



# Senate

**File No. 635**

General Assembly

January Session, 2011

Substitute Senate Bill No. 1007

*Senate, April 26, 2011*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***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 Section 12-211a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage and*  
3 *applicable to calendar years commencing on or after January 1, 2011*):

4 (a) Notwithstanding any provision of the general statutes, and  
5 except as provided in subsection (b) of this section, the amount of tax  
6 credit or credits otherwise allowable against the tax imposed under  
7 this chapter for any [income] calendar year shall not exceed [seventy]  
8 thirty per cent of the amount of tax due from such taxpayer under this  
9 chapter with respect to such [income] calendar year of the taxpayer  
10 prior to the application of such credit or credits.

11 (b) (1) For a calendar year commencing on or after January 1, 2011,

12 and prior to January 1, 2013, the amount of tax credit or credits  
13 otherwise allowable against the tax imposed under this chapter for  
14 such calendar year may exceed the amount specified in subsection (a)  
15 of this section only by the amount computed under subparagraph (A)  
16 of subdivision (2) of this subsection, provided in no event may the  
17 amount of tax credit or credits otherwise allowable against the tax  
18 imposed under this chapter for such calendar year exceed one hundred  
19 per cent of the amount of tax due from such taxpayer under this  
20 chapter with respect to such calendar year of the taxpayer prior to the  
21 application of such credit or credits.

22 (2) (A) The taxpayer's average monthly net employee gain for a  
23 calendar year shall be multiplied by six thousand dollars.

24 (B) The taxpayer's average monthly net employee gain for a  
25 calendar year shall be computed as follows: For each month in the  
26 calendar year, the taxpayer shall subtract from the number of its  
27 employees in this state on the last day of such month the number of its  
28 employees in this state on the first day of the calendar year. The  
29 taxpayer shall total the differences for the twelve months in the  
30 calendar year, and such total, when divided by twelve, shall be the  
31 taxpayer's average monthly net employee gain for the calendar year.  
32 For purposes of this computation, only employees who are required to  
33 work at least thirty-five hours per week and only employees who were  
34 not employed in this state by a related person, as defined in section 12-  
35 217ii, within the twelve months prior to the first day of the calendar  
36 year may be taken into account in computing the number of  
37 employees.

38 (C) If the taxpayer's average monthly net employee gain is zero or  
39 less than zero, the taxpayer may not exceed the thirty per cent limit  
40 imposed under subsection (a) of this section.

41 Sec. 2. Subsection (b) of section 12-214 of the general statutes is  
42 repealed and the following is substituted in lieu thereof (*Effective from*  
43 *passage and applicable to income years commencing on or after January 1,*  
44 *2011*):

45 (b) (1) With respect to income years commencing on or after January  
46 1, 1989, and prior to January 1, 1992, any company subject to the tax  
47 imposed in accordance with subsection (a) of this section shall pay, for  
48 each such income year, an additional tax in an amount equal to twenty  
49 per cent of the tax calculated under said subsection (a) for such income  
50 year, without reduction of the tax so calculated by the amount of any  
51 credit against such tax. The additional amount of tax determined  
52 under this subsection for any income year shall constitute a part of the  
53 tax imposed by the provisions of said subsection (a) and shall become  
54 due and be paid, collected and enforced as provided in this chapter.

55 (2) With respect to income years commencing on or after January 1,  
56 1992, and prior to January 1, 1993, any company subject to the tax  
57 imposed in accordance with subsection (a) of this section shall pay, for  
58 each such income year, an additional tax in an amount equal to ten per  
59 cent of the tax calculated under said subsection (a) for such income  
60 year, without reduction of the tax so calculated by the amount of any  
61 credit against such tax. The additional amount of tax determined  
62 under this subsection for any income year shall constitute a part of the  
63 tax imposed by the provisions of said subsection (a) and shall become  
64 due and be paid, collected and enforced as provided in this chapter.

65 (3) With respect to income years commencing on or after January 1,  
66 2003, and prior to January 1, 2004, any company subject to the tax  
67 imposed in accordance with subsection (a) of this section shall pay, for  
68 each such income year, an additional tax in an amount equal to twenty  
69 per cent of the tax calculated under said subsection (a) for such income  
70 year, without reduction of the tax so calculated by the amount of any  
71 credit against such tax. The additional amount of tax determined  
72 under this subsection for any income year shall constitute a part of the  
73 tax imposed by the provisions of said subsection (a) and shall become  
74 due and be paid, collected and enforced as provided in this chapter.

75 (4) With respect to income years commencing on or after January 1,  
76 2004, and prior to January 1, 2005, any company subject to the tax  
77 imposed in accordance with subsection (a) of this section shall pay, for

78 each such income year, an additional tax in an amount equal to  
79 twenty-five per cent of the tax calculated under said subsection (a) for  
80 such income year, without reduction of the tax so calculated by the  
81 amount of any credit against such tax, except that any company that  
82 pays the minimum tax of two hundred fifty dollars under section 12-  
83 219 or 12-223c for such income year shall not be subject to the  
84 additional tax imposed by this subdivision. The additional amount of  
85 tax determined under this subdivision for any income year shall  
86 constitute a part of the tax imposed by the provisions of said  
87 subsection (a) and shall become due and be paid, collected and  
88 enforced as provided in this chapter.

89 (5) With respect to income years commencing on or after January 1,  
90 2006, and prior to January 1, 2007, any company subject to the tax  
91 imposed in accordance with subsection (a) of this section shall pay,  
92 except when the tax so calculated is equal to two hundred fifty dollars,  
93 for each such income year, an additional tax in an amount equal to  
94 twenty per cent of the tax calculated under said subsection (a) for such  
95 income year, without reduction of the tax so calculated by the amount  
96 of any credit against such tax. The additional amount of tax  
97 determined under this subsection for any income year shall constitute  
98 a part of the tax imposed by the provisions of said subsection (a) and  
99 shall become due and be paid, collected and enforced as provided in  
100 this chapter.

101 (6) (A) With respect to income years commencing on or after  
102 January 1, 2009, and prior to January 1, 2012, any company subject to  
103 the tax imposed in accordance with subsection (a) of this section shall  
104 pay, for each such income year, except when the tax so calculated is  
105 equal to two hundred fifty dollars, an additional tax in an amount  
106 equal to ten per cent of the tax calculated under said subsection (a) for  
107 such income year, without reduction of the tax so calculated by the  
108 amount of any credit against such tax. The additional amount of tax  
109 determined under this subsection for any income year shall constitute  
110 a part of the tax imposed by the provisions of said subsection (a) and  
111 shall become due and be paid, collected and enforced as provided in

112 this chapter.

113 (B) Any company whose gross income for the income year was less  
114 than one hundred million dollars shall not be subject to the additional  
115 tax imposed under subparagraph (A) of this subdivision. This  
116 exception shall not apply to companies filing a combined return for the  
117 income year under section 12-223a or a unitary return under  
118 subsection (d) of section 12-218d.

119 (7) (A) With respect to income years commencing on or after  
120 January 1, 2012, and prior to January 1, 2014, any company subject to  
121 the tax imposed in accordance with subsection (a) of this section shall  
122 pay, for each such income year, except when the tax so calculated is  
123 equal to two hundred fifty dollars, an additional tax in an amount  
124 equal to twenty per cent of the tax calculated under said subsection (a)  
125 for such income year, without reduction of the tax so calculated by the  
126 amount of any credit against such tax. The additional amount of tax  
127 determined under this subsection for any income year shall constitute  
128 a part of the tax imposed by the provisions of said subsection (a) and  
129 shall become due and be paid, collected and enforced as provided in  
130 this chapter.

131 (B) Any company whose gross income for the income year was less  
132 than one hundred million dollars shall not be subject to the additional  
133 tax imposed under subparagraph (A) of this subdivision. This  
134 exception shall not apply to companies filing a combined return for the  
135 income year under section 12-223a or a unitary return under  
136 subsection (d) of section 12-218d.

137 Sec. 3. Subsections (c) to (e), inclusive, of section 12-217jj of the  
138 general statutes are repealed and the following is substituted in lieu  
139 thereof (*Effective from passage and applicable to income years commencing*  
140 *on or after January 1, 2011*):

141 (c) No eligible production company incurring an amount of  
142 production expenses or costs that qualifies for such credit shall be  
143 eligible for such credit unless on or after January 1, 2010, such

144 company conducts (1) not less than [twenty-five] fifty per cent of  
145 principal photography days within the state, or (2) expends not less  
146 than fifty per cent of postproduction costs within the state, or (3)  
147 expends not less than one million dollars of postproduction costs  
148 within the state.

149 (d) (1) For income years commencing on or after January 1, 2009, but  
150 prior to January 1, 2010, fifty per cent of production expenses or costs  
151 shall be counted toward such credit when incurred outside the state  
152 and used within the state, and one hundred per cent of such expenses  
153 or costs shall be counted toward such credit when incurred within the  
154 state and used within the state.

155 (2) For income years commencing on or after January 1, 2010, no  
156 expenses or costs incurred outside the state and used within the state  
157 shall be eligible for a credit, and one hundred per cent of such  
158 expenses or costs shall be counted toward such credit when incurred  
159 within the state and used within the state.

160 (e) (1) On and after July 1, 2006, and for income years commencing  
161 on or after January 1, 2006, any credit allowed pursuant to this  
162 [subsection] section may be sold, assigned or otherwise transferred, in  
163 whole or in part, to one or more taxpayers, provided (A) no credit,  
164 after issuance, may be sold, assigned or otherwise transferred, in  
165 whole or in part, more than three times, (B) in the case of a credit  
166 allowed for the income year commencing on or after January 1, 2011,  
167 and prior to January 1, 2012, any entity that is not subject to tax under  
168 chapter 207 or this chapter may transfer not more than fifty per cent of  
169 such credit in any one income year, and (C) in the case of a credit  
170 allowed for an income year commencing on or after January 1, 2012,  
171 any entity that is not subject to tax under chapter 207 or this chapter  
172 may transfer not more than twenty-five per cent of such credit in any  
173 one income year.

174 (2) Notwithstanding the provisions of subdivision (1) of this  
175 subsection, any qualified production that is created in whole or in  
176 significant part, as determined by the Commissioner of Economic and

177 Community Development, at a qualified production facility shall not  
178 be subject to the limitations of subparagraph (B) or (C) of said  
179 subdivision (1). For purposes of this subdivision, "qualified production  
180 facility" means a facility (A) located in this state, (B) intended for film,  
181 television or digital media production, and (C) that has had a  
182 minimum investment of three million dollars, or less if the  
183 commissioner determines such facility otherwise qualifies.

184 Sec. 4. Section 12-217zz of the general statutes is repealed and the  
185 following is substituted in lieu thereof (*Effective from passage and*  
186 *applicable to income years commencing on or after January 1, 2011*):

187 (a) Notwithstanding any other provision of law, and except as  
188 otherwise provided in subsection (b) of this section, the amount of tax  
189 credit or credits otherwise allowable against the tax imposed under  
190 this chapter for any income year shall not exceed seventy per cent of  
191 the amount of tax due from such taxpayer under this chapter with  
192 respect to such income year of the taxpayer prior to the application of  
193 such credit or credits.

194 (b) (1) For an income year commencing on or after January 1, 2011,  
195 and prior to January 1, 2013, the amount of tax credit or credits  
196 otherwise allowable against the tax imposed under this chapter for  
197 such income year may exceed the amount specified in subsection (a) of  
198 this section only by the amount computed under subparagraph (A) of  
199 subdivision (2) of this subsection, provided in no event may the  
200 amount of tax credit or credits otherwise allowable against the tax  
201 imposed under this chapter for such income year exceed one hundred  
202 per cent of the amount of tax due from such taxpayer under this  
203 chapter with respect to such income year of the taxpayer prior to the  
204 application of such credit or credits.

205 (2) (A) The taxpayer's average monthly net employee gain for an  
206 income year shall be multiplied by six thousand dollars.

207 (B) The taxpayer's average monthly net employee gain for an  
208 income year shall be computed as follows: For each month in the

209 taxpayer's income year, the taxpayer shall subtract from the number of  
210 its employees in this state on the last day of such month the number of  
211 its employees in this state on the first day of its income year. The  
212 taxpayer shall total the differences for the twelve months in such  
213 income year, and such total, when divided by twelve, shall be the  
214 taxpayer's average monthly net employee gain for the income year. For  
215 purposes of this computation, only employees who are required to  
216 work at least thirty-five hours per week and only employees who were  
217 not employed in this state by a related person, as defined in section 12-  
218 217ii, within the twelve months prior to the first day of the income  
219 year may be taken into account in computing the number of  
220 employees.

221 (C) If the taxpayer's average monthly net employee gain is zero or  
222 less than zero, the taxpayer may not exceed the seventy per cent limit  
223 imposed under subsection (a) of this section.

224 Sec. 5. Subsection (b) of section 12-219 of the general statutes is  
225 repealed and the following is substituted in lieu thereof (*Effective from*  
226 *passage and applicable to income years commencing on or after January 1,*  
227 *2011*):

228 (b) (1) With respect to income years commencing on or after January  
229 1, 1989, and prior to January 1, 1992, the additional tax imposed on any  
230 company and calculated in accordance with subsection (a) of this  
231 section shall, for each such income year, except when the tax so  
232 calculated is equal to two hundred fifty dollars, be increased by adding  
233 thereto an amount equal to twenty per cent of the additional tax so  
234 calculated for such income year, without reduction of the additional  
235 tax so calculated by the amount of any credit against such tax. The  
236 increased amount of tax payable by any company under this section,  
237 as determined in accordance with this subsection, shall become due  
238 and be paid, collected and enforced as provided in this chapter.

239 (2) With respect to income years commencing on or after January 1,  
240 1992, and prior to January 1, 1993, the additional tax imposed on any  
241 company and calculated in accordance with subsection (a) of this

242 section shall, for each such income year, except when the tax so  
243 calculated is equal to two hundred fifty dollars, be increased by adding  
244 thereto an amount equal to ten per cent of the additional tax so  
245 calculated for such income year, without reduction of the tax so  
246 calculated by the amount of any credit against such tax. The increased  
247 amount of tax payable by any company under this section, as  
248 determined in accordance with this subsection, shall become due and  
249 be paid, collected and enforced as provided in this chapter.

