter 207, 208, 209, 210,  
59 211 or 212 for income years commencing during 2009 and 2010. The  
60 five-year carryforward permitted under subdivision (2) of this  
61 subsection shall be determined by disregarding the income years  
62 commencing on or after January 1, 2009, but prior to January 1, 2011.

63 Sec. 3. Subsection (b) of section 10-416b of the general statutes is  
64 repealed and the following is substituted in lieu thereof (*Effective from*  
65 *passage and applicable to income years commencing on or after January 1,*  
66 *2009*):

67 (b) (1) The commission shall administer a system of tax credit  
68 vouchers within the resources, requirements and purposes of this  
69 section for owners rehabilitating certified historic structures.

70 (2) [The] Except as provided in subdivision (4) of this subsection, the  
71 credit authorized by this section shall be available in the tax year in  
72 which the substantially rehabilitated certified historic structure is  
73 placed in service. In the case of projects completed in phases, the tax  
74 credit shall be prorated to the substantially rehabilitated identifiable  
75 portion of the building placed in service. If the tax credit is more than  
76 the amount owed by the taxpayer for the year in which the  
77 substantially rehabilitated certified historic structure is placed in  
78 service, the amount that is more than the taxpayer's tax liability may be

79 carried forward and credited against the taxes imposed for the  
80 succeeding five years or until the full credit is used, whichever occurs  
81 first.

82 (3) Any credits allowed under this section that are provided to  
83 multiple owners of certified historic structures shall be passed through  
84 to persons designated as partners, members or owners, pro rata or  
85 pursuant to an agreement among such persons designated as partners,  
86 members or owners documenting an alternative distribution method  
87 without regard to other tax or economic attributes of such entity. Any  
88 owner entitled to a credit under this section may assign, transfer or  
89 convey the credits, in whole or in part, by sale or otherwise to any  
90 individual or entity and such transferee shall be entitled to offset the  
91 tax imposed under chapter 207, 208, 209, 210, 211 or 212 as if such  
92 transferee had incurred the qualified rehabilitation expenditure.

93 (4) (A) If the credit authorized by this section is first available in an  
94 income year commencing on or after January 1, 2009, but prior to  
95 January 1, 2011, the credit shall not be applied against any tax imposed  
96 under chapter 207, 208, 209, 210, 211 or 212 for such income year, but  
97 shall be deemed to be first available in the income year commencing  
98 on or after January 1, 2011, and may be carried forward to the five  
99 succeeding income years.

100 (B) Any carryforward of a credit authorized by this section shall not  
101 be applied against any tax imposed under chapter 207, 208, 209, 210,  
102 211 or 212 for income years commencing during 2009 and 2010. The  
103 five-year carryforward permitted under subdivision (2) of this  
104 subsection shall be determined by disregarding the income years  
105 commencing on or after January 1, 2009, but prior to January 1, 2011.

106 Sec. 4. Subsection (a) of section 12-702 of the general statutes is  
107 repealed and the following is substituted in lieu thereof (*Effective from*  
108 *passage and applicable to taxable years commencing on or after January 1,*  
109 *2009*):

110 (a) (1) (A) Any person, other than a trust or estate, subject to the tax  
111 under this chapter for any taxable year who files under the federal  
112 income tax for such taxable year as a married individual filing  
113 separately or, for taxable years commencing prior to January 1, 2000,  
114 who files income tax for such taxable year as an unmarried individual  
115 shall be entitled to a personal exemption of twelve thousand dollars in  
116 determining Connecticut taxable income for purposes of this chapter.

117 (B) In the case of any such taxpayer whose Connecticut adjusted  
118 gross income for the taxable year exceeds twenty-four thousand  
119 dollars, the exemption amount shall be reduced by one thousand  
120 dollars for each one thousand dollars, or fraction thereof, by which the  
121 taxpayer's Connecticut adjusted gross income for the taxable year  
122 exceeds said amount. In no event shall the reduction exceed one  
123 hundred per cent of the exemption.

124 (2) For taxable years commencing on or after January 1, 2000, any  
125 person, other than a trust or estate, subject to the tax under this chapter  
126 for any taxable year who files under the federal income tax for such  
127 taxable year as an unmarried individual shall be entitled to a personal  
128 exemption in determining Connecticut taxable income for purposes of  
129 this chapter as follows:

130 (A) For taxable years commencing on or after January 1, 2000, but  
131 prior to January 1, 2001, twelve thousand two hundred fifty dollars. In  
132 the case of any such taxpayer whose Connecticut adjusted gross  
133 income for the taxable year exceeds twenty-four thousand five  
134 hundred dollars, the exemption amount shall be reduced by one  
135 thousand dollars for each one thousand dollars, or fraction thereof, by  
136 which the taxpayer's Connecticut adjusted gross income for the taxable  
137 year exceeds said amount. In no event shall the reduction exceed one  
138 hundred per cent of the exemption;

139 (B) For taxable years commencing on or after January 1, 2001, but  
140 prior to January 1, 2004, twelve thousand five hundred dollars. In the  
141 case of any such taxpayer whose Connecticut adjusted gross income

142 for the taxable year exceeds twenty-five thousand dollars, the  
143 exemption amount shall be reduced by one thousand dollars for each  
144 one thousand dollars, or fraction thereof, by which the taxpayer's  
145 Connecticut adjusted gross income for the taxable year exceeds said  
146 amount. In no event shall the reduction exceed one hundred per cent  
147 of the exemption;