250 (3) With respect to income years commencing on or after January 1,  
251 2003, and prior to January 1, 2004, the additional tax imposed on any  
252 company and calculated in accordance with subsection (a) of this  
253 section shall, for each such income year, be increased by adding  
254 thereto an amount equal to twenty per cent of the additional tax so  
255 calculated for such income year, without reduction of the tax so  
256 calculated by the amount of any credit against such tax. The increased  
257 amount of tax payable by any company under this section, as  
258 determined in accordance with this subsection, shall become due and  
259 be paid, collected and enforced as provided in this chapter.

260 (4) With respect to income years commencing on or after January 1,  
261 2004, and prior to January 1, 2005, the additional tax imposed on any  
262 company and calculated in accordance with subsection (a) of this  
263 section shall, for each such income year, be increased by adding  
264 thereto an amount equal to twenty-five per cent of the additional tax so  
265 calculated for such income year, without reduction of the tax so  
266 calculated by the amount of any credit against such tax, except that  
267 any company that pays the minimum tax of two hundred fifty dollars  
268 under this section or section 12-223c for such income year shall not be  
269 subject to such additional tax. The increased amount of tax payable by  
270 any company under this subdivision, as determined in accordance  
271 with this subsection, shall become due and be paid, collected and  
272 enforced as provided in this chapter.

273 (5) With respect to income years commencing on or after January 1,  
274 2006, and prior to January 1, 2007, the additional tax imposed on any

275 company and calculated in accordance with subsection (a) of this  
276 section shall, for each such income year, except when the tax so  
277 calculated is equal to two hundred fifty dollars, be increased by adding  
278 thereto an amount equal to twenty per cent of the additional tax so  
279 calculated for such income year, without reduction of the tax so  
280 calculated by the amount of any credit against such tax. The increased  
281 amount of tax payable by any company under this section, as  
282 determined in accordance with this subsection, shall become due and  
283 be paid, collected and enforced as provided in this chapter.

284 (6) (A) With respect to income years commencing on or after  
285 January 1, 2009, and prior to January 1, 2012, the additional tax  
286 imposed on any company and calculated in accordance with  
287 subsection (a) of this section shall, for each such income year, except  
288 when the tax so calculated is equal to two hundred fifty dollars, be  
289 increased by adding thereto an amount equal to ten per cent of the  
290 additional tax so calculated for such income year, without reduction of  
291 the tax so calculated by the amount of any credit against such tax. The  
292 increased amount of tax payable by any company under this section,  
293 as determined in accordance with this subsection, shall become due  
294 and be paid, collected and enforced as provided in this chapter.

295 (B) Any company whose gross income for the income year was less  
296 than one hundred million dollars shall not be subject to the additional  
297 tax imposed under subparagraph (A) of this subdivision. This  
298 exception shall not apply to companies filing a combined return for the  
299 income year under section 12-223a or a unitary return under  
300 subsection (d) of section 12-218d.

301 (7) (A) With respect to income years commencing on or after  
302 January 1, 2012, and prior to January 1, 2014, the additional tax  
303 imposed on any company and calculated in accordance with  
304 subsection (a) of this section shall, for each such income year, except  
305 when the tax so calculated is equal to two hundred fifty dollars, be  
306 increased by adding thereto an amount equal to twenty per cent of the  
307 additional tax so calculated for such income year, without reduction of

308 the tax so calculated by the amount of any credit against such tax. The  
309 increased amount of tax payable by any company under this section,  
310 as determined in accordance with this subsection, shall become due  
311 and be paid, collected and enforced as provided in this chapter.

312 (B) Any company whose gross income for the income year was less  
313 than one hundred million dollars shall not be subject to the additional  
314 tax imposed under subparagraph (A) of this subdivision. This  
315 exception shall not apply to companies filing a combined return for the  
316 income year under section 12-223a or a unitary return under  
317 subsection (d) of section 12-218d.

318 Sec. 6. Section 12-296 of the general statutes is repealed and the  
319 following is substituted in lieu thereof (*Effective July 1, 2011, and*  
320 *applicable to sales occurring on or after said date*):

321 A tax is imposed on all cigarettes held in this state by any person for  
322 sale, said tax to be at the rate of one hundred [fifty] seventy mills for  
323 each cigarette and the payment thereof shall be for the account of the  
324 purchaser or consumer of such cigarettes and shall be evidenced by the  
325 affixing of stamps to the packages containing the cigarettes as  
326 provided in this chapter.

327 Sec. 7. Section 12-316 of the general statutes is repealed and the  
328 following is substituted in lieu thereof (*Effective July 1, 2011, and*  
329 *applicable to sales occurring on or after said date*):

330 A tax is hereby imposed at the rate of one hundred [fifty] seventy  
331 mills for each cigarette upon the storage or use within this state of any  
332 unstamped cigarettes in the possession of any person other than a  
333 licensed distributor or dealer, or a carrier for transit from without this  
334 state to a licensed distributor or dealer within this state. Any person,  
335 including distributors, dealers, carriers, warehousemen and  
336 consumers, last having possession of unstamped cigarettes in this state  
337 shall be liable for the tax on such cigarettes if such cigarettes are  
338 unaccounted for in transit, storage or otherwise, and in such event a  
339 presumption shall exist for the purpose of taxation that such cigarettes

340 were used and consumed in Connecticut.

341       Sec. 8. (*Effective from passage*) (a) An excise tax is hereby imposed  
342 upon each distributor and each dealer, as each are defined in section  
343 12-285 of the general statutes and licensed pursuant to chapter 214 of  
344 the general statutes, in the amount of twenty mills per cigarette, as  
345 defined in said section 12-285, in such distributor's or such dealer's  
346 inventory as of the close of business on June 30, 2011, or, if the business  
347 closes after eleven fifty-nine o'clock p.m. on such date, at eleven fifty-  
348 nine o'clock p.m. on such date.

349       (b) Each such licensed distributor or dealer shall, not later than  
350 August 15, 2011, file with the Commissioner of Revenue Services, on  
351 forms prescribed by said commissioner, a report that shows the  
352 number of cigarettes in inventory as of the close of business on June 30,  
353 2011, or, if the business closes after eleven fifty-nine o'clock p.m. on  
354 such date, at eleven fifty-nine o'clock p.m. on such date, upon which  
355 inventory the tax under subsection (a) of this section shall be imposed.  
356 The tax shall be due and payable on the due date of such report. If any  
357 distributor or dealer required to file a report pursuant to this section  
358 fails to file such report on or before August 15, 2011, the commissioner  
359 shall make an estimate of the number of cigarettes in such distributor's  
360 or dealer's inventory as of the close of business on June 30, 2011, based  
361 upon any information that is in the commissioner's possession or that  
362 may come into the commissioner's possession. The provisions of  
363 chapter 214 of the general statutes pertaining to failure to file returns,  
364 examination of returns by the commissioner, the issuance of deficiency  
365 assessments or assessments where no return has been filed, the  
366 collection of tax, the imposition of penalties and the accrual of interest  
367 shall apply to the distributors and dealers required to pay the tax  
368 imposed under this section. Failure of any distributor or dealer to file  
369 such report when due shall be sufficient reason to revoke such  
370 distributor's or dealer's license under the provisions of said chapter 214  
371 and to revoke any other state license or permit held by such distributor  
372 or dealer. If, in the discretion of the commissioner, the enforcement of  
373 this section would otherwise be adversely affected, the commissioner

374 shall not renew the dealer's license of any dealer who fails to file such  
 375 report, or the distributor's license of any distributor who fails to file  
 376 such report, until such report is filed.

377 Sec. 9. Subsection (a) of section 12-330c of the general statutes is  
 378 repealed and the following is substituted in lieu thereof (*Effective July*  
 379 *1, 2011, and applicable to sales occurring on or after said date*):

380 (a) (1) A tax is imposed on all untaxed tobacco products held in this  
 381 state by any person. Except as otherwise provided in subdivision (2) of  
 382 this subsection with respect to the rate of tax on snuff tobacco  
 383 products, the tax shall be imposed at the rate of [twenty-seven and  
 384 one-half] fifty per cent of the wholesale sales price of such products.

385 (2) The tax shall be imposed on snuff tobacco products, on the net  
 386 weight as listed by the manufacturer, as follows: [Fifty-five cents] One  
 387 dollar per ounce of snuff and a proportionate tax at the like rate on all  
 388 fractional parts of an ounce of snuff.

389 Sec. 10. Subsection (g) of section 12-391 of the general statutes is  
 390 repealed and the following is substituted in lieu thereof (*Effective from*  
 391 *passage and applicable to estates of decedents dying on or after January 1,*  
 392 *2011*):

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

T1	Amount of Connecticut	
T2	Taxable Estate	Rate of Tax
T3	Not over \$2,000,000	None
T4	Over \$2,000,000	
T5	but not over \$2,100,000	5.085% of the excess over \$0
T6	Over \$2,100,000	\$106,800 plus 8% of the excess
T7	but not over \$2,600,000	over \$2,100,000
T8	Over \$2,600,000	\$146,800 plus 8.8% of the excess

T9	but not over \$3,100,000	over \$2,600,000
T10	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T11	but not over \$3,600,000	over \$3,100,000
T12	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T13	but not over \$4,100,000	over \$3,600,000
T14	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T15	but not over \$5,100,000	over \$4,100,000
T16	Over \$5,100,000	\$402,800 plus 12% of the excess
T17	but not over \$6,100,000	over \$5,100,000
T18	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T19	but not over \$7,100,000	over \$6,100,000
T20	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T21	but not over \$8,100,000	over \$7,100,000
T22	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T23	but not over \$9,100,000	over \$8,100,000
T24	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T25	but not over \$10,100,000	over \$9,100,000
T26	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T27		over \$10,100,000

397 (2) With respect to the estates of decedents dying on or after January  
 398 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut  
 399 taxable estate shall be as provided in the following schedule:

T28	Amount of Connecticut	
T29	Taxable Estate	Rate of Tax
T30	Not over \$3,500,000	None
T31	Over \$3,500,000	7.2% of the excess
T32	but not over \$3,600,000	over \$3,500,000
T33	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T34	but not over \$4,100,000	over \$3,600,000
T35	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T36	but not over \$5,100,000	over \$4,100,000
T37	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T38	but not over \$6,100,000	over \$5,100,000

T39	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T40	but not over \$7,100,000	over \$6,100,000
T41	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T42	but not over \$8,100,000	over \$7,100,000
T43	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T44	but not over \$9,100,000	over \$8,100,000
T45	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T46	but not over \$10,100,000	over \$9,100,000
T47	Over \$10,100,000	\$640,200 plus 12% of the excess
T48		over \$10,100,000

400 (3) With respect to the estates of decedents dying on or after January  
 401 1, 2011, the tax based on the Connecticut taxable estate shall be as  
 402 provided in the following schedule:

T49	<u>Amount of Connecticut</u>	
T50	<u>Taxable Estate</u>	<u>Rate of Tax</u>
T51	<u>Not over \$2,000,000</u>	<u>None</u>
T52	<u>Over \$2,000,000</u>	<u>7.2% of the excess</u>
T53	<u>but not over \$3,600,000</u>	<u>over \$2,000,000</u>
T54	<u>Over \$3,600,000</u>	<u>\$115,200 plus 7.8% of the excess</u>
T55	<u>but not over \$4,100,000</u>	<u>over \$3,600,000</u>
T56	<u>Over \$4,100,000</u>	<u>\$154,200 plus 8.4% of the excess</u>
T57	<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
T58	<u>Over \$5,100,000</u>	<u>\$238,200 plus 9.0% of the excess</u>
T59	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T60	<u>Over \$6,100,000</u>	<u>\$328,200 plus 9.6% of the excess</u>
T61	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T62	<u>Over \$7,100,000</u>	<u>\$424,200 plus 10.2% of the excess</u>
T63	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T64	<u>Over \$8,100,000</u>	<u>\$526,200 plus 10.8% of the excess</u>
T65	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T66	<u>Over \$9,100,000</u>	<u>\$634,200 plus 11.4% of the excess</u>
T67	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T68	<u>Over \$10,100,000</u>	<u>\$748,200 plus 12% of the excess</u>

T69

over \$10,100,000

403 Sec. 11. Subdivision (3) of subsection (b) of section 12-392 of the  
404 general statutes is repealed and the following is substituted in lieu  
405 thereof (*Effective from passage and applicable to estates of decedents dying on*  
406 *or after January 1, 2011*):

407 (3) (A) A tax return shall be filed, in the case of every decedent who  
408 died prior to January 1, 2005, and at the time of death was (i) a resident  
409 of this state, or (ii) a nonresident of this state whose gross estate  
410 includes any real property situated in this state or tangible personal  
411 property having an actual situs in this state, whenever the personal  
412 representative of the estate is required by the laws of the United States  
413 to file a federal estate tax return.

414 (B) A tax return shall be filed, in the case of every decedent who dies  
415 on or after January 1, 2005, but prior to January 1, 2010, and at the time  
416 of death was (i) a resident of this state, or (ii) a nonresident of this state  
417 whose gross estate includes any real property situated in this state or  
418 tangible personal property having an actual situs in this state. If the  
419 decedent's Connecticut taxable estate is over two million dollars, such  
420 tax return shall be filed with the Commissioner of Revenue Services  
421 and a copy of such return shall be filed with the court of probate for  
422 the district within which the decedent resided at the date of his or her  
423 death or, if the decedent died a nonresident of this state, the court of  
424 probate for the district within which such real property or tangible  
425 personal property is situated. If the decedent's Connecticut taxable  
426 estate is two million dollars or less, such return shall be filed with the  
427 court of probate for the district within which the decedent resided at  
428 the date of his or her death or, if the decedent died a nonresident of  
429 this state, the court of probate for the district within which such real  
430 property or tangible personal property is situated, and no such return  
431 shall be filed with the Commissioner of Revenue Services. The judge of  
432 probate for the district in which such return is filed shall review each  
433 such return and shall issue a written opinion to the estate  
434 representative in each case in which the judge determines that the

435 estate is not subject to tax under this chapter.

436 (C) A tax return shall be filed, in the case of every decedent who  
437 dies on or after January 1, 2010, but prior to January 1, 2011, and at the  
438 time of death was (i) a resident of this state, or (ii) a nonresident of this  
439 state whose gross estate includes any real property situated in this  
440 state or tangible personal property having an actual situs in this state.  
441 If the decedent's Connecticut taxable estate is over three million five  
442 hundred thousand dollars, such tax return shall be filed with the  
443 Commissioner of Revenue Services and a copy of such return shall be  
444 filed with the court of probate for the district within which the  
445 decedent resided at the date of his or her death or, if the decedent died  
446 a nonresident of this state, the court of probate for the district within  
447 which such real property or tangible personal property is situated. If  
448 the decedent's Connecticut taxable estate is three million five hundred  
449 thousand dollars or less, such return shall be filed with the court of  
450 probate for the district within which the decedent resided at the date  
451 of his or her death or, if the decedent died a nonresident of this state,  
452 the court of probate for the district within which such real property or  
453 tangible personal property is situated, and no such return shall be filed  
454 with the Commissioner of Revenue Services. The judge of probate for  
455 the district in which such return is filed shall review each such return  
456 and shall issue a written opinion to the estate representative in each  
457 case in which the judge determines that the estate is not subject to tax  
458 under this chapter.

459 (D) A tax return shall be filed, in the case of every decedent who  
460 dies on or after January 1, 2011, and at the time of death was (i) a  
461 resident of this state, or (ii) a nonresident of this state whose gross  
462 estate includes any real property situated in this state or tangible  
463 personal property having an actual situs in this state. If the decedent's  
464 Connecticut taxable estate is over two million dollars, such tax return  
465 shall be filed with the Commissioner of Revenue Services and a copy  
466 of such return shall be filed with the court of probate for the district  
467 within which the decedent resided at the date of his or her death or, if  
468 the decedent died a nonresident of this state, the court of probate for

469 the district within which such real property or tangible personal  
470 property is situated. If the decedent's Connecticut taxable estate is two  
471 million dollars or less, such return shall be filed with the court of  
472 probate for the district within which the decedent resided at the date  
473 of his or her death or, if the decedent died a nonresident of this state,  
474 the court of probate for the district within which such real property or  
475 tangible personal property is situated, and no such return shall be filed  
476 with the Commissioner of Revenue Services. The judge of probate for  
477 the district in which such return is filed shall review each such return  
478 and shall issue a written opinion to the estate representative in each  
479 case in which the judge determines that the estate is not subject to tax  
480 under this chapter.

481       [(D)] (E) The duly authorized executor or administrator shall file the  
482 return. If there is more than one executor or administrator, the return  
483 shall be made jointly by all. If there is no executor or administrator  
484 appointed, qualified and acting, each person in actual or constructive  
485 possession of any property of the decedent is constituted an executor  
486 for purposes of the tax and shall make and file a return. If in any case  
487 the executor is unable to make a complete return as to any part of the  
488 gross estate, the executor shall provide all the information available to  
489 him with respect to such property, including a full description, and the  
490 name of every person holding a legal or beneficial interest in the  
491 property. If the executor is unable to make a return as to any property,  
492 each person holding a legal or equitable interest in such property shall,  
493 upon notice from the commissioner, make a return as to that part of  
494 the gross estate.

495       [(E)] (F) On or before the last day of the month next succeeding each  
496 calendar quarter, and commencing with the calendar quarter ending  
497 September 30, 2005, each court of probate shall file with the  
498 commissioner a report for the calendar quarter in such form as the  
499 commissioner may prescribe. The report shall pertain to returns filed  
500 with the court of probate during the calendar quarter.

501       Sec. 12. Subsection (e) of section 12-398 of the general statutes is

502 repealed and the following is substituted in lieu thereof (*Effective from*  
503 *passage and applicable to estates of decedents dying on or after January 1,*  
504 *2011*):

505 (e) Any person shall be entitled to a certificate of release of lien with  
506 respect to the interest of the decedent in such real property, if either  
507 the court of probate for the district within which the decedent resided  
508 at the date of his death or, if the decedent died a nonresident of this  
509 state, for the district within which real estate or tangible personal  
510 property of the decedent is situated, or the Commissioner of Revenue  
511 Services finds, upon evidence satisfactory to said court or said  
512 commissioner, as the case may be, that payment of the tax imposed  
513 under this chapter with respect to the interest of the decedent in such  
514 real property is adequately assured, or that no tax imposed under this  
515 chapter is due. If the decedent died prior to January 1, 2010, and such  
516 decedent's Connecticut taxable estate is two million dollars or less, or if  
517 the decedent died on or after January 1, 2010, but prior to January 1,  
518 2011, and such decedent's Connecticut taxable estate is three million  
519 five hundred thousand dollars or less, or if the decedent died on or  
520 after January 1, 2011, and such decedent's Connecticut taxable estate is  
521 two million dollars or less, the certificate of release of lien shall be  
522 issued by the court of probate. Such certificate may be recorded in the  
523 office of the town clerk of the town within which such real property is  
524 situated, and it shall be conclusive proof that such real property has  
525 been released from the operation of such lien. The commissioner may  
526 adopt regulations in accordance with the provisions of chapter 54 that  
527 establish procedures to be followed by a court of probate or by said  
528 commissioner, as the case may be, for issuing certificates of release of  
529 lien, and that establish the requirements and conditions that must be  
530 satisfied in order for a court of probate or for the commissioner, as the  
531 case may be, to find that the payment of such tax is adequately assured  
532 or that no tax imposed under this chapter is due.

533 Sec. 13. Subsection (a) of section 12-642 of the general statutes is  
534 repealed and the following is substituted in lieu thereof (*Effective from*  
535 *passage and applicable to gifts made during calendar years commencing on or*

536 after January 1, 2011):

537 (a) (1) With respect to calendar years commencing prior to January  
 538 1, 2001, the tax imposed by section 12-640 for the calendar year shall be  
 539 at a rate of the taxable gifts made by the donor during the calendar  
 540 year set forth in the following schedule:

T70	Amount of Taxable Gifts	Rate of Tax
T71	Not over \$25,000	1%
T72	Over \$25,000	\$250, plus 2% of the excess
T73	but not over \$50,000	over \$25,000
T74	Over \$50,000	\$750, plus 3% of the excess
T75	but not over \$75,000	over \$50,000
T76	Over \$75,000	\$1,500, plus 4% of the excess
T77	but not over \$100,000	over \$75,000
T78	Over \$100,000	\$2,500, plus 5% of the excess
T79	but not over \$200,000	over \$100,000
T80	Over \$200,000	\$7,500, plus 6% of the excess
T81		over \$200,000

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

T82	Amount of Taxable Gifts	Rate of Tax
T83	Over \$25,000	\$250, plus 2% of the excess
T84	but not over \$50,000	over \$25,000
T85	Over \$50,000	\$750, plus 3% of the excess
T86	but not over \$75,000	over \$50,000
T87	Over \$75,000	\$1,500, plus 4% of the excess
T88	but not over \$100,000	over \$75,000
T89	Over \$100,000	\$2,500, plus 5% of the excess
T90	but not over \$675,000	over \$100,000
T91	Over \$675,000	\$31,250, plus 6% of the excess

T92 over \$675,000

546 (3) With respect to Connecticut taxable gifts, as defined in section  
 547 12-643, made by a donor during a calendar year commencing on or  
 548 after January 1, 2005, but prior to January 1, 2010, including the  
 549 aggregate amount of all Connecticut taxable gifts made by the donor  
 550 during all calendar years commencing on or after January 1, 2005, but  
 551 prior to January 1, 2010, the tax imposed by section 12-640 for the  
 552 calendar year shall be at the rate set forth in the following schedule,  
 553 with a credit allowed against such tax for any tax previously paid to  
 554 this state pursuant to this subdivision:

T93	Amount of Taxable Gifts	Rate of Tax
T94	Not over \$2,000,000	None
T95	Over \$2,000,000	
T96	but not over \$2,100,000	5.085% of the excess over \$0
T97	Over \$2,100,000	\$106,800 plus 8% of the excess
T98	but not over \$2,600,000	over \$2,100,000
T99	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T100	but not over \$3,100,000	over \$2,600,000
T101	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T102	but not over \$3,600,000	over \$3,100,000
T103	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T104	but not over \$4,100,000	over \$3,600,000
T105	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T106	but not over \$5,100,000	over \$4,100,000
T107	Over \$5,100,000	\$402,800 plus 12% of the excess
T108	but not over \$6,100,000	over \$5,100,000
T109	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T110	but not over \$7,100,000	over \$6,100,000
T111	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T112	but not over \$8,100,000	over \$7,100,000
T113	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T114	but not over \$9,100,000	over \$8,100,000
T115	Over \$9,100,000	\$930,800 plus 15.2% of the excess

T116	but not over \$10,100,000	over \$9,100,000
T117	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T118		over \$10,100,000

555 (4) With respect to Connecticut taxable gifts, as defined in section  
 556 12-643, made by a donor during a calendar year commencing on or  
 557 after January 1, 2010, but prior to January 1, 2011, including the  
 558 aggregate amount of all Connecticut taxable gifts made by the donor  
 559 during all calendar years commencing on or after January 1, 2005, the  
 560 tax imposed by section 12-640 for the calendar year shall be at the rate  
 561 set forth in the following schedule, with a credit allowed against such  
 562 tax for any tax previously paid to this state pursuant to this  
 563 subdivision or pursuant to subdivision (3) of this subsection, provided  
 564 such credit shall not exceed the amount of tax imposed by this section:

T119	Amount of Taxable Gifts	Rate of Tax
T120	Not over \$3,500,000	None
T121	Over \$3,500,000	7.2% of the excess
T122	but not over \$3,600,000	over \$3,500,000
T123	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T124	but not over \$4,100,000	over \$3,600,000
T125	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T126	but not over \$5,100,000	over \$4,100,000
T127	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T128	but not over \$6,100,000	over \$5,100,000
T129	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T130	but not over \$7,100,000	over \$6,100,000
T131	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T132	but not over \$8,100,000	over \$7,100,000
T133	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T134	but not over \$9,100,000	over \$8,100,000
T135	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T136	but not over \$10,100,000	over \$9,100,000
T137	Over \$10,100,000	\$640,200 plus 12% of the excess
T138		over \$10,100,000

565 (5) With respect to Connecticut taxable gifts, as defined in section  
 566 12-643, made by a donor during a calendar year commencing on or  
 567 after January 1, 2011, including the aggregate amount of all  
 568 Connecticut taxable gifts made by the donor during all calendar years  
 569 commencing on or after January 1, 2005, the tax imposed by section 12-  
 570 640 for the calendar year shall be at the rate set forth in the following  
 571 schedule, with a credit allowed against such tax for any tax previously  
 572 paid to this state pursuant to this subdivision or pursuant to  
 573 subdivision (3) or (4) of this subsection, provided such credit shall not  
 574 exceed the amount of tax imposed by this section:

T139	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T140	<u>Not over \$2,000,000</u>	<u>None</u>
T141	<u>Over \$2,000,000</u>	<u>7.2% of the excess</u>
T142	<u>but not over \$3,600,000</u>	<u>over \$2,000,000</u>
T143	<u>Over \$3,600,000</u>	<u>\$115,200 plus 7.8% of the excess</u>
T144	<u>but not over \$4,100,000</u>	<u>over \$3,600,000</u>
T145	<u>Over \$4,100,000</u>	<u>\$154,200 plus 8.4% of the excess</u>
T146	<u>but not over \$5,100,000</u>	<u>over \$4,100,000</u>
T147	<u>Over \$5,100,000</u>	<u>\$238,200 plus 9.0% of the excess</u>
T148	<u>but not over \$6,100,000</u>	<u>over \$5,100,000</u>
T149	<u>Over \$6,100,000</u>	<u>\$328,200 plus 9.6% of the excess</u>
T150	<u>but not over \$7,100,000</u>	<u>over \$6,100,000</u>
T151	<u>Over \$7,100,000</u>	<u>\$424,200 plus 10.2% of the excess</u>
T152	<u>but not over \$8,100,000</u>	<u>over \$7,100,000</u>
T153	<u>Over \$8,100,000</u>	<u>\$526,200 plus 10.8% of the excess</u>
T154	<u>but not over \$9,100,000</u>	<u>over \$8,100,000</u>
T155	<u>Over \$9,100,000</u>	<u>\$634,200 plus 11.4% of the excess</u>
T156	<u>but not over \$10,100,000</u>	<u>over \$9,100,000</u>
T157	<u>Over \$10,100,000</u>	<u>\$748,200 plus 12% of the excess</u>
T158		<u>over \$10,100,000</u>

575 Sec. 14. Subparagraph (I) of subdivision (37) of subsection (a) of  
 576 section 12-407 of the general statutes is repealed and the following is  
 577 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*  
 578 *occurring on or after said date*):

579 (I) Services to industrial, commercial or income-producing real  
580 property, including, but not limited to, such services as management,  
581 electrical, plumbing, painting and carpentry, [and excluding any such  
582 services rendered in the voluntary evaluation, prevention, treatment,  
583 containment or removal of hazardous waste, as defined in section  
584 22a-115, or other contaminants of air, water or soil,] provided  
585 income-producing property shall not include property used  
586 exclusively for residential purposes in which the owner resides and  
587 which contains no more than three dwelling units, or a housing facility  
588 for low and moderate income families and persons owned or operated  
589 by a nonprofit housing organization, as defined in subdivision (29) of  
590 section 12-412;

591 Sec. 15. Subparagraph (N) of subdivision (37) of subsection (a) of  
592 section 12-407 of the general statutes is repealed and the following is  
593 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*  
594 *occurring on or after said date*):

595 (N) Motor vehicle parking, including the provision of space, other  
596 than metered space, in a lot having thirty or more spaces, excluding (i)  
597 space in a seasonal parking lot provided by a person who is exempt  
598 from taxation under this chapter pursuant to subdivision (1), (5) or (8)  
599 of section 12-412, (ii) space in a parking lot owned or leased under the  
600 terms of a lease of not less than ten years' duration and operated by an  
601 employer for the exclusive use of its employees, [(iii) valet parking  
602 provided at any airport, and (iv)] and (iii) space in  
603 municipally-operated railroad parking facilities in municipalities  
604 located within an area of the state designated as a severe  
605 nonattainment area for ozone under the federal Clean Air Act or space  
606 in a railroad parking facility in a municipality located within an area of  
607 the state designated as a severe nonattainment area for ozone under  
608 the federal Clean Air Act owned or operated by the state on or after  
609 April 1, 2000;

610 Sec. 16. Subparagraph (S) of subdivision (37) of subsection (a) of  
611 section 12-407 of the general statutes is repealed and the following is

612 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*  
613 *occurring on or after said date*):

614 (S) Services of the agent of any person in relation to the sale of any  
615 item of tangible personal property for such person under consignment,  
616 exclusive of the services of a consignee selling works of art, as defined  
617 in subsection (b) of section 12-376c, or [articles of clothing or footwear  
618 intended to be worn on or about the human body other than (i) any  
619 special clothing or footwear primarily designed for athletic activity or  
620 protective use and which is not normally worn except when used for  
621 the athletic activity or protective use for which it was designed, and (ii)  
622 jewelry, handbags, luggage, umbrellas, wallets, watches and similar  
623 items carried on or about the human body but not worn on the body in  
624 the manner characteristic of clothing intended for exemption under  
625 subdivision (47) of section 12-412, under consignment, exclusive of]  
626 services provided by an auctioneer;

627 Sec. 17. Subparagraph (FF) of subdivision (37) of subsection (a) of  
628 section 12-407 of the general statutes is repealed and the following is  
629 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*  
630 *occurring on or after said date*):

631 (FF) Health and athletic club services, exclusive of (i) any such  
632 services provided without any additional charge which are included in  
633 any dues or initiation fees paid to any such club, which dues or fees  
634 are subject to tax under section 12-543, and (ii) any such services  
635 provided by a municipality or an organization that is described in  
636 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent  
637 corresponding internal revenue code of the United States, as from time  
638 to time amended. [, and (iii) yoga instruction provided at a yoga  
639 studio.]