148 (C) For taxable years commencing on or after January 1, 2004, but  
149 prior to January 1, 2007, twelve thousand six hundred twenty-five  
150 dollars. In the case of any such taxpayer whose Connecticut adjusted  
151 gross income for the taxable year exceeds twenty-five thousand two  
152 hundred fifty dollars, the exemption amount shall be reduced by one  
153 thousand dollars for each one thousand dollars, or fraction thereof, by  
154 which the taxpayer's Connecticut adjusted gross income for the taxable  
155 year exceeds said amount. In no event shall the reduction exceed one  
156 hundred per cent of the exemption;

157 (D) For taxable years commencing on or after January 1, 2007, but  
158 prior to January 1, 2008, twelve thousand seven hundred fifty dollars.  
159 In the case of any such taxpayer whose Connecticut adjusted gross  
160 income for the taxable year exceeds twenty-five thousand five hundred  
161 dollars, the exemption amount shall be reduced by one thousand  
162 dollars for each one thousand dollars, or fraction thereof, by which the  
163 taxpayer's Connecticut adjusted gross income for the taxable year  
164 exceeds said amount. In no event shall the reduction exceed one  
165 hundred per cent of the exemption;

166 (E) For taxable years commencing on or after January 1, 2008, but  
167 prior to January 1, [2009] 2012, thirteen thousand dollars. In the case of  
168 any such taxpayer whose Connecticut adjusted gross income for the  
169 taxable year exceeds twenty-six thousand dollars, the exemption  
170 amount shall be reduced by one thousand dollars for each one  
171 thousand dollars, or fraction thereof, by which the taxpayer's  
172 Connecticut adjusted gross income for the taxable year exceeds said  
173 amount. In no event shall the reduction exceed one hundred per cent

174 of the exemption;

175 (F) For taxable years commencing on or after January 1, [2009] 2012,  
176 but prior to January 1, [2010] 2013, thirteen thousand five hundred  
177 dollars. In the case of any such taxpayer whose Connecticut adjusted  
178 gross income for the taxable year exceeds twenty-seven thousand  
179 dollars, the exemption amount shall be reduced by one thousand  
180 dollars for each one thousand dollars, or fraction thereof, by which the  
181 taxpayer's Connecticut adjusted gross income for the taxable year  
182 exceeds said amount. In no event shall the reduction exceed one  
183 hundred per cent of the exemption;

184 (G) For taxable years commencing on or after January 1, [2010] 2013,  
185 but prior to January 1, [2011] 2014, fourteen thousand dollars. In the  
186 case of any such taxpayer whose Connecticut adjusted gross income  
187 for the taxable year exceeds twenty-eight thousand dollars, the  
188 exemption amount shall be reduced by one thousand dollars for each  
189 one thousand dollars, or fraction thereof, by which the taxpayer's  
190 Connecticut adjusted gross income for the taxable year exceeds said  
191 amount. In no event shall the reduction exceed one hundred per cent  
192 of the exemption;

193 (H) For taxable years commencing on or after January 1, [2011] 2014,  
194 but prior to January 1, [2012] 2015, fourteen thousand five hundred  
195 dollars. In the case of any such taxpayer whose Connecticut adjusted  
196 gross income for the taxable year exceeds twenty-nine thousand  
197 dollars, the exemption amount shall be reduced by one thousand  
198 dollars for each one thousand dollars, or fraction thereof, by which the  
199 taxpayer's Connecticut adjusted gross income for the taxable year  
200 exceeds said amount. In no event shall the reduction exceed one  
201 hundred per cent of the exemption;

202 (I) For taxable years commencing on or after January 1, [2012] 2015,  
203 fifteen thousand dollars. In the case of any such taxpayer whose  
204 Connecticut adjusted gross income for the taxable year exceeds thirty  
205 thousand dollars, the exemption amount shall be reduced by one

206 thousand dollars for each one thousand dollars, or fraction thereof, by  
 207 which the taxpayer's Connecticut adjusted gross income for the taxable  
 208 year exceeds said amount. In no event shall the reduction exceed one  
 209 hundred per cent of the exemption.

210 Sec. 5. Subsection (a) of section 12-703 of the general statutes is  
 211 repealed and the following is substituted in lieu thereof (*Effective from*  
 212 *passage and applicable to taxable years commencing on or after January 1,*  
 213 *2009*):

214 (a) (1) Any person, other than a trust or estate, subject to the tax  
 215 under this chapter for any taxable year who files under the federal  
 216 income tax for such taxable year as a married individual filing  
 217 separately or for taxable years commencing prior to January 1, 2000,  
 218 who files under the federal income tax for such taxable year as an  
 219 unmarried individual shall be entitled to a credit in determining the  
 220 amount of tax liability for purposes of this chapter in accordance with  
 221 the following schedule:

T1	Connecticut	
T2	Adjusted Gross Income	Amount of Credit
T3	Over \$12,000 but	
T4	not over \$15,000	75%
T5	Over \$15,000 but	
T6	not over \$15,500	70%
T7	Over \$15,500 but	
T8	not over \$16,000	65%
T9	Over \$16,000 but	
T10	not over \$16,500	60%
T11	Over \$16,500 but	
T12	not over \$17,000	55%
T13	Over \$17,000 but	
T14	not over \$17,500	50%

T15	Over \$17,500 but	
T16	not over \$18,000	45%
T17	Over \$18,000 but	
T18	not over \$18,500	40%
T19	Over \$18,500 but	
T20	not over \$20,000	35%
T21	Over \$20,000 but	
T22	not over \$20,500	30%
T23	Over \$20,500 but	
T24	not over \$21,000	25%
T25	Over \$21,000 but	
T26	not over \$21,500	20%
T27	Over \$21,500 but	
T28	not over \$25,000	15%
T29	Over \$25,000 but	
T30	not over \$25,500	14%
T31	Over \$25,500 but	
T32	not over \$26,000	13%
T33	Over \$26,000 but	
T34	not over \$26,500	12%
T35	Over \$26,500 but	
T36	not over \$27,000	11%
T37	Over \$27,000 but	
T38	not over \$48,000	10%
T39	Over \$48,000 but	
T40	not over \$48,500	9%
T41	Over \$48,500 but	
T42	not over \$49,000	8%
T43	Over \$49,000 but	
T44	not over \$49,500	7%
T45	Over \$49,500 but	
T46	not over \$50,000	6%
T47	Over \$50,000 but	
T48	not over \$50,500	5%