640 Sec. 18. Subdivision (37) of subsection (a) of section 12-407 of the  
641 general statutes is amended by adding subparagraphs (GG) to (NN),  
642 inclusive, as follows (*Effective July 1, 2011, and applicable to sales*  
643 *occurring on or after said date*):

644 (NEW) (GG) Motor vehicle storage services, including storage of  
645 motor homes, campers and camp trailers, other than the furnishing of  
646 space as described in subparagraph (P) of subdivision (2) of subsection  
647 (a) of section 12-407;

648 (NEW) (HH) Packing and crating services, other than those  
649 provided in connection with the sale of tangible personal property by  
650 the retailer of such property;

651 (NEW) (II) Motor vehicle towing and road services, other than  
652 motor vehicle repair services;

653 (NEW) (JJ) Intrastate transportation services provided by livery  
654 services, including limousines, community cars or vans, with a driver.  
655 Intrastate transportation services shall not include transportation by  
656 taxicab, motor bus, ambulance or ambulette, scheduled public  
657 transportation or services provided in connection with funerals;

658 (NEW) (KK) Pet grooming and pet boarding services, except if such  
659 services are provided as an integral part of professional veterinary  
660 services, and pet obedience services;

661 (NEW) (LL) Services in connection with a cosmetic medical  
662 procedure. For purposes of this subparagraph, "cosmetic medical  
663 procedure" means any medical procedure performed on an individual  
664 that is directed at improving the individual's appearance and that does  
665 not meaningfully promote the proper function of the body or prevent  
666 or treat illness or disease. "Cosmetic medical procedure" includes, but  
667 is not limited, to cosmetic surgery, hair transplants, cosmetic injections,  
668 cosmetic soft tissue fillers, dermabrasion and chemical peel, laser hair  
669 removal, laser skin resurfacing, laser treatment of leg veins, and  
670 sclerotherapy. "Cosmetic medical procedure" does not include  
671 reconstructive surgery. "Reconstructive surgery" includes any surgery  
672 performed on abnormal structures caused by or related to congenital  
673 defects, developmental abnormalities, trauma, infection, tumors or  
674 disease, including procedures to improve function or give a more  
675 normal appearance;

676 (NEW) (MM) Manicure services, pedicure services and all other nail  
677 services, regardless of where performed, including airbrushing, fills,  
678 full sets, nail sculpting, paraffin treatments and polishes;

679 (NEW) (NN) Spa services, regardless of where performed, including  
680 body waxing and wraps, peels, scrubs and facials.

681 Sec. 19. Subdivision (1) of section 12-408 of the general statutes is  
682 repealed and the following is substituted in lieu thereof (*Effective July*  
683 *1, 2011, and applicable to sales occurring on or after said date*):

684 (1) (A) For the privilege of making any sales, as defined in  
685 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
686 for a consideration, a tax is hereby imposed on all retailers at the rate  
687 of six and thirty-five-hundredths per cent of the gross receipts of any  
688 retailer from the sale of all tangible personal property sold at retail or  
689 from the rendering of any services constituting a sale in accordance  
690 with subdivision (2) of subsection (a) of section 12-407, except, in lieu  
691 of said rate of six and thirty-five-hundredths per cent, the rates  
692 provided in subparagraphs (B) to (F), inclusive, of this subdivision.

693 [(A) at] (B) At a rate of [twelve] fifteen per cent with respect to each  
694 transfer of occupancy, from the total amount of rent received for such  
695 occupancy of any room or rooms in a hotel or lodging house for the  
696 first period not exceeding thirty consecutive calendar days; [.]

697 [(B) with] (C) With respect to the sale of a motor vehicle to any  
698 individual who is a member of the armed forces of the United States  
699 and is on full-time active duty in Connecticut and who is considered,  
700 under 50 App USC 574, a resident of another state, or to any such  
701 individual and the spouse thereof, at a rate of four and one-half per  
702 cent of the gross receipts of any retailer from such sales, provided such  
703 retailer requires and maintains a declaration by such individual,  
704 prescribed as to form by the commissioner and bearing notice to the  
705 effect that false statements made in such declaration are punishable, or  
706 other evidence, satisfactory to the commissioner, concerning the  
707 purchaser's state of residence under 50 App USC 574; [.]

708 [(C) (i) with] (D) (i) With respect to the sales of computer and data  
709 processing services occurring on or after July 1, 1997, and prior to July  
710 1, 1998, at the rate of five per cent, on or after July 1, 1998, and prior to  
711 July 1, 1999, at the rate of four per cent, on or after July 1, 1999, and  
712 prior to July 1, 2000, at the rate of three per cent, on or after July 1,  
713 2000, and prior to July 1, 2001, at the rate of two per cent, on or after  
714 July 1, 2001, at the rate of one per cent, and (ii) with respect to sales of  
715 Internet access services, on and after July 1, 2001, such services shall be  
716 exempt from such tax; [,]

717 [(D) with] (E) With respect to the sales of labor that is otherwise  
718 taxable under subparagraph (C) or (G) of subdivision (2) of subsection  
719 (a) of section 12-407 on existing vessels and repair or maintenance  
720 services on vessels occurring on and after July 1, 1999, such services  
721 shall be exempt from such tax; [,]

722 [(E) with] (F) With respect to patient care services for which  
723 payment is received by the hospital on or after July 1, 1999, and prior  
724 to July 1, 2001, at the rate of five and three-fourths per cent and on and  
725 after July 1, 2001, such services shall be exempt from such tax; [,]

726 (G) With respect to the rental or leasing of a passenger motor  
727 vehicle for a period of thirty consecutive calendar days or less, at a rate  
728 of eight and thirty-five-hundredths per cent;

729 (H) With respect to the sale of (i) a motor vehicle for a sales price  
730 exceeding fifty thousand dollars, at a rate of seven per cent on the  
731 entire sales price, (ii) a vessel for a sales price exceeding one hundred  
732 thousand dollars, at a rate of seven per cent on the entire sales price,  
733 (iii) jewelry for a sales price exceeding five thousand dollars, at a rate  
734 of seven per cent on the entire sales price, and (iv) an article of clothing  
735 or footwear intended to be worn on or about the human body, a  
736 handbag, luggage, umbrella, wallet or watch for a sales price  
737 exceeding one thousand dollars, at a rate of seven per cent on the  
738 entire sales price. For purposes of this subparagraph, "motor vehicle"  
739 shall have the meaning provided in section 14-1, but shall not include a  
740 passenger motor vehicle subject to the provisions of subparagraph (C)

741 of this subdivision or a commercial motor vehicle, as defined in section  
742 14-1, provided "commercial motor vehicle" shall not include a  
743 passenger and commercial motor vehicle, as defined in section 14-1;

744 (I) The rate of tax imposed by this chapter shall be applicable to all  
745 retail sales upon the effective date of such rate, except that a new rate  
746 which represents an increase in the rate applicable to the sale shall not  
747 apply to any sales transaction wherein a binding sales contract without  
748 an escalator clause has been entered into prior to the effective date of  
749 the new rate and delivery is made within ninety days after the effective  
750 date of the new rate. For the purposes of payment of the tax imposed  
751 under this section, any retailer of services taxable under subparagraph  
752 (I) of subdivision (2) of subsection (a) of section 12-407, who computes  
753 taxable income, for purposes of taxation under the Internal Revenue  
754 Code of 1986, or any subsequent corresponding internal revenue code  
755 of the United States, as from time to time amended, on an accounting  
756 basis which recognizes only cash or other valuable consideration  
757 actually received as income and who is liable for such tax only due to  
758 the rendering of such services may make payments related to such tax  
759 for the period during which such income is received, without penalty  
760 or interest, without regard to when such service is rendered; and

761 (J) For calendar quarters ending on or after September 30, 2011, the  
762 commissioner shall deposit into the municipal revenue sharing  
763 account established pursuant to section 22 of this act, one and fifty-  
764 seven-hundredths per cent of the amounts received by the state from  
765 the tax imposed under subparagraph (A) of this subdivision, six and  
766 seven-tenths per cent of the amounts received by the state from the tax  
767 imposed under subparagraph (B) of this subdivision, and one and  
768 forty-three-hundredths of the amounts received by the state from the  
769 tax imposed under subparagraph (H) of this subdivision.

770 Sec. 20. Subdivision (3) of section 12-408 of the general statutes is  
771 repealed and the following is substituted in lieu thereof (*Effective July*  
772 *1, 2011*):

773 (3) For the purpose of adding and collecting the tax imposed by this

774 chapter, or an amount equal as nearly as possible or practicable to the  
 775 average equivalent thereof, by the retailer from the consumer the  
 776 following bracket system shall be in force and effect as follows:

T159	Amount of Sale	Amount of Tax
T160	\$0.00 to \$0.08 inclusive	[No Tax] <u>1 cent</u>
T161	.09 to .24 inclusive	[1 cent] <u>2 cents</u>
T162	.25 to .41 inclusive	[2 cents] <u>3 cents</u>
T163	.42 to .58 inclusive	[3 cents] <u>4 cents</u>
T164	.59 to .74 inclusive	[4 cents] <u>5 cents</u>
T165	.75 to .91 inclusive	[5 cents] <u>6 cents</u>
T166	.92 to 1.08 inclusive	[6 cents] <u>7 cents</u>

777 On all sales above \$1.08, the tax shall be computed at the rate of six  
 778 and thirty-five-hundredths per cent.

779 Sec. 21. Section 12-408 of the general statutes is amended by adding  
 780 subdivision (8) as follows (*Effective July 1, 2011, and applicable to sales*  
 781 *occurring on or after said date*):

782 (NEW) (8) (A) For the privilege of making any sales, as defined in  
 783 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
 784 for a consideration, a tax is hereby imposed on all gross receipts of any  
 785 retailer from the rental or leasing of a passenger motor vehicle for a  
 786 period of thirty consecutive calendar days or less, at a rate of one per  
 787 cent of the gross receipts of any retailer from such rentals or leasing.

788 (B) The provisions of this chapter shall apply to the provisions of  
 789 this subdivision in the same manner and with the same force and effect  
 790 as if the language of this chapter had been incorporated in full into this  
 791 subdivision and had expressly referred to the tax imposed under this  
 792 subdivision, except to the extent that any such provision is inconsistent  
 793 with a provision of this subdivision. The amount of municipal taxes  
 794 determined under this subdivision shall become due and be remitted  
 795 to the state, as if due and payable to the state, and shall be disbursed  
 796 by the state to the municipality where the sale giving rise to the taxes

797 occurred.

798 Sec. 22. (NEW) (*Effective July 1, 2011*) There is established an account  
799 to be known as the "municipal revenue sharing account" which shall  
800 be a separate, nonlapsing account within the General Fund. The  
801 account shall contain any moneys required by law to be deposited in  
802 the account. Moneys in the account shall be expended by the Secretary  
803 of the Office of Policy and Management for the purposes of grants to  
804 municipalities.

805 Sec. 23. Subdivision (1) of section 12-411 of the general statutes is  
806 repealed and the following is substituted in lieu thereof (*Effective July*  
807 *1, 2011, and applicable to sales occurring on or after said date*):

808 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
809 consumption or any other use in this state of tangible personal  
810 property purchased from any retailer for storage, acceptance,  
811 consumption or any other use in this state, the acceptance or receipt of  
812 any services constituting a sale in accordance with subdivision (2) of  
813 subsection (a) of section 12-407, purchased from any retailer for  
814 consumption or use in this state, or the storage, acceptance,  
815 consumption or any other use in this state of tangible personal  
816 property which has been manufactured, fabricated, assembled or  
817 processed from materials by a person, either within or without this  
818 state, for storage, acceptance, consumption or any other use by such  
819 person in this state, to be measured by the sales price of materials, at  
820 the rate of six and thirty-five-hundredths per cent of the sales price of  
821 such property or services, except, in lieu of said rate of six and thirty-  
822 five-hundredths per cent; [.]

823 [(A) at] (B) At a rate of [twelve] fifteen per cent of the rent paid for  
824 occupancy of any room or rooms in a hotel or lodging house for the  
825 first period of not exceeding thirty consecutive calendar days; [.]

826 [(B) with] (C) With respect to the storage, acceptance, consumption  
827 or use in this state of a motor vehicle purchased from any retailer for  
828 storage, acceptance, consumption or use in this state by any individual

829 who is a member of the armed forces of the United States and is on  
830 full-time active duty in Connecticut and who is considered, under 50  
831 App USC 574, a resident of another state, or to any such individual  
832 and the spouse of such individual at a rate of four and one-half per  
833 cent of the sales price of such vehicle, provided such retailer requires  
834 and maintains a declaration by such individual, prescribed as to form  
835 by the commissioner and bearing notice to the effect that false  
836 statements made in such declaration are punishable, or other evidence,  
837 satisfactory to the commissioner, concerning the purchaser's state of  
838 residence under 50 App USC 574; [.]

839 [(C) with] (D) With respect to the acceptance or receipt in this state  
840 of labor that is otherwise taxable under subparagraph (C) or (G) of  
841 subdivision (2) of subsection (a) of section 12-407 on existing vessels  
842 and repair or maintenance services on vessels occurring on and after  
843 July 1, 1999, such services shall be exempt from such tax; [.]

844 [(D) (i) with] (E) With respect to the acceptance or receipt in this  
845 state of computer and data processing services purchased from any  
846 retailer for consumption or use in this state occurring on or after July 1,  
847 1997, and prior to July 1, 1998, at the rate of five per cent of such  
848 services, on or after July 1, 1998, and prior to July 1, 1999, at the rate of  
849 four per cent of such services, on or after July 1, 1999, and prior to July  
850 1, 2000, at the rate of three per cent of such services, on or after July 1,  
851 2000, and prior to July 1, 2001, at the rate of two per cent of such  
852 services, on and after July 1, 2001, at the rate of one per cent of such  
853 services, and (ii) with respect to the acceptance or receipt in this state  
854 of Internet access services, on or after July 1, 2001, such services shall  
855 be exempt from tax; [.]

856 [(E) with] (F) With respect to the acceptance or receipt in this state of  
857 patient care services purchased from any retailer for consumption or  
858 use in this state for which payment is received by the hospital on or  
859 after July 1, 1999, and prior to July 1, 2001, at the rate of five and three-  
860 fourths per cent and on and after July 1, 2001, such services shall be  
861 exempt from such tax; [.]

862 (G) With respect to the rental or leasing of a passenger motor  
863 vehicle for a period of thirty consecutive calendar days or less, at a rate  
864 of eight and thirty-five-hundredths per cent;

865 (H) With respect to the sale of (i) a motor vehicle for a sales price  
866 exceeding fifty thousand dollars, at a rate of seven per cent on the  
867 entire purchase price, (ii) a vessel for a sales price exceeding one  
868 hundred thousand dollars, at a rate of seven per cent on the entire  
869 purchase price, (iii) jewelry for a sales price exceeding five thousand  
870 dollars, at a rate of seven per cent on the entire purchase price, and (iv)  
871 an article of clothing or footwear intended to be worn on or about the  
872 human body, a handbag, luggage, umbrella, wallet or watch for a sales  
873 price exceeding one thousand dollars, at a rate of seven per cent on the  
874 entire purchase price. For purposes of this subparagraph, "motor  
875 vehicle" shall have the meaning provided in section 14-1, but shall not  
876 include a passenger motor vehicle subject to the provisions of  
877 subparagraph (C) of this subdivision or a commercial motor vehicle, as  
878 defined in section 14-1, provided "commercial motor vehicle" shall not  
879 include a passenger and commercial motor vehicle, as defined in  
880 section 14-1; and

881 (I) For calendar quarters ending on or after September 30, 2011, the  
882 commissioner shall deposit into the municipal revenue sharing  
883 account established pursuant to section 22 of this act, one and fifty-  
884 seven-hundredths per cent of the amounts received by the state from  
885 the tax imposed under subparagraph (A) of this subdivision, six and  
886 seven-tenths per cent of the amounts received by the state from the tax  
887 imposed under subparagraph (B) of this subdivision, and one and  
888 forty-three-hundredths of the amounts received by the state from the  
889 tax imposed under subparagraph (H) of this subdivision.

890 Sec. 24. Section 12-411 of the general statutes is amended by adding  
891 subdivision (16) as follows (*Effective July 1, 2011, and applicable to sales*  
892 *occurring on or after said date*):

893 (NEW) (16) (A) An excise tax is hereby imposed on the storage,  
894 acceptance, consumption or any other use in this state of a passenger

895 motor vehicle rented or leased for a period of thirty consecutive  
896 calendar days or less, at a rate of one per cent of the total amount of  
897 payment or periodic payments for which such vehicle is rented or  
898 leased.

899 (B) The provisions of this chapter shall apply to the provisions of  
900 this subdivision in the same manner and with the same force and effect  
901 as if the language of this chapter had been incorporated in full into this  
902 subdivision and had expressly referred to the tax imposed under this  
903 subdivision, except to the extent that any such provision is inconsistent  
904 with a provision of this subdivision. The amount of municipal taxes  
905 determined under this subdivision shall become due and be remitted  
906 to the state, as if due and payable to the state, and shall be disbursed  
907 by the state to the municipality where the sale giving rise to the taxes  
908 occurred.

909 Sec. 25. Subdivision (77) of section 12-412 of the general statutes is  
910 repealed and the following is substituted in lieu thereof (*Effective July*  
911 *1, 2011, and applicable to sales occurring on or after said date*):

912 (77) Sales of aircraft repair services when such services are rendered  
913 in connection with (A) aircraft having a maximum certificated takeoff  
914 weight of six thousand pounds or more, or (B) the significant  
915 overhauling or rebuilding of aircraft or aircraft parts or components on  
916 a factory basis.

917 Sec. 26. Section 12-435 of the general statutes is repealed and the  
918 following is substituted in lieu thereof (*Effective from passage and*  
919 *applicable to sales occurring on or after July 1, 2011*):

920 Each distributor of alcoholic beverages shall pay a tax to the state on  
921 all sales within the state of alcoholic beverages, except sales to licensed  
922 distributors, sales of alcoholic beverages which, in the course of such  
923 sales, are actually transported to some point without the state and  
924 except malt beverages which are consumed on the premises covered  
925 by a manufacturer's permit, at the rates for the respective categories of  
926 alcoholic beverages listed below:

927 (a) Beer, [six dollars] seven dollars and twenty cents for each barrel,  
928 three dollars and sixty cents for each half barrel, one dollar and [fifty]  
929 eighty cents for each quarter barrel and [twenty] twenty-four cents per  
930 wine gallon or fraction thereof on quantities less than a quarter barrel;

931 (b) Liquor, [four dollars and fifty] five dollars and forty cents per  
932 wine gallon;

933 (c) Still wines containing not more than twenty-one per cent of  
934 absolute alcohol, except as provided in subsections (g) and (h) of this  
935 section, [sixty] seventy-two cents per wine gallon;

936 (d) Still wines containing more than twenty-one per cent of absolute  
937 alcohol and sparkling wines, one dollar and [fifty] eighty cents per  
938 wine gallon;

939 (e) Alcohol in excess of 100 proof, [four dollars and fifty] five dollars  
940 and forty cents per proof gallon;

941 (f) Liquor coolers containing not more than seven per cent of alcohol  
942 by volume, two dollars and [five] forty-six cents per wine gallon;

943 (g) Still wine containing not more than twenty-one per cent of  
944 absolute alcohol, produced by a person who produces not more than  
945 fifty-five thousand wine gallons of wine during the calendar year,  
946 [fifteen] eighteen cents per wine gallon, provided such person presents  
947 to each distributor of alcoholic beverages described in this section a  
948 certificate, issued by the commissioner, stating that such person  
949 produces not more than fifty-five thousand wine gallons of wine  
950 during the calendar year. The commissioner is authorized to issue such  
951 certificates, prescribe the procedures for obtaining such certificates and  
952 prescribe their form; and

953 (h) Cider containing not more than seven per cent of absolute  
954 alcohol shall be subject to the same rate as applies to beer, as provided  
955 in subsection (a) of this section.

956 Sec. 27. (NEW) (*Effective from passage*) (a) No person, except a

957 licensed distributor, shall, on or after July 1, 2011, sell, or after August  
958 15, 2011, possess with intent to sell, alcoholic beverages owned by such  
959 person and held with this state on July 1, 2011, without complying  
960 with the provisions of this section. Each such person shall take an  
961 inventory of the alcoholic beverages owned by such person and held  
962 within this state at the opening of business on July 1, 2011, including  
963 therein the whole number and any fractional part of (1) barrels, half  
964 barrels, quarter barrels and wine gallons of quantities less than quarter  
965 barrels, of (A) beer, and (B) cider containing not more than seven per  
966 cent of absolute alcohol; (2) wine gallons of liquor; (3) wine gallons of  
967 still wines containing not more than twenty-one per cent of absolute  
968 alcohol; (4) wine gallons of (A) still wines containing more than  
969 twenty-one per cent of absolute alcohol, and (B) sparkling wines; (5)  
970 proof gallons of alcohol in excess of 100 proof; and (6) liquor coolers  
971 containing not more than seven per cent alcohol by volume. Each such  
972 person shall, not later than August 15, 2011, file a report of such  
973 inventory with the Commissioner of Revenue Services on forms to be  
974 prescribed or furnished by said commissioner. The tax, at rates for the  
975 respective categories of alcoholic beverages as set forth in subsection  
976 (b) of this section, shall be due and payable on the due date of such  
977 report.

978 (b) The rates for the respective categories of alcoholic beverages are  
979 as follows: (1) (A) Beer, and (B) cider containing not more than seven  
980 per cent of absolute alcohol, one dollar and twenty cents for each  
981 barrel, sixty cents for each half barrel, thirty cents for each quarter  
982 barrel and four cents per wine gallon or fraction thereof on quantities  
983 less than a quarter barrel; (2) liquor, ninety cents per wine gallon; (3)  
984 still wines containing not more than twenty-one per cent of absolute  
985 alcohol, twelve cents per wine gallon; (4) (A) still wines containing  
986 more than twenty-one per cent of absolute alcohol, and (B) sparkling  
987 wines, thirty cents per wine gallon; (5) alcohol in excess of 100 proof,  
988 ninety cents per proof gallon; (6) liquor coolers containing not more  
989 than seven per cent of alcohol by volume, forty-one cents per wine  
990 gallon; and (7) still wines containing not more than twenty-one per  
991 cent of absolute alcohol, produced by a person who produces not more

992 than fifty-five thousand wine gallons of wine during the calendar year,  
993 three cents per wine gallon.

994 (c) If any person required to file a report under this section fails to  
995 file such report on or before August 15, 2011, the commissioner shall  
996 make an estimate of the amounts of alcoholic beverages of the several  
997 categories specified in subsection (b) of this section owned by such  
998 person and held within this state on July 1, 2011, based upon any  
999 information which is in the commissioner's possession or which may  
1000 come into the commissioner's possession. The provisions of chapter  
1001 220 of the general statutes pertaining to failure to file returns,  
1002 examination of returns by the commissioner, the issuance of deficiency  
1003 assessments or assessments where no return has been filed, the  
1004 collection of tax, the imposition of penalties and the accrual of interest  
1005 shall apply to the persons required to pay the tax imposed under this  
1006 section as if such persons were distributors licensed under chapter 220  
1007 of the general statutes. Failure to file such report and pay the tax when  
1008 due shall be sufficient reason to revoke any state license or permit held  
1009 by such person.

1010 (d) The Commissioner of Consumer Protection shall cooperate with  
1011 the Commissioner of Revenue Services in the enforcement of the tax  
1012 imposed pursuant to this section.

1013 Sec. 28. Subdivision (2) of subsection (a) of section 12-458 of the  
1014 general statutes is repealed and the following is substituted in lieu  
1015 thereof (*Effective July 1, 2011*):

1016 (2) On said date and coincident with the filing of such return each  
1017 distributor shall pay to the commissioner for the account of the  
1018 purchaser or consumer a tax (A) on each gallon of such fuels sold or  
1019 used in this state during the preceding calendar month of twenty-six  
1020 cents on and after January 1, 1992, twenty-eight cents on and after  
1021 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents  
1022 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,  
1023 thirty-two cents on and after January 1, 1995, thirty-three cents on and  
1024 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-

1025 five cents on and after January 1, 1996, thirty-six cents on and after  
1026 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight  
1027 cents on and after October 1, 1996, thirty-nine cents on and after  
1028 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two  
1029 cents on and after July 1, 1998, [and] twenty-five cents on and after July  
1030 1, 2000, and twenty-eight cents on and after July 1, 2011; and (B) in lieu  
1031 of said taxes, each distributor shall pay a tax on each gallon of gasohol,  
1032 as defined in section 14-1, sold or used in this state during such  
1033 preceding calendar month, of twenty-five cents on and after January 1,  
1034 1992, twenty-seven cents on and after January 1, 1993, twenty-eight  
1035 cents on and after July 1, 1993, twenty-nine cents on and after January  
1036 1, 1994, thirty cents on and after July 1, 1994, thirty-one cents on and  
1037 after January 1, 1995, thirty-two cents on and after July 1, 1995, thirty-  
1038 three cents on and after October 1, 1995, thirty-four cents on and after  
1039 January 1, 1996, thirty-five cents on and after April 1, 1996, thirty-six  
1040 cents on and after July 1, 1996, thirty-seven cents on and after October  
1041 1, 1996, thirty-eight cents on and after January 1, 1997, thirty-five cents  
1042 on and after July 1, 1997, thirty-one cents on and after July 1, 1998,  
1043 [and] twenty-four cents on and after July 1, 2000, [and] twenty-five  
1044 cents on and after July 1, 2004, and twenty-eight cents on and after July  
1045 1, 2011; (C) in lieu of said taxes, each distributor shall pay a tax on each  
1046 gallon of diesel fuel, propane or natural gas sold or used in this state  
1047 during such preceding calendar month, of eighteen cents on and after  
1048 September 1, 1991, and twenty-six cents on and after August 1, 2002,  
1049 and prior to July 1, 2007; (D) in lieu of said taxes, each distributor shall  
1050 pay a tax on each gallon of propane or natural gas sold or used in this  
1051 state during such preceding calendar month, of twenty-six cents on  
1052 and after July 1, 2007, and prior to July 1, 2011; [and] (E) in lieu of said  
1053 taxes, each distributor shall pay a tax on each gallon of diesel fuel sold  
1054 or used in this state during such preceding calendar month, of thirty-  
1055 seven cents on and after July 1, 2007, and at the applicable tax rate, as  
1056 determined by the commissioner pursuant to section 12-458h, as  
1057 amended by this act, on and after July 1, 2008; and (F) in lieu of said  
1058 taxes, each distributor shall pay a tax on each gallon of liquefied  
1059 natural gas or liquefied petroleum gas or compressed natural gas sold

1060 or used in this state during such preceding calendar month, of twenty-  
1061 eight cents on and after July 1, 2011. For purposes of subparagraph (F)  
1062 of this subdivision, each one hundred twenty-six and sixty-seven one-  
1063 hundredths cubic feet of compressed natural gas shall be treated as a  
1064 gallon.

1065 Sec. 29. Section 12-458h of the general statutes is repealed and the  
1066 following is substituted in lieu thereof (*Effective July 1, 2011*):

1067 (a) (1) The Commissioner of Revenue Services shall, on or before  
1068 June 15, 2008, and on or before the fifteenth day of June thereafter,  
1069 calculate, in accordance with subsection (b) of this section, the  
1070 applicable tax rate per gallon of diesel fuel on the sale or use of such  
1071 fuel during the twelve-month period beginning on the next succeeding  
1072 July first, and shall notify each distributor, the chairpersons and  
1073 ranking members of the joint standing committee of the General  
1074 Assembly having cognizance of matters relating to finance, revenue  
1075 and bonding, and the Secretary of the Office of Policy and  
1076 Management of such applicable tax rate.