T49	Over \$50,500 but	
T50	not over \$51,000	4%
T51	Over \$51,000 but	
T52	not over \$51,500	3%
T53	Over \$51,500 but	
T54	not over \$52,000	2%
T55	Over \$52,000 but	
T56	not over \$52,500	1%

222 (2) For taxable years commencing on or after January 1, 2000, any  
 223 person, other than a trust or estate, subject to the tax under this chapter  
 224 for any taxable year who files under the federal income tax for such  
 225 taxable year as an unmarried individual shall be entitled to a credit in  
 226 determining the amount of tax liability for purposes of this chapter in  
 227 accordance with the following schedule:

228 (A) For taxable years commencing on or after January 1, 2000, but  
 229 prior to January 1, 2001:

T57	Connecticut	
T58	Adjusted Gross Income	Amount of Credit
T59	Over \$12,250 but	
T60	not over \$15,300	75%
T61	Over \$15,300 but	
T62	not over \$15,800	70%
T63	Over \$15,800 but	
T64	not over \$16,300	65%
T65	Over \$16,300 but	
T66	not over \$16,800	60%
T67	Over \$16,800 but	
T68	not over \$17,300	55%
T69	Over \$17,300 but	

T70	not over \$17,800	50%
T71	Over \$17,800 but	
T72	not over \$18,300	45%
T73	Over \$18,300 but	
T74	not over \$18,800	40%
T75	Over \$18,800 but	
T76	not over \$20,400	35%
T77	Over \$20,400 but	
T78	not over \$20,900	30%
T79	Over \$20,900 but	
T80	not over \$21,400	25%
T81	Over \$21,400 but	
T82	not over \$21,900	20%
T83	Over \$21,900 but	
T84	not over \$25,500	15%
T85	Over \$25,500 but	
T86	not over \$26,000	14%
T87	Over \$26,000 but	
T88	not over \$26,500	13%
T89	Over \$26,500 but	
T90	not over \$27,000	12%
T91	Over \$27,000 but	
T92	not over \$27,500	11%
T93	Over \$27,500 but	
T94	not over \$49,000	10%
T95	Over \$49,000 but	
T96	not over \$49,500	9%
T97	Over \$49,500 but	
T98	not over \$50,000	8%
T99	Over \$50,000 but	
T100	not over \$50,500	7%
T101	Over \$50,500 but	
T102	not over \$51,000	6%
T103	Over \$51,000 but	

T104	not over \$51,500	5%
T105	Over \$51,500 but	
T106	not over \$52,000	4%
T107	Over \$52,000 but	
T108	not over \$52,500	3%
T109	Over \$52,500 but	
T110	not over \$53,000	2%
T111	Over \$53,000 but	
T112	not over \$53,500	1%

230 (B) For taxable years commencing on or after January 1, 2001, but  
231 prior to January 1, 2004:

T113	Connecticut	
T114	Adjusted Gross Income	Amount of Credit
T115	Over \$12,500 but	
T116	not over \$15,600	75%
T117	Over \$15,600 but	
T118	not over \$16,100	70%
T119	Over \$16,100 but	
T120	not over \$16,600	65%
T121	Over \$16,600 but	
T122	not over \$17,100	60%
T123	Over \$17,100 but	
T124	not over \$17,600	55%
T125	Over \$17,600 but	
T126	not over \$18,100	50%
T127	Over \$18,100 but	
T128	not over \$18,600	45%
T129	Over \$18,600 but	
T130	not over \$19,100	40%
T131	Over \$19,100 but	

T132	not over \$20,800	35%
T133	Over \$20,800 but	
T134	not over \$21,300	30%
T135	Over \$21,300 but	
T136	not over \$21,800	25%
T137	Over \$21,800 but	
T138	not over \$22,300	20%
T139	Over \$22,300 but	
T140	not over \$26,000	15%
T141	Over \$26,000 but	
T142	not over \$26,500	14%
T143	Over \$26,500 but	
T144	not over \$27,000	13%
T145	Over \$27,000 but	
T146	not over \$27,500	12%
T147	Over \$27,500 but	
T148	not over \$28,000	11%
T149	Over \$28,000 but	
T150	not over \$50,000	10%
T151	Over \$50,000 but	
T152	not over \$50,500	9%
T153	Over \$50,500 but	
T154	not over \$51,000	8%
T155	Over \$51,000 but	
T156	not over \$51,500	7%
T157	Over \$51,500 but	
T158	not over \$52,000	6%
T159	Over \$52,000 but	
T160	not over \$52,500	5%
T161	Over \$52,500 but	
T162	not over \$53,000	4%
T163	Over \$53,000 but	
T164	not over \$53,500	3%
T165	Over \$53,500 but	

T166	not over \$54,000	2%
T167	Over \$54,000 but	
T168	not over \$54,500	1%

232 (C) For taxable years commencing on or after January 1, 2004, but  
 233 prior to January 1, 2007:

	Connecticut	
T169	Adjusted Gross Income	Amount of Credit
T171	Over \$12,625 but	
T172	not over \$15,750	75%
T173	Over \$15,750 but	
T174	not over \$16,250	70%
T175	Over \$16,250 but	
T176	not over \$16,750	65%
T177	Over \$16,750 but	
T178	not over \$17,250	60%
T179	Over \$17,250 but	
T180	not over \$17,750	55%
T181	Over \$17,750 but	
T182	not over \$18,250	50%
T183	Over \$18,250 but	
T184	not over \$18,750	45%
T185	Over \$18,750 but	
T186	not over \$19,250	40%
T187	Over \$19,250 but	
T188	not over \$21,050	35%
T189	Over \$21,050 but	
T190	not over \$21,550	30%
T191	Over \$21,550 but	
T192	not over \$22,050	25%
T193	Over \$22,050 but	

T194	not over \$22,550	20%
T195	Over \$22,550 but	
T196	not over \$26,300	15%
T197	Over \$26,300 but	
T198	not over \$26,800	14%
T199	Over \$26,800 but	
T200	not over \$27,300	13%
T201	Over \$27,300 but	
T202	not over \$27,800	12%
T203	Over \$27,800 but	
T204	not over \$28,300	11%
T205	Over \$28,300 but	
T206	not over \$50,500	10%
T207	Over \$50,500 but	
T208	not over \$51,000	9%
T209	Over \$51,000 but	
T210	not over \$51,500	8%
T211	Over \$51,500 but	
T212	not over \$52,000	7%
T213	Over \$52,000 but	
T214	not over \$52,500	6%
T215	Over \$52,500 but	
T216	not over \$53,000	5%
T217	Over \$53,000 but	
T218	not over \$53,500	4%
T219	Over \$53,500 but	
T220	not over \$54,000	3%
T221	Over \$54,000 but	
T222	not over \$54,500	2%
T223	Over \$54,500 but	
T224	not over \$55,000	1%

234 (D) For taxable years commencing on or after January 1, 2007, but  
235 prior to January 1, 2008:

T225	Connecticut	
T226	Adjusted Gross Income	Amount of Credit
T227	Over \$12,750 but	
T228	not over \$15,900	75%
T229	Over \$15,900 but	
T230	not over \$16,400	70%
T231	Over \$16,400 but	
T232	not over \$16,900	65%
T233	Over \$16,900 but	
T234	not over \$17,400	60%
T235	Over \$17,400 but	
T236	not over \$17,900	55%
T237	Over \$17,900 but	
T238	not over \$18,400	50%
T239	Over \$18,400 but	
T240	not over \$18,900	45%
T241	Over \$18,900 but	
T242	not over \$19,400	40%
T243	Over \$19,400 but	
T244	not over \$21,300	35%
T245	Over \$21,300 but	
T246	not over \$21,800	30%
T247	Over \$21,800 but	
T248	not over \$22,300	25%
T249	Over \$22,300 but	
T250	not over \$22,800	20%
T251	Over \$22,800 but	
T252	not over \$26,600	15%
T253	Over \$26,600 but	
T254	not over \$27,100	14%
T255	Over \$27,100 but	
T256	not over \$27,600	13%

T257	Over \$27,600 but	
T258	not over \$28,100	12%
T259	Over \$28,100 but	
T260	not over \$28,600	11%
T261	Over \$28,600 but	
T262	not over \$51,000	10%
T263	Over \$51,000 but	
T264	not over \$51,500	9%
T265	Over \$51,500 but	
T266	not over \$52,000	8%
T267	Over \$52,000 but	
T268	not over \$52,500	7%
T269	Over \$52,500 but	
T270	not over \$53,000	6%
T271	Over \$53,000 but	
T272	not over \$53,500	5%
T273	Over \$53,500 but	
T274	not over \$54,000	4%
T275	Over \$54,000 but	
T276	not over \$54,500	3%
T277	Over \$54,500 but	
T278	not over \$55,000	2%
T279	Over \$55,000 but	
T280	not over \$55,500	1%

236 (E) For taxable years commencing on or after January 1, 2008, but  
 237 prior to January 1, [2009] 2012:

T281	Connecticut	
T282	Adjusted Gross Income	Amount of Credit
T283	Over \$13,000 but	
T284	not over \$16,300	75%

T285	Over \$16,300 but	
T286	not over \$16,800	70%
T287	Over \$16,800 but	
T288	not over \$17,300	65%
T289	Over \$17,300 but	
T290	not over \$17,800	60%
T291	Over \$17,800 but	
T292	not over \$18,300	55%
T293	Over \$18,300 but	
T294	not over \$18,800	50%
T295	Over \$18,800 but	
T296	not over \$19,300	45%
T297	Over \$19,300 but	
T298	not over \$19,800	40%
T299	Over \$19,800 but	
T300	not over \$21,700	35%
T301	Over \$21,700 but	
T302	not over \$22,200	30%
T303	Over \$22,200 but	
T304	not over \$22,700	25%
T305	Over \$22,700 but	
T306	not over \$23,200	20%
T307	Over \$23,200 but	
T308	not over \$27,100	15%
T309	Over \$27,100 but	
T310	not over \$27,600	14%
T311	Over \$27,600 but	
T312	not over \$28,100	13%
T313	Over \$28,100 but	
T314	not over \$28,600	12%
T315	Over \$28,600 but	
T316	not over \$29,100	11%
T317	Over \$29,100 but	
T318	not over \$52,000	10%

T319	Over \$52,000 but	
T320	not over \$52,500	9%
T321	Over \$52,500 but	
T322	not over \$53,000	8%
T323	Over \$53,000 but	
T324	not over \$53,500	7%
T325	Over \$53,500 but	
T326	not over \$54,000	6%
T327	Over \$54,000 but	
T328	not over \$54,500	5%
T329	Over \$54,500 but	
T330	not over \$55,000	4%
T331	Over \$55,000 but	
T332	not over \$55,500	3%
T333	Over \$55,500 but	
T334	not over \$56,000	2%
T335	Over \$56,000 but	
T336	not over \$56,500	1%