1077 (2) The commissioner shall, on or before June 15, 2008, and on or  
1078 before the fifteenth day of June thereafter, determine the average  
1079 wholesale price per gallon of diesel fuel in this state during the twelve-  
1080 month period ending on the next preceding March thirty-first by using  
1081 wholesale price information for diesel fuel published by the Oil Price  
1082 Information Service. Such wholesale price information for  
1083 "Hartford/Rocky Hill" and "New Haven" shall be averaged by the  
1084 commissioner. If either the first or last day of such twelve-month  
1085 period falls on a Sunday or a legal holiday, as defined in section 1-4,  
1086 the next succeeding day which is not a Sunday or legal holiday shall be  
1087 substituted for such first or last day, as the case may be.

1088 (b) (1) The applicable tax rate per gallon of diesel fuel shall be the  
1089 sum of (A) [twenty-six] twenty-nine cents, and (B) the product  
1090 calculated in accordance with subdivision (2) of this subsection. The  
1091 sum shall be rounded to the nearest one-tenth of a cent.

1092 (2) The commissioner shall multiply (A) the average wholesale price  
1093 per gallon of diesel fuel, as determined in accordance with subdivision  
1094 (2) of subsection (a) of this section, by (B) the tax rate specified in  
1095 subdivision (1) of subsection (b) of section 12-587. The tax rate so  
1096 specified shall be the tax rate in effect for the twelve-month period  
1097 beginning on the next succeeding July first.

1098 (c) For purposes of subdivision (1) of subsection (a) of section 12-  
1099 459, the tax provided for by section 12-458, as amended by this act,  
1100 shall, if determined by the commissioner to be eligible for refund, be  
1101 refunded at the tax rate per gallon specified in subparagraph (A) of  
1102 subdivision (1) of subsection (b) of this section.

1103 Sec. 30. (NEW) (*Effective from passage*) (a) An excise tax is hereby  
1104 imposed upon each person licensed to sell fuel under the provisions of  
1105 section 14-319 of the general statutes in the amount of three cents per  
1106 gallon of gasoline and gasohol in such licensee's inventory on June 30,  
1107 2011, and in the amount of three cents per gallon of diesel fuel in such  
1108 licensee's inventory on June 30, 2011.

1109 (b) Each such licensee shall, not later than August 1, 2011, file with  
1110 the Commissioner of Revenue Services, on forms prescribed by said  
1111 commissioner, a report which shall show the number of gallons of  
1112 gasoline, gasohol and diesel fuel in inventory as of the close of  
1113 business on June 30, 2011, or, if the business closes after eleven fifty-  
1114 nine o'clock p.m. on such date, at eleven fifty-nine o'clock p.m. on such  
1115 date, and shall, not later than August 1, 2011, pay such tax based upon  
1116 the total gallonage shown on such report. Interest at the rate of one per  
1117 cent per month or fraction thereof shall be assessed on the amount of  
1118 such tax not paid when due, from the date such tax became due to the  
1119 date of payment. The Commissioner of Motor Vehicles shall cooperate  
1120 with the Commissioner of Revenue Services in the enforcement of this  
1121 tax. If any licensee required to file a report pursuant to this section fails  
1122 to file such report on or before August 1, 2011, the Commissioner of  
1123 Revenue Services shall make an estimate of the number of gallons of  
1124 gasoline, gasohol and diesel fuel in such licensee's inventory as of the

1125 close of business on June 30, 2011, based upon any information that is  
1126 in said commissioner's possession or that may come into the  
1127 commissioner's possession. Failure to file such report and pay the tax  
1128 when due shall be sufficient reason to revoke any state license or  
1129 permit held by such person. Failure to file such report shall be treated  
1130 as a failure to file a report required to be filed under the provisions of  
1131 chapter 221 of the general statutes. The filing of an incorrect report  
1132 shall be treated as the filing of an incorrect report under the provisions  
1133 of chapter 221 of the general statutes.

1134 Sec. 31. Subsections (a) and (b) of section 12-494 of the general  
1135 statutes are repealed and the following is substituted in lieu thereof  
1136 (*Effective July 1, 2011, and applicable to conveyances occurring on or after*  
1137 *said date*):

1138 (a) There is imposed a tax on each deed, instrument or writing,  
1139 whereby any lands, tenements or other realty is granted, assigned,  
1140 transferred or otherwise conveyed to, or vested in, the purchaser, or  
1141 any other person by such purchaser's direction, when the  
1142 consideration for the interest or property conveyed equals or exceeds  
1143 two thousand dollars, (1) subject to the provisions of subsection (b) of  
1144 this section, at the rate of [five-tenths] three-quarters of one per cent of  
1145 the consideration for the interest in real property conveyed by such  
1146 deed, instrument or writing, the revenue from which shall be remitted  
1147 by the town clerk of the municipality in which such tax is paid, not  
1148 later than ten days following receipt thereof, to the Commissioner of  
1149 Revenue Services for deposit to the credit of the state General Fund,  
1150 and (2) at the rate of one-fourth of one per cent of the consideration for  
1151 the interest in real property conveyed by such deed, instrument or  
1152 writing, [and on and after July 1, 2011, at the rate of eleven one-  
1153 hundredths of one per cent of the consideration for the interest in real  
1154 property conveyed by such deed, instrument or writing,] provided the  
1155 amount imposed under this subdivision shall become part of the  
1156 general revenue of the municipality in accordance with section 12-499.

1157 (b) The rate of tax imposed under subdivision (1) of subsection (a) of

1158 this section shall, in lieu of the rate under said subdivision (1), be  
1159 imposed on certain conveyances as follows: (1) In the case of any  
1160 conveyance of real property which at the time of such conveyance is  
1161 used for any purpose other than residential use, except unimproved  
1162 land, the tax under said subdivision (1) shall be imposed at the rate of  
1163 one and one-quarter per cent of the consideration for the interest in  
1164 real property conveyed; (2) in the case of any conveyance in which the  
1165 real property conveyed is a residential estate, including a primary  
1166 dwelling and any auxiliary housing or structures, regardless of the  
1167 number of deeds, instruments or writings used to convey such  
1168 residential real estate, for which the consideration or aggregate  
1169 consideration, as the case may be, in such conveyance is eight hundred  
1170 thousand dollars or more, the tax under said subdivision (1) shall be  
1171 imposed (A) at the rate of [one-half] three-quarters of one per cent on  
1172 that portion of such consideration up to and including the amount of  
1173 eight hundred thousand dollars, and (B) at the rate of one and one-  
1174 quarter per cent on that portion of such consideration in excess of eight  
1175 hundred thousand dollars; and (3) in the case of any conveyance in  
1176 which real property on which mortgage payments have been  
1177 delinquent for not less than six months is conveyed to a financial  
1178 institution or its subsidiary which holds such a delinquent mortgage  
1179 on such property, the tax under said subdivision (1) shall be imposed  
1180 at the rate of [one-half] three-quarters of one per cent of the  
1181 consideration for the interest in real property conveyed. For the  
1182 purposes of subdivision (1) of this subsection, "unimproved land"  
1183 includes land designated as farm, forest or open space land.

1184 Sec. 32. (NEW) (*Effective July 1, 2011*) The Commissioner of Revenue  
1185 Services shall deposit into the municipal revenue sharing account  
1186 established pursuant to section 22 of this act, (1) thirty-three per cent of  
1187 the amounts received pursuant to subdivision (1) of subsection (a) of  
1188 section 12-494 of the general statutes, as amended by this act,  
1189 subparagraph (A) of subdivision (2) of subsection (b) of said section  
1190 12-494, and subdivision (3) of subsection (b) of said section 12-494, and  
1191 (2) twenty per cent of the amounts received pursuant to subdivision (1)  
1192 of subsection (b) of said section 12-494 and subparagraph (B) of

1193 subdivision (2) of subsection (b) of said section 12-494.

1194 Sec. 33. (NEW) (*Effective July 1, 2011*) (a) As used in this section:

1195 (1) "Person" has the same meaning as provided in section 12-1 of the  
1196 general statutes;

1197 (2) "Electric generation services" has the same meaning as provided  
1198 in section 16-1 of the general statutes;

1199 (3) "Electric generation facility" means electric generation facility, as  
1200 the term is used in section 12-94d of the general statutes;

1201 (4) "Regional bulk power grid" means regional bulk power grid, as  
1202 the term is used in section 16a-7b of the general statutes;

1203 (5) "Alternative energy system" has the same meaning as provided  
1204 in subdivision (21) of subsection (a) of section 12-213 of the general  
1205 statutes;

1206 (6) "Fuel cells" has the same meaning as provided in subdivision  
1207 (113) of section 12-412 of the general statutes;

1208 (7) "Commissioner" means the Commissioner of Revenue Services;

1209 (8) "Department" means the Department of Revenue Services; and

1210 (9) "Person subject to tax" means a person providing electric  
1211 generation services and uploading electricity generated at such  
1212 person's electric generation facility in this state to the regional bulk  
1213 power grid.

1214 (b) (1) For each calendar quarter commencing on or after July 1,  
1215 2011, and prior to July 1, 2013, there is hereby imposed a tax on each  
1216 person subject to tax, which tax shall be the product of one-quarter of  
1217 one cent, multiplied by the net kilowatt hours of electricity generated  
1218 by such person at such person's electric generation facility in this state  
1219 and uploaded to the regional bulk power grid.

1220 (2) Each person subject to tax shall, on or before October 31, 2011,  
1221 and thereafter on or before the last day of January, April, July and  
1222 October of each year until June 30, 2013, render to the commissioner a  
1223 return, on forms prescribed or furnished by the commissioner,  
1224 reporting the kilowatt hours of electricity generated by such person at  
1225 such person's electric generation facility in this state and uploaded to  
1226 the regional bulk power grid during the calendar quarter ending on  
1227 the last day of the preceding month and reporting such other  
1228 information as the commissioner deems necessary for the proper  
1229 administration of this section. The tax imposed under this section shall  
1230 be due and payable on the due date of such return. Each person subject  
1231 to tax shall be required to file such return electronically with the  
1232 department and to make payment of such tax by electronic funds  
1233 transfer in the manner provided by chapter 228g of the general  
1234 statutes, irrespective of whether the person subject to tax would have  
1235 otherwise been required to file such return electronically or to make  
1236 such tax payment by electronic funds transfer under the provisions of  
1237 chapter 228g of the general statutes.

1238 (c) Whenever the tax imposed under this section is not paid when  
1239 due, a penalty of ten per cent of the amount due and unpaid or fifty  
1240 dollars, whichever is greater, shall be imposed and interest at the rate  
1241 of one per cent per month or fraction thereof shall accrue on such tax  
1242 from the due date of such tax until the date of payment.

1243 (d) The provisions of section 12-548 of the general statutes, sections  
1244 12-550 to 12-554, inclusive, of the general statutes and section 12-555a  
1245 of the general statutes shall apply to the provisions of this section in  
1246 the same manner and with the same force and effect as if the language  
1247 of said sections had been incorporated in full into this section and had  
1248 expressly referred to the tax imposed under this section, except to the  
1249 extent that any provision is inconsistent with a provision in this  
1250 section.

1251 (e) The tax imposed by this section shall not apply to any net  
1252 kilowatt hours of electricity generated at an electric generation facility

1253 in this state exclusively through the use of fuel cells or an alternative  
1254 energy system.

1255 (f) At the end of the fiscal years ending June 30, 2012, and June 30,  
1256 2013, the Comptroller is authorized to record as revenue for each fiscal  
1257 year the amount of tax imposed under the provisions of this section on  
1258 electricity generated prior to the end of each fiscal year and which tax  
1259 is received by the Commissioner of Revenue Services not later than  
1260 five business days after the last day of July immediately following the  
1261 end of each fiscal year.

1262 Sec. 34. Subsection (a) of section 12-541 of the general statutes is  
1263 repealed and the following is substituted in lieu thereof (*Effective*  
1264 *January 1, 2012, and applicable to admission charges imposed on or after said*  
1265 *date*):

1266 (a) There is hereby imposed a tax of ten per cent of the admission  
1267 charge to any place of amusement, entertainment or recreation, except  
1268 that no tax shall be imposed with respect to any admission charge (1)  
1269 when the admission charge is less than one dollar or, in the case of any  
1270 motion picture show, when the admission charge is not more than five  
1271 dollars, (2) when a daily admission charge is imposed which entitles  
1272 the patron to participate in an athletic or sporting activity, (3) to any  
1273 event, other than events held at the stadium facility, as defined in  
1274 section 32-651, if all of the proceeds from the event inure exclusively to  
1275 an entity which is exempt from federal income tax under the Internal  
1276 Revenue Code, provided such entity actively engages in and assumes  
1277 the financial risk associated with the presentation of such event, (4) to  
1278 any event, other than events held at the stadium facility, as defined in  
1279 section 32-651, which, in the opinion of the commissioner, is conducted  
1280 primarily to raise funds for an entity which is exempt from federal  
1281 income tax under the Internal Revenue Code, provided the  
1282 commissioner is satisfied that the net profit which inures to such entity  
1283 from such event will exceed the amount of the admissions tax which,  
1284 but for this subdivision, would be imposed upon the person making  
1285 such charge to such event, (5) [to (A) any event at the Hartford Civic

1286 Center, the New Haven Coliseum, New Britain Beehive Stadium, New  
1287 Britain Stadium, effective for events occurring on or after the date such  
1288 stadium was placed in service, New Britain Veterans Memorial  
1289 Stadium, Bridgeport Harbor Yard Stadium, Stafford Motor Speedway,  
1290 Lime Rock Park, Thompson Speedway and Waterford Speedbowl,  
1291 facilities owned or managed by the Tennis Foundation of Connecticut  
1292 or any successor organization, the William A. O'Neill Convocation  
1293 Center, the Connecticut Exposition Center, Nature's Art, the  
1294 Connecticut Convention Center, or, commencing on or after November  
1295 1, 2006, Dodd Stadium or the Arena at Harbor Yard, and (B) games of  
1296 the New Britain Rock Cats, New Haven Ravens or the Waterbury  
1297 Spirit, (6)] other than for events held at the stadium facility, as defined  
1298 in section 32-651, paid by centers of service for elderly persons, as  
1299 described in subdivision (d) of section 17b-425, [(7)] (6) to any  
1300 production featuring live performances by actors or musicians  
1301 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or  
1302 any nonprofit theater or playhouse in the state, provided such theater  
1303 or playhouse possesses evidence confirming exemption from federal  
1304 tax under Section 501 of the Internal Revenue Code, [(8)] (7) to any  
1305 carnival or amusement ride, [(9)] (8) to any interscholastic athletic  
1306 event held at the stadium facility, as defined in section 32-651, or [(10)]  
1307 (9) if the admission charge would have been subject to tax under the  
1308 provisions of section 12-542 of the general statutes, revision of 1958,  
1309 revised to January 1, 1999. On and after July 1, 2000, the tax imposed  
1310 under this section on any motion picture show shall be eight per cent  
1311 of the admission charge and, on and after July 1, 2001, the tax imposed  
1312 on any such motion picture show shall be six per cent of such charge.