238 (F) For taxable years commencing on or after January 1, [2009] 2012,  
 239 but prior to January 1, [2010] 2013:

T337	Connecticut	
T338	Adjusted Gross Income	Amount Of Credit
T339	Over \$13,500 but	
T340	not over \$16,900	75%
T341	Over \$16,900 but	
T342	not over \$17,400	70%
T343	Over \$17,400 but	
T344	not over \$17,900	65%
T345	Over \$17,900 but	
T346	not over \$18,400	60%

T347	Over \$18,400 but	
T348	not over \$18,900	55%
T349	Over \$18,900 but	
T350	not over \$19,400	50%
T351	Over \$19,400 but	
T352	not over \$19,900	45%
T353	Over \$19,900 but	
T354	not over \$20,400	40%
T355	Over \$20,400 but	
T356	not over \$22,500	35%
T357	Over \$22,500 but	
T358	not over \$23,000	30%
T359	Over \$23,000 but	
T360	not over \$23,500	25%
T361	Over \$23,500 but	
T362	not over \$24,000	20%
T363	Over \$24,000 but	
T364	not over \$28,100	15%
T365	Over \$28,100 but	
T366	not over \$28,600	14%
T367	Over \$28,600 but	
T368	not over \$29,100	13%
T369	Over \$29,100 but	
T370	not over \$29,600	12%
T371	Over \$29,600 but	
T372	not over \$30,100	11%
T373	Over \$30,100 but	
T374	not over \$54,000	10%
T375	Over \$54,000 but	
T376	not over \$54,500	9%
T377	Over \$54,500 but	
T378	not over \$55,000	8%
T379	Over \$55,000 but	
T380	not over \$55,500	7%

T381	Over \$55,500 but	
T382	not over \$56,000	6%
T383	Over \$56,000 but	
T384	not over \$56,500	5%
T385	Over \$56,500 but	
T386	not over \$57,000	4%
T387	Over \$57,000 but	
T388	not over \$57,500	3%
T389	Over \$57,500 but	
T390	not over \$58,000	2%
T391	Over \$58,000 but	
T392	not over \$58,500	1%

240 (G) For taxable years commencing on or after January 1, [2010] 2013,  
 241 but prior to January 1, [2011] 2014:

T393	Connecticut	
T394	Adjusted Gross Income	Amount of Credit
T395	Over \$14,000 but	
T396	not over \$17,500	75%
T397	Over \$17,500 but	
T398	not over \$18,000	70%
T399	Over \$18,000 but	
T400	not over \$18,500	65%
T401	Over \$18,500 but	
T402	not over \$19,000	60%
T403	Over \$19,000 but	
T404	not over \$19,500	55%
T405	Over \$19,500 but	
T406	not over \$20,000	50%
T407	Over \$20,000 but	
T408	not over \$20,500	45%

T409	Over \$20,500 but	
T410	not over \$21,000	40%
T411	Over \$21,000 but	
T412	not over \$23,300	35%
T413	Over \$23,300 but	
T414	not over \$23,800	30%
T415	Over \$23,800 but	
T416	not over \$24,300	25%
T417	Over \$24,300 but	
T418	not over \$24,800	20%
T419	Over \$24,800 but	
T420	not over \$29,200	15%
T421	Over \$29,200 but	
T422	not over \$29,700	14%
T423	Over \$29,700 but	
T424	not over \$30,200	13%
T425	Over \$30,200 but	
T426	not over \$30,700	12%
T427	Over \$30,700 but	
T428	not over \$31,200	11%
T429	Over \$31,200 but	
T430	not over \$56,000	10%
T431	Over \$56,000 but	
T432	not over \$56,500	9%
T433	Over \$56,500 but	
T434	not over \$57,000	8%
T435	Over \$57,000 but	
T436	not over \$57,500	7%
T437	Over \$57,500 but	
T438	not over \$58,000	6%
T439	Over \$58,000 but	
T440	not over \$58,500	5%
T441	Over \$58,500 but	
T442	not over \$59,000	4%

T443	Over \$59,000 but	
T444	not over \$59,500	3%
T445	Over \$59,500 but	
T446	not over \$60,000	2%
T447	Over \$60,000 but	
T448	not over \$60,500	1%

242 (H) For taxable years commencing on or after January 1, [2011] 2014,  
 243 but prior to January 1, [2012] 2015:

	Connecticut	
T450	Adjusted Gross Income	Amount of Credit
T451	Over \$14,500 but	
T452	not over \$18,100	75%
T453	Over \$18,100 but	
T454	not over \$18,600	70%
T455	Over \$18,600 but	
T456	not over \$19,100	65%
T457	Over \$19,100 but	
T458	not over \$19,600	60%
T459	Over \$19,600 but	
T460	not over \$20,100	55%
T461	Over \$20,100 but	
T462	not over \$20,600	50%
T463	Over \$20,600 but	
T464	not over \$21,100	45%
T465	Over \$21,100 but	
T466	not over \$21,600	40%
T467	Over \$21,600 but	
T468	not over \$24,200	35%
T469	Over \$24,200 but	
T470	not over \$24,700	30%