1313 Sec. 35. (NEW) (*Effective July 1, 2011, and applicable to sales occurring*  
1314 *on or after said date*) (a) For purposes of this section:

1315 (1) "Person" means and includes any individual, firm,  
1316 copartnership, joint venture, association of persons however formed,  
1317 social club, fraternal organization, corporation, limited liability  
1318 company, estate, trust, fiduciary, receiver, trustee, syndicate or any  
1319 group or combination acting as a unit;

1320 (2) "Taxpayer" means any person as defined in subdivision (1) of  
1321 this subsection who is subject to the tax imposed by this section; and

1322 (3) "Cabaret or similar place" means any room in a hotel, restaurant,  
1323 hall or other public place where music, dancing privileges or any other  
1324 entertainment, except mechanical music alone or the music of a single  
1325 performer alone, are afforded the patrons in connection with the  
1326 serving or selling of alcoholic beverages, even though the charge made  
1327 for admission, refreshment, service or merchandise is not increased by  
1328 reason of the furnishing of such entertainment.

1329 (b) A tax is hereby imposed equivalent to three per cent of all  
1330 amounts charged for admissions, food and drink, service or  
1331 merchandise at any cabaret or similar place furnishing music, dancing  
1332 privileges or any other entertainment for profit during the time or  
1333 times that such music, dancing privileges or any other entertainment is  
1334 furnished. In such cases cabaret status begins at the earlier of (1) the  
1335 time the music and dancing or other entertainment starts; or (2) the  
1336 time any admission, cover, minimum, entertainment or similar charge  
1337 is imposed. If any portion of an establishment is subject to the cabaret  
1338 tax, the tax also applies to any other portion from which the  
1339 entertainment can be viewed, or from which there is free access to the  
1340 entertainment or dancing area. The tax imposed by this section is  
1341 imposed upon the person making the charge for admission, food,  
1342 drink, service or merchandise. Reimbursement for this tax shall be  
1343 collected by such person from the purchaser. Such reimbursement,  
1344 termed "tax", shall be paid by the purchaser to the person charging  
1345 such amounts. Such tax, when added to the amounts charged, shall be  
1346 a debt from the purchaser to the person making the charges and shall  
1347 be recoverable at law. The amount of tax reimbursement, when so  
1348 collected, shall be deemed to be a special fund in trust for the state of  
1349 Connecticut.

1350 (c) Each person subject to the tax imposed under this section shall  
1351 file a return on or before the last day of each month setting forth the  
1352 amount of tax due for the preceding month and such additional

1353 information as the commissioner may require. Each return shall be  
1354 signed by the person required to file the return or such person's  
1355 authorized agent, but need not be verified by oath. Any return  
1356 required to be filed by a corporation shall be signed by an officer of  
1357 such corporation or such officer's authorized agent. Payment of the tax  
1358 shall accompany such return. If any person fails to pay the amount of  
1359 tax reported to be due on the return within the time specified under  
1360 the provisions of this section, there shall be imposed a penalty equal to  
1361 ten per cent of such amount due and unpaid or fifty dollars, whichever  
1362 is greater. The tax shall bear interest at the rate of one per cent per  
1363 month or fraction thereof, from the due date.

1364 (d) The taxes collected by the state under this subsection shall be  
1365 disbursed by the state to the municipality where the transactions  
1366 giving rise to the taxes occurred.

1367 (e) The provisions of sections 12-544, 12-546, 12-547a to 12-554,  
1368 inclusive, of the general statutes and sections 12-555a and 12-555b of  
1369 the general statutes shall apply to the provisions of this section in the  
1370 same manner and with the same force and effect as if the language of  
1371 sections 12-544, 12-546, 12-547a to 12-554, inclusive, of the general  
1372 statutes and sections 12-555a and 12-555b of the general statutes had  
1373 been incorporated in full into this section and had expressly referred to  
1374 the tax imposed under this section, except to the extent that any such  
1375 provision is inconsistent with a provision of this section.

1376 Sec. 36. Subsection (a) of section 12-700 of the general statutes is  
1377 repealed and the following is substituted in lieu thereof (*Effective from*  
1378 *passage and applicable to taxable years commencing on or after January 1,*  
1379 *2011*):

1380 (a) There is hereby imposed on the Connecticut taxable income of  
1381 each resident of this state a tax:

1382 (1) At the rate of four and one-half per cent of such Connecticut  
1383 taxable income for taxable years commencing on or after January 1,  
1384 1992, and prior to January 1, 1996.

1385 (2) For taxable years commencing on or after January 1, 1996, but  
1386 prior to January 1, 1997, in accordance with the following schedule:

1387 (A) For any person who files a return under the federal income tax  
1388 for such taxable year as an unmarried individual or as a married  
1389 individual filing separately:

T167	Connecticut Taxable Income	Rate of Tax
T168	Not over \$2,250	3.0%
T169	Over \$2,250	\$67.50, plus 4.5% of the
T170		excess over \$2,250

1390 (B) For any person who files a return under the federal income tax  
1391 for such taxable year as a head of household, as defined in Section 2(b)  
1392 of the Internal Revenue Code:

T171	Connecticut Taxable Income	Rate of Tax
T172	Not over \$3,500	3.0%
T173	Over \$3,500	\$105.00, plus 4.5% of the
T174		excess over \$3,500

1393 (C) For any husband and wife who file a return under the federal  
1394 income tax for such taxable year as married individuals filing jointly or  
1395 a person who files a return under the federal income tax as a surviving  
1396 spouse, as defined in Section 2(a) of the Internal Revenue Code:

T175	Connecticut Taxable Income	Rate of Tax
T176	Not over \$4,500	3.0%
T177	Over \$4,500	\$135.00, plus 4.5% of the
T178		excess over \$4,500

1397 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
1398 Connecticut taxable income.

1399 (3) For taxable years commencing on or after January 1, 1997, but  
1400 prior to January 1, 1998, in accordance with the following schedule:

1401 (A) For any person who files a return under the federal income tax  
1402 for such taxable year as an unmarried individual or as a married  
1403 individual filing separately:

T179	Connecticut Taxable Income	Rate of Tax
T180	Not over \$6,250	3.0%
T181	Over \$6,250	\$187.50, plus 4.5% of the
T182		excess over \$6,250

1404 (B) For any person who files a return under the federal income tax  
1405 for such taxable year as a head of household, as defined in Section 2(b)  
1406 of the Internal Revenue Code:

T183	Connecticut Taxable Income	Rate of Tax
T184	Not over \$10,000	3.0%
T185	Over \$10,000	\$300.00, plus 4.5% of the
T186		excess over \$10,000

1407 (C) For any husband and wife who file a return under the federal  
1408 income tax for such taxable year as married individuals filing jointly or  
1409 any person who files a return under the federal income tax for such  
1410 taxable year as a surviving spouse, as defined in Section 2(a) of the  
1411 Internal Revenue Code:

T187	Connecticut Taxable Income	Rate of Tax
T188	Not over \$12,500	3.0%
T189	Over \$12,500	\$375.00, plus 4.5% of the
T190		excess over \$12,500

1412 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
1413 Connecticut taxable income.

1414 (4) For taxable years commencing on or after January 1, 1998, but  
1415 prior to January 1, 1999, in accordance with the following schedule:

1416 (A) For any person who files a return under the federal income tax  
1417 for such taxable year as an unmarried individual or as a married

1418 individual filing separately:

T191	Connecticut Taxable Income	Rate of Tax
T192	Not over \$7,500	3.0%
T193	Over \$7,500	\$225.00, plus 4.5% of the
T194		excess over \$7,500

1419 (B) For any person who files a return under the federal income tax  
1420 for such taxable year as a head of household, as defined in Section 2(b)  
1421 of the Internal Revenue Code:

T195	Connecticut Taxable Income	Rate of Tax
T196	Not over \$12,000	3.0%
T197	Over \$12,000	\$360.00, plus 4.5% of the
T198		excess over \$12,000

1422 (C) For any husband and wife who file a return under the federal  
1423 income tax for such taxable year as married individuals filing jointly or  
1424 any person who files a return under the federal income tax for such  
1425 taxable year as a surviving spouse, as defined in Section 2(a) of the  
1426 Internal Revenue Code:

T199	Connecticut Taxable Income	Rate of Tax
T200	Not over \$15,000	3.0%
T201	Over \$15,000	\$450.00, plus 4.5% of the
T202		excess over \$15,000

1427 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
1428 Connecticut taxable income.

1429 (5) For taxable years commencing on or after January 1, 1999, but  
1430 prior to January 1, 2003, in accordance with the following schedule:

1431 (A) For any person who files a return under the federal income tax  
1432 for such taxable year as an unmarried individual or as a married  
1433 individual filing separately:

T203	Connecticut Taxable Income	Rate of Tax
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T204	Not over \$10,000	3.0%
T205	Over \$10,000	\$300.00, plus 4.5% of the
T206		excess over \$10,000

1434 (B) For any person who files a return under the federal income tax  
 1435 for such taxable year as a head of household, as defined in Section 2(b)  
 1436 of the Internal Revenue Code:

T207	Connecticut Taxable Income	Rate of Tax
T208	Not over \$16,000	3.0%
T209	Over \$16,000	\$480.00, plus 4.5% of the
T210		excess over \$16,000

1437 (C) For any husband and wife who file a return under the federal  
 1438 income tax for such taxable year as married individuals filing jointly or  
 1439 any person who files a return under the federal income tax for such  
 1440 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1441 Internal Revenue Code:

T211	Connecticut Taxable Income	Rate of Tax
T212	Not over \$20,000	3.0%
T213	Over \$20,000	\$600.00, plus 4.5% of the
T214		excess over \$20,000

1442 (D) For trusts or estates, the rate of tax shall be 4.5% of their  
 1443 Connecticut taxable income.

1444 (6) For taxable years commencing on or after January 1, 2003, but  
 1445 prior to January 1, 2009, in accordance with the following schedule:

1446 (A) For any person who files a return under the federal income tax  
 1447 for such taxable year as an unmarried individual or as a married  
 1448 individual filing separately:

T215	Connecticut Taxable Income	Rate of Tax
T216	Not over \$10,000	3.0%
T217	Over \$10,000	\$300.00, plus 5.0% of the

T218 excess over \$10,000

1449 (B) For any person who files a return under the federal income tax  
 1450 for such taxable year as a head of household, as defined in Section 2(b)  
 1451 of the Internal Revenue Code:

T219	Connecticut Taxable Income	Rate of Tax
T220	Not over \$16,000	3.0%
T221	Over \$16,000	\$480.00, plus 5.0% of the
T222		excess over \$16,000

1452 (C) For any husband and wife who file a return under the federal  
 1453 income tax for such taxable year as married individuals filing jointly or  
 1454 any person who files a return under the federal income tax for such  
 1455 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1456 Internal Revenue Code:

T223	Connecticut Taxable Income	Rate of Tax
T224	Not over \$20,000	3.0%
T225	Over \$20,000	\$600.00, plus 5.0% of the
T226		excess over \$20,000

1457 (D) For trusts or estates, the rate of tax shall be 5.0% of the  
 1458 Connecticut taxable income.

1459 (7) For taxable years commencing on or after January 1, 2009, but  
 1460 prior to January 1, 2011, in accordance with the following schedule:

1461 (A) For any person who files a return under the federal income tax  
 1462 for such taxable year as an unmarried individual:

T227	Connecticut Taxable Income	Rate of Tax
T228	Not over \$10,000	3.0%
T229	Over \$10,000 but not	\$300.00, plus 5.0% of the
T230	over \$500,000	excess over \$10,000
T231	Over \$500,000	\$24,800, plus 6.5% of the
T232		excess over \$500,000

1463 (B) For any person who files a return under the federal income tax  
 1464 for such taxable year as a head of household, as defined in Section 2(b)  
 1465 of the Internal Revenue Code:

T233	Connecticut Taxable Income	Rate of Tax
T234	Not over \$16,000	3.0%
T235	Over \$16,000 but not	\$480.00, plus 5.0% of the
T236	over \$800,000	excess over \$16,000
T237	Over \$800,000	\$39,680, plus 6.5% of the
T238		excess over \$800,000

1466 (C) For any husband and wife who file a return under the federal  
 1467 income tax for such taxable year as married individuals filing jointly or  
 1468 any person who files a return under the federal income tax for such  
 1469 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1470 Internal Revenue Code:

T239	Connecticut Taxable Income	Rate of Tax
T240	Not over \$20,000	3.0%
T241	Over \$20,000 but not	\$600.00, plus 5.0% of the
T242	over \$1,000,000	excess over \$20,000
T243	Over \$1,000,000	\$49,600, plus 6.5% of the
T244		excess over \$1,000,000

1471 (D) For any person who files a return under the federal income tax  
 1472 for such taxable year as a married individual filing separately:

T245	Connecticut Taxable Income	Rate of Tax
T246	Not over \$10,000	3.0%
T247	Over \$10,000 but not	\$300.00, plus 5.0% of the
T248	over \$500,000	excess over \$10,000
T249	Over \$500,000	\$24,800, plus 6.5% of the
T250		excess over \$500,000

1473 (E) For trusts or estates, the rate of tax shall be 6.5% of the  
 1474 Connecticut taxable income.