T471	Over \$24,700 but	
T472	not over \$25,200	25%
T473	Over \$25,200 but	
T474	not over \$25,700	20%
T475	Over \$25,700 but	
T476	not over \$30,200	15%
T477	Over \$30,200 but	
T478	not over \$30,700	14%
T479	Over \$30,700 but	
T480	not over \$31,200	13%
T481	Over \$31,200 but	
T482	not over \$31,700	12%
T483	Over \$31,700 but	
T484	not over \$32,200	11%
T485	Over \$32,200 but	
T486	not over \$58,000	10%
T487	Over \$58,000 but	
T488	not over \$58,500	9%
T489	Over \$58,500 but	
T490	not over \$59,000	8%
T491	Over \$59,000 but	
T492	not over \$59,500	7%
T493	Over \$59,500 but	
T494	not over \$60,000	6%
T495	Over \$60,000 but	
T496	not over \$60,500	5%
T497	Over \$60,500 but	
T498	not over \$61,000	4%
T499	Over \$61,000 but	
T500	not over \$61,500	3%
T501	Over \$61,500 but	
T502	not over \$62,000	2%
T503	Over \$62,000 but	
T504	not over \$62,500	1%

244 (I) For taxable years commencing on or after January 1, [2012] 2015:

T505	Connecticut	
T506	Adjusted Gross Income	Amount of Credit
T507	Over \$15,000 but	
T508	not over \$18,800	75%
T509	Over \$18,800 but	
T510	not over \$19,300	70%
T511	Over \$19,300 but	
T512	not over \$19,800	65%
T513	Over \$19,800 but	
T514	not over \$20,300	60%
T515	Over \$20,300 but	
T516	not over \$20,800	55%
T517	Over \$20,800 but	
T518	not over \$21,300	50%
T519	Over \$21,300 but	
T520	not over \$21,800	45%
T521	Over \$21,800 but	
T522	not over \$22,300	40%
T523	Over \$22,300 but	
T524	not over \$25,000	35%
T525	Over \$25,000 but	
T526	not over \$25,500	30%
T527	Over \$25,500 but	
T528	not over \$26,000	25%
T529	Over \$26,000 but	
T530	not over \$26,500	20%
T531	Over \$26,500 but	
T532	not over \$31,300	15%
T533	Over \$31,300 but	

T534	not over \$31,800	14%
T535	Over \$31,800 but	
T536	not over \$32,300	13%
T537	Over \$32,300 but	
T538	not over \$32,800	12%
T539	Over \$32,800 but	
T540	not over \$33,300	11%
T541	Over \$33,300 but	
T542	not over \$60,000	10%
T543	Over \$60,000 but	
T544	not over \$60,500	9%
T545	Over \$60,500 but	
T546	not over \$61,000	8%
T547	Over \$61,000 but	
T548	not over \$61,500	7%
T549	Over \$61,500 but	
T550	not over \$62,000	6%
T551	Over \$62,000 but	
T552	not over \$62,500	5%
T553	Over \$62,500 but	
T554	not over \$63,000	4%
T555	Over \$63,000 but	
T556	not over \$63,500	3%
T557	Over \$63,500 but	
T558	not over \$64,000	2%
T559	Over \$64,000 but	
T560	not over \$64,500	1%

245       Sec. 6. Subsection (c) of section 12-704c of the general statutes is  
 246 repealed and the following is substituted in lieu thereof (*Effective from*  
 247 *passage and applicable to taxable years commencing on or after January 1,*  
 248 *2009*):

249       (c) (1) (A) For taxable years commencing prior to January 1, 2000, in

250 the case of any such taxpayer who files under the federal income tax  
251 for such taxable year as an unmarried individual whose Connecticut  
252 adjusted gross income exceeds fifty-two thousand five hundred  
253 dollars, the amount of the credit that exceeds one hundred dollars shall  
254 be reduced by ten per cent for each ten thousand dollars, or fraction  
255 thereof, by which the taxpayer's Connecticut adjusted gross income  
256 exceeds said amount.

257 (B) For taxable years commencing on or after January 1, 2000, but  
258 prior to January 1, 2001, in the case of any such taxpayer who files  
259 under the federal income tax for such taxable year as an unmarried  
260 individual whose Connecticut adjusted gross income exceeds fifty-  
261 three thousand five hundred dollars, the amount of the credit that  
262 exceeds one hundred dollars shall be reduced by ten per cent for each  
263 ten thousand dollars, or fraction thereof, by which the taxpayer's  
264 Connecticut adjusted gross income exceeds said amount.

265 (C) For taxable years commencing on or after January 1, 2001, but  
266 prior to January 1, 2004, in the case of any such taxpayer who files  
267 under the federal income tax for such taxable year as an unmarried  
268 individual whose Connecticut adjusted gross income exceeds fifty-four  
269 thousand five hundred dollars, the amount of the credit shall be  
270 reduced by ten per cent for each ten thousand dollars, or fraction  
271 thereof, by which the taxpayer's Connecticut adjusted gross income  
272 exceeds said amount.

273 (D) For taxable years commencing on or after January 1, 2004, but  
274 prior to January 1, 2007, in the case of any such taxpayer who files  
275 under the federal income tax for such taxable year as an unmarried  
276 individual whose Connecticut adjusted gross income exceeds fifty-five  
277 thousand dollars, the amount of the credit shall be reduced by ten per  
278 cent for each ten thousand dollars, or fraction thereof, by which the  
279 taxpayer's Connecticut adjusted gross income exceeds said amount.

280 (E) For taxable years commencing on or after January 1, 2007, but  
281 prior to January 1, 2008, in the case of any such taxpayer who files

282 under the federal income tax for such taxable year as an unmarried  
283 individual whose Connecticut adjusted gross income exceeds fifty-five  
284 thousand five hundred dollars, the amount of the credit shall be  
285 reduced by ten per cent for each ten thousand dollars, or fraction  
286 thereof, by which the taxpayer's Connecticut adjusted gross income  
287 exceeds said amount.

288 (F) For taxable years commencing on or after January 1, 2008, but  
289 prior to January 1, [2009] 2012, in the case of any such taxpayer who  
290 files under the federal income tax for such taxable year as an  
291 unmarried individual whose Connecticut adjusted gross income  
292 exceeds fifty-six thousand five hundred dollars, the amount of the  
293 credit shall be reduced by ten per cent for each ten thousand dollars, or  
294 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
295 income exceeds said amount.