1475 (8) For taxable years commencing on or after January 1, 2011, in  
 1476 accordance with the following schedule:

1477 (A) (i) For any person who files a return under the federal income  
 1478 tax for such taxable year as an unmarried individual:

T251	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T252	<u>Not over \$10,000</u>	<u>3.0%</u>
T253	<u>Over \$10,000 but not</u>	<u>\$300.00, plus 5.0% of the</u>
T254	<u>over \$50,000</u>	<u>excess over \$10,000</u>
T255	<u>Over \$50,000 but not</u>	<u>\$2,300, plus 5.5% of the</u>
T256	<u>over \$100,000</u>	<u>excess over \$50,000</u>
T257	<u>Over \$100,000 but not</u>	<u>\$5,050, plus 6.0% of the</u>
T258	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T259	<u>Over \$200,000 but not</u>	<u>\$11,050, plus 6.5% of the</u>
T260	<u>over \$250,000</u>	<u>excess over \$200,000</u>
T261	<u>Over \$250,000</u>	<u>\$14,300, plus 6.70% of the</u>
T262		<u>excess over \$250,000</u>

1479 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this  
 1480 subdivision, for each taxpayer whose Connecticut adjusted gross  
 1481 income exceeds fifty-six thousand five hundred dollars, the amount of  
 1482 the taxpayer's Connecticut taxable income to which the three-per-cent  
 1483 tax rate applies shall be reduced by one thousand dollars for each five  
 1484 thousand dollars, or fraction thereof, by which the taxpayer's  
 1485 Connecticut adjusted gross income exceeds said amount. Any such  
 1486 amount of Connecticut taxable income to which, as provided in the  
 1487 preceding sentence, the three-per-cent tax rate does not apply shall be  
 1488 an amount to which the five-per-cent tax rate shall apply.

1489 (B) (i) For any person who files a return under the federal income  
 1490 tax for such taxable year as a head of household, as defined in Section  
 1491 2(b) of the Internal Revenue Code:

T263	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T264	<u>Not over \$16,000</u>	<u>3.0%</u>
T265	<u>Over \$16,000 but not</u>	<u>\$480.00, plus 5.0% of the</u>

T266	<u>over \$80,000</u>	<u>excess over \$16,000</u>
T267	<u>Over \$80,000 but not</u>	<u>\$3,680, plus 5.5% of the</u>
T268	<u>over \$160,000</u>	<u>excess over \$80,000</u>
T269	<u>Over \$160,000 but not</u>	<u>\$8,080, plus 6.0% of the</u>
T270	<u>over \$320,000</u>	<u>excess over \$160,000</u>
T271	<u>Over \$320,000 but not</u>	<u>\$17,680, plus 6.5% of the</u>
T272	<u>over \$400,000</u>	<u>excess over \$320,000</u>
T273	<u>Over \$400,000</u>	<u>\$22,880, plus 6.70% of the</u>
T274		<u>excess over \$400,000</u>

1492 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this  
 1493 subdivision, for each taxpayer whose Connecticut adjusted gross  
 1494 income exceeds seventy-eight thousand five hundred dollars, the  
 1495 amount of the taxpayer's Connecticut taxable income to which the  
 1496 three-per-cent tax rate applies shall be reduced by one thousand six  
 1497 hundred dollars for each four thousand dollars, or fraction thereof, by  
 1498 which the taxpayer's Connecticut adjusted gross income exceeds said  
 1499 amount. Any such amount of Connecticut taxable income to which, as  
 1500 provided in the preceding sentence, the three-per-cent tax rate does  
 1501 not apply shall be an amount to which the five-per-cent tax rate shall  
 1502 apply.

1503 (C) (i) For any husband and wife who file a return under the federal  
 1504 income tax for such taxable year as married individuals filing jointly or  
 1505 any person who files a return under the federal income tax for such  
 1506 taxable year as a surviving spouse, as defined in Section 2(a) of the  
 1507 Internal Revenue Code:

T275	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T276	<u>Not over \$20,000</u>	<u>3.0%</u>
T277	<u>Over \$20,000 but not</u>	<u>\$600.00, plus 5.0% of the</u>
T278	<u>over \$100,000</u>	<u>excess over \$20,000</u>
T279	<u>Over \$100,000 but not</u>	<u>\$4,600, plus 5.5% of the</u>
T280	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T281	<u>Over \$200,000 but not</u>	<u>\$10,100, plus 6.0% of the</u>

T282	<u>over \$400,000</u>	<u>excess over \$200,000</u>
T283	<u>Over \$400,000 but not</u>	<u>\$22,100, plus 6.5% of the</u>
T284	<u>over \$500,000</u>	<u>excess over \$400,000</u>
T285	<u>Over \$500,000</u>	<u>\$28,600, plus 6.70% of the</u>
T286		<u>excess over \$500,000</u>

1508 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this  
 1509 subdivision, for each taxpayer whose Connecticut adjusted gross  
 1510 income exceeds one hundred thousand five hundred dollars, the  
 1511 amount of the taxpayer's Connecticut taxable income to which the  
 1512 three-per-cent tax rate applies shall be reduced by two thousand  
 1513 dollars for each five thousand dollars, or fraction thereof, by which the  
 1514 taxpayer's Connecticut adjusted gross income exceeds said amount.  
 1515 Any such amount of Connecticut taxable income to which, as provided  
 1516 in the preceding sentence, the three-per-cent tax rate does not apply  
 1517 shall be an amount to which the five-per-cent tax rate shall apply.

1518 (D) (i) For any person who files a return under the federal income  
 1519 tax for such taxable year as a married individual filing separately:

T287	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T288	<u>Not over \$10,000</u>	<u>3.0%</u>
T289	<u>Over \$10,000 but not</u>	<u>\$300.00, plus 5.0% of the</u>
T290	<u>over \$50,000</u>	<u>excess over \$10,000</u>
T291	<u>Over \$50,000 but not</u>	<u>\$2,300, plus 5.5% of the</u>
T292	<u>over \$100,000</u>	<u>excess over \$50,000</u>
T293	<u>Over \$100,000 but not</u>	<u>\$5,050, plus 6.0% of the</u>
T294	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T295	<u>Over \$200,000 but not</u>	<u>\$11,050, plus 6.5% of the</u>
T296	<u>over \$250,000</u>	<u>excess over \$200,000</u>
T297	<u>Over \$250,000</u>	<u>\$14,300, plus 6.70% of the</u>
T298		<u>excess over \$250,000</u>

1520 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this  
1521 subdivision, for each taxpayer whose Connecticut adjusted gross  
1522 income exceeds fifty thousand two hundred fifty dollars, the amount  
1523 of the taxpayer's Connecticut taxable income to which the three-per-  
1524 cent tax rate applies shall be reduced by one thousand dollars for each  
1525 two thousand five hundred dollars, or fraction thereof, by which the  
1526 taxpayer's Connecticut adjusted gross income exceeds said amount.  
1527 Any such amount of Connecticut taxable income to which, as provided  
1528 in the preceding sentence, the three-per-cent tax rate does not apply  
1529 shall be an amount to which the five-per-cent tax rate shall apply.

1530 (E) For trusts or estates, the rate of tax shall be 6.70% of the  
1531 Connecticut taxable income.

1532 [(8)] (9) The provisions of this subsection shall apply to resident  
1533 trusts and estates and, wherever reference is made in this subsection to  
1534 residents of this state, such reference shall be construed to include  
1535 resident trusts and estates, provided any reference to a resident's  
1536 Connecticut adjusted gross income derived from sources without this  
1537 state or to a resident's Connecticut adjusted gross income shall be  
1538 construed, in the case of a resident trust or estate, to mean the resident  
1539 trust or estate's Connecticut taxable income derived from sources  
1540 without this state and the resident trust or estate's Connecticut taxable  
1541 income, respectively.

1542 (10) (A) Any taxpayer who files a return under the federal income  
1543 tax for such taxable year as married individuals filing jointly, whose  
1544 Connecticut adjusted gross income is equal to or more than four  
1545 hundred thousand dollars, shall pay, as a benefit recapture, an amount  
1546 equal to one hundred fifty dollars for every ten thousand dollars, or  
1547 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1548 income exceeds four hundred thousand dollars, to a maximum  
1549 payment of four thousand five hundred dollars.

1550 (B) Any taxpayer who files a return under the federal income tax for  
1551 such taxable year as an unmarried individual, whose Connecticut  
1552 adjusted gross income is equal to or more than two hundred thousand

1553 dollars, shall pay, as a benefit recapture, an amount equal to seventy-  
1554 five dollars for every five thousand dollars, or fraction thereof, by  
1555 which the taxpayer's Connecticut adjusted gross income exceeds two  
1556 hundred thousand dollars, to a maximum payment of two thousand  
1557 two hundred fifty dollars.

1558 (C) Any taxpayer who files a return under the federal income tax for  
1559 such taxable year as a head of household, whose Connecticut adjusted  
1560 gross income is equal to or more than three hundred twenty thousand  
1561 dollars, shall pay, as a benefit recapture, an amount equal to one  
1562 hundred twenty dollars for every eight thousand dollars, or fraction  
1563 thereof, by which the taxpayer's Connecticut adjusted gross income  
1564 exceeds three hundred twenty thousand dollars, to a maximum  
1565 payment of three thousand six hundred dollars.

1566 (D) Any taxpayer who files a return under the federal income tax for  
1567 such taxable year as a married individual filing separately, whose  
1568 Connecticut adjusted gross income is equal to or more than two  
1569 hundred thousand dollars, shall pay, as a benefit recapture, an amount  
1570 equal to seventy-five dollars for every five thousand dollars, or  
1571 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1572 income exceeds two hundred thousand dollars, to a maximum  
1573 payment of two thousand two hundred fifty dollars.

1574 Sec. 37. (*Effective from passage*) The Commissioner of Revenue  
1575 Services shall adjust the withholding tables issued for purposes of  
1576 administering the income tax imposed under chapter 229 of the  
1577 general statutes, to take account of any changes in such tax made by  
1578 section 36 of this act, and, as soon as practicable, shall issue new  
1579 withholding tables applicable to the taxable year commencing during  
1580 2011.

1581 Sec. 38. (*Effective from passage*) Notwithstanding the provisions of  
1582 section 12-722 of the general statutes, any taxpayer required to make  
1583 an estimated payment in September, 2011, for the tax due under  
1584 chapter 229 of the general statutes, shall make such payment in an  
1585 amount which is adjusted for any change in the rate applicable to the

1586 current taxable year, as provided in section 12-700 of the general  
1587 statutes, as amended by this act.

1588       Sec. 39. (NEW) (*Effective from passage and applicable to taxable years*  
1589 *commencing on or after January 1, 2011*) (a) Any resident of this state, as  
1590 defined in subdivision (1) of subsection (a) of section 12-701 of the  
1591 general statutes, who is subject to the tax imposed under chapter 229 of  
1592 the general statutes for any taxable year shall be allowed a credit  
1593 against the tax otherwise due under such chapter in an amount equal  
1594 to thirty per cent of the earned income credit claimed and allowed for  
1595 the same taxable year under Section 32 of the Internal Revenue Code,  
1596 as defined in subsection (a) of section 12-701 of the general statutes.

1597       (b) If the amount of the credit allowed pursuant to this section  
1598 exceeds the taxpayer's liability for the tax imposed under said chapter  
1599 229, the Commissioner of Revenue Services shall treat such excess as  
1600 an overpayment and, except as provided under section 12-739 or 12-  
1601 742 of the general statutes, shall refund the amount of such excess,  
1602 without interest, to the taxpayer.

1603       (c) If a married individual who is otherwise eligible for the credit  
1604 allowed hereunder has filed a joint federal income tax return for the  
1605 taxable year, but is required to file a separate return under said chapter  
1606 229 of the general statutes for such taxable year, the credit for which  
1607 such individual is eligible under this section shall be an amount equal  
1608 to thirty per cent of the earned income credit claimed and allowed for  
1609 such taxable year under said Section 32 of the Internal Revenue Code  
1610 multiplied by a fraction, the numerator of which is such individual's  
1611 federal adjusted gross income, as reported on such individual's  
1612 separate return under said chapter 229, and the denominator of which  
1613 is the federal adjusted gross income, as reported on the joint federal  
1614 income tax return.

1615       (d) To the extent permitted under federal law, any state or federal  
1616 earned income tax credit shall not be counted as income when received  
1617 by an individual who is an applicant for, or recipient of, benefits or  
1618 services under any state or federal program that provides such benefits

1619 or services based on need, nor shall any such earned income tax credit  
1620 be counted as resources, for the purpose of determining the  
1621 individual's or any other individual's eligibility for such benefits or  
1622 services, or the amount of such benefits or services.

1623 Sec. 40. Subsections (b) and (c) of section 12-704c of the general  
1624 statutes are repealed and the following is substituted in lieu thereof  
1625 (*Effective from passage and applicable to taxable years commencing on or after*  
1626 *January 1, 2011*):

1627 (b) The credit allowed under this section shall not exceed two  
1628 hundred fifteen dollars for the taxable year commencing on or after  
1629 January 1, 1997, and prior to January 1, 1998; for taxable years  
1630 commencing on or after January 1, 1998, but prior to January 1, 1999,  
1631 three hundred fifty dollars; for taxable years commencing on or after  
1632 January 1, 1999, but prior to January 1, 2000, four hundred twenty-five  
1633 dollars; for taxable years commencing on or after January 1, 2000, but  
1634 prior to January 1, 2003, five hundred dollars; for taxable years  
1635 commencing on or after January 1, 2003, three hundred fifty dollars;  
1636 for taxable years commencing on or after January 1, 2005, but prior to  
1637 January 1, 2006, three hundred fifty dollars; [and] for taxable years  
1638 commencing on or after January 1, 2006, but prior to January 1, 2011,  
1639 five hundred dollars; and for taxable years commencing on or after  
1640 January 1, 2011, three hundred dollars. In the case of any husband and  
1641 wife who file a return under the federal income tax for such taxable  
1642 year as married individuals filing a joint return, the credit allowed, in  
1643 the aggregate, shall not exceed such amounts for each such taxable  
1644 year.

1645 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in  
1646 the case of any such taxpayer who files under the federal income tax  
1647 for such taxable year as an unmarried individual whose Connecticut  
1648 adjusted gross income exceeds fifty-two thousand five hundred  
1649 dollars, the amount of the credit that exceeds one hundred dollars shall  
1650 be reduced by ten per cent for each ten thousand dollars, or fraction  
1651 thereof, by which the taxpayer's Connecticut adjusted gross income

1652 exceeds said amount.

1653 (B) For taxable years commencing on or after January 1, 2000, but  
1654 prior to January 1, 2001, in the case of any such taxpayer who files  
1655 under the federal income tax for such taxable year as an unmarried  
1656 individual whose Connecticut adjusted gross income exceeds fifty-  
1657 three thousand five hundred dollars, the amount of the credit that  
1658 exceeds one hundred dollars shall be reduced by ten per cent for each  
1659 ten thousand dollars, or fraction thereof, by which the taxpayer's  
1660 Connecticut adjusted gross income exceeds said amount.

1661 (C) For