296 (G) For taxable years commencing on or after January 1, [2009] 2012,  
297 but prior to January 1, [2010] 2013, in the case of any such taxpayer  
298 who files under the federal income tax for such taxable year as an  
299 unmarried individual whose Connecticut adjusted gross income  
300 exceeds fifty-eight thousand five hundred dollars, the amount of the  
301 credit shall be reduced by ten per cent for each ten thousand dollars, or  
302 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
303 income exceeds said amount.

304 (H) For taxable years commencing on or after January 1, [2010] 2013,  
305 but prior to January 1, [2011] 2014, in the case of any such taxpayer  
306 who files under the federal income tax for such taxable year as an  
307 unmarried individual whose Connecticut adjusted gross income  
308 exceeds sixty thousand five hundred dollars, the amount of the credit  
309 shall be reduced by ten per cent for each ten thousand dollars, or  
310 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
311 income exceeds said amount.

312 (I) For taxable years commencing on or after January 1, [2011] 2014,  
313 but prior to January 1, [2012] 2015, in the case of any such taxpayer

314 who files under the federal income tax for such taxable year as an  
315 unmarried individual whose Connecticut adjusted gross income  
316 exceeds sixty-two thousand five hundred dollars, the amount of the  
317 credit shall be reduced by ten per cent for each ten thousand dollars, or  
318 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
319 income exceeds said amount.

320 (J) For taxable years commencing on or after January 1, [2012] 2015,  
321 in the case of any such taxpayer who files under the federal income tax  
322 for such taxable year as an unmarried individual whose Connecticut  
323 adjusted gross income exceeds sixty-four thousand five hundred  
324 dollars, the amount of the credit shall be reduced by ten per cent for  
325 each ten thousand dollars, or fraction thereof, by which the taxpayer's  
326 Connecticut adjusted gross income exceeds said amount.

327 (2) In the case of any such taxpayer who files under the federal  
328 income tax for such taxable year as a married individual filing  
329 separately whose Connecticut adjusted gross income exceeds fifty  
330 thousand two hundred fifty dollars, the amount of the credit shall be  
331 reduced by ten per cent for each five thousand dollars, or fraction  
332 thereof, by which the taxpayer's Connecticut adjusted gross income  
333 exceeds said amount.

334 (3) In the case of a taxpayer who files under the federal income tax  
335 for such taxable year as a head of household whose Connecticut  
336 adjusted gross income exceeds seventy-eight thousand five hundred  
337 dollars, the amount of the credit shall be reduced by ten per cent for  
338 each ten thousand dollars or fraction thereof, by which the taxpayer's  
339 Connecticut adjusted gross income exceeds said amount.

340 (4) In the case of a taxpayer who files under federal income tax for  
341 such taxable year as married individuals filing jointly whose  
342 Connecticut adjusted gross income exceeds one hundred thousand five  
343 hundred dollars, the amount of the credit shall be reduced by ten per  
344 cent for each ten thousand dollars, or fraction thereof, by which the  
345 taxpayer's Connecticut adjusted gross income exceeds said amount.

346 Sec. 7. Subsections (a) and (b) of section 12-217j of the general  
347 statutes are repealed and the following is substituted in lieu thereof  
348 (*Effective from passage and applicable to income years commencing on or after*  
349 *January 1, 2009*):

350 (a) As used in this section:

351 (1) "Commissioner" means the Commissioner of Revenue Services.

352 (2) "Commission" means the Connecticut Commission on Culture  
353 and Tourism.

354 (3) (A) "Qualified production" means entertainment content created  
355 in whole or in part within the state, including motion pictures;  
356 documentaries; long-form, specials, mini-series, series, sound  
357 recordings, videos and music videos and interstitials television  
358 programming; interactive television; interactive games; videogames;  
359 commercials; infomercials; any format of digital media, including an  
360 interactive web site, created for distribution or exhibition to the  
361 general public; and any trailer, pilot, video teaser or demo created  
362 primarily to stimulate the sale, marketing, promotion or exploitation of  
363 future investment in either a product or a qualified production via any  
364 means and media in any digital media format, film or videotape,  
365 provided such program meets all the underlying criteria of a qualified  
366 production.

367 (B) "Qualified production" shall not include any ongoing television  
368 program created primarily as news, weather or financial market  
369 reports, a production featuring current events, sporting events, an  
370 awards show or other gala event, a production whose sole purpose is  
371 fundraising, a long-form production that primarily markets a product  
372 or service, a production used for corporate training or in-house  
373 corporate advertising or other similar productions, or any production  
374 for which records are required to be maintained under 18 USC 2257  
375 with respect to sexually explicit content.

376 (4) "Eligible production company" means a corporation, partnership,  
377 limited liability company, or other business entity engaged in the  
378 business of producing qualified productions on a one-time or ongoing  
379 basis, and qualified by the Secretary of the State to engage in business  
380 in the state.

381 (5) "Production expenses or costs" means all expenditures clearly  
382 and demonstrably incurred in the state in the development,  
383 preproduction, production or postproduction costs of a qualified  
384 production, including:

385 (A) Expenditures incurred in the state in the form of either  
386 compensation or purchases including production work, production  
387 equipment not eligible for the infrastructure tax credit provided in  
388 section 12-217kk, production software, postproduction work,  
389 postproduction equipment, postproduction software, set design, set  
390 construction, props, lighting, wardrobe, makeup, makeup accessories,  
391 special effects, visual effects, audio effects, film processing, music,  
392 sound mixing, editing, location fees, soundstages and any and all other  
393 costs or services directly incurred in connection with a state-certified  
394 qualified production;

395 (B) Expenditures for distribution, including preproduction,  
396 production or postproduction costs relating to the creation of trailers,  
397 marketing videos, commercials, point-of-purchase videos and any and  
398 all content created on film or digital media, including the duplication  
399 of films, videos, CDs, DVDs and any and all digital files now in  
400 existence and those yet to be created for mass consumer consumption;  
401 the purchase, by a company in the state, of any and all equipment  
402 relating to the duplication or mass market distribution of any content  
403 created or produced in the state by any digital media format which is  
404 now in use and those formats yet to be created for mass consumer  
405 consumption; and

406 (C) "Production expenses or costs" does not include the following:  
407 (i) On and after January 1, 2008, but prior to January 1, 2009,

408 compensation in excess of fifteen million dollars paid to any individual  
409 or entity representing an individual, for services provided in the  
410 production of a qualified production; and on and after January 1, 2009,  
411 compensation in excess of five million dollars paid to any individual or  
412 entity representing an individual, for services provided in the  
413 production of a qualified production; (ii) media buys, promotional  
414 events or gifts or public relations associated with the promotion or  
415 marketing of any qualified production; (iii) deferred, leveraged or  
416 profit participation costs relating to any and all personnel associated  
417 with any and all aspects of the production, including, but not limited  
418 to, producer fees, director fees, talent fees and writer fees; (iv) costs  
419 relating to the transfer of the production tax credits; and (v) any  
420 amounts paid to persons or businesses as a result of their participation  
421 in profits from the exploitation of the qualified production.

422 (6) "Sound recording" means a recording of music, poetry or  
423 spoken-word performance, but does not include the audio portions of  
424 dialogue or words spoken and recorded as part of a motion picture,  
425 video, theatrical production, television news coverage or athletic event.

426 (7) "State-certified qualified production" means a qualified  
427 production produced by an eligible production company that (A) is in  
428 compliance with regulations adopted pursuant to subsection (g) of this  
429 section, (B) is authorized to conduct business in this state, and (C) has  
430 been approved by the commission as qualifying for a production tax  
431 credit under this section.

432 (8) "Interactive web site" means a web site, the production costs of  
433 which (A) exceed five hundred thousand dollars per income year, and  
434 (B) is primarily (i) interactive games or end user applications, or (ii)  
435 animation, simulation, sound, graphics, story lines or video created or  
436 repurposed for distribution over the Internet. An interactive web site  
437 does not include a web site primarily used for institutional, private,  
438 industrial, retail or wholesale marketing or promotional purposes, or  
439 which contains obscene content.

440 (9) "Post-certification remedy" means the recapture, disallowance,  
441 recovery, reduction, repayment, forfeiture, decertification or any other  
442 remedy that would have the effect of reducing or otherwise limiting  
443 the use of a tax credit provided by this section.

444 (b) (1) The Connecticut Commission on Culture and Tourism shall  
445 administer a system of tax credit vouchers within the resources,  
446 requirements and purposes of this section for eligible production  
447 companies producing a state-certified qualified production in the state  
448 as provided in this subsection.

449 (2) For income years commencing on or after January 1, 2006, any  
450 eligible production company incurring production expenses or costs in  
451 excess of fifty thousand dollars shall be eligible for a credit against the  
452 tax imposed under chapter 207 or this chapter equal to thirty per cent  
453 of such production expenses or costs, provided (A) on and after  
454 January 1, 2009, fifty per cent of such expenses or costs shall be  
455 counted toward such credit when incurred outside the state and used  
456 within the state, and one hundred per cent of such expenses or costs  
457 shall be counted toward such credit when incurred within the state  
458 and used within the state, and (B) on and after January 1, 2012, no  
459 expenses or costs incurred outside the state and used within the state  
460 shall be eligible for a credit, and one hundred per cent of such  
461 expenses or costs shall be counted toward such credit when incurred  
462 within the state and used within the state.

463 (3) For each calendar year commencing on and after January 1, 2009,  
464 the total amount of tax credit vouchers issued by the commission in  
465 such calendar year shall not exceed thirty million dollars.

466 [(2)] (4) On and after July 1, 2006, and for income years commencing  
467 on or after January 1, 2006, any credit allowed pursuant to this  
468 subsection may be sold, assigned or otherwise transferred, in whole or  
469 in part, to one or more taxpayers, provided no credit, after issuance,  
470 may be sold, assigned or otherwise transferred, in whole or in part,  
471 more than three times.

472        [(3)] (5) On and after July 1, 2006, and for income years commencing  
 473 on or after January 1, 2006, any such credit allowed under this  
 474 subsection shall be claimed against the tax imposed under chapter 207  
 475 or this chapter for the income year in which the production expenses  
 476 or costs were incurred, and may be carried forward for the three  
 477 immediately succeeding income years. Any production tax credit  
 478 allowed under this subsection shall be nonrefundable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-407e
Sec. 2	<i>from passage and applicable to income years commencing on or after January 1, 2009</i>	10-416a(b)
Sec. 3	<i>from passage and applicable to income years commencing on or after January 1, 2009</i>	10-416b(b)
Sec. 4	<i>from passage and applicable to taxable years commencing on or after January 1, 2009</i>	12-702(a)
Sec. 5	<i>from passage and applicable to taxable years commencing on or after January 1, 2009</i>	12-703(a)
Sec. 6	<i>from passage and applicable to taxable years commencing on or after January 1, 2009</i>	12-704c(c)
Sec. 7	<i>from passage and applicable to income years commencing on or after January 1, 2009</i>	12-217jj(a) and (b)

**Statement of Purpose:**

To enhance revenues to the state, as recommended by the Governor.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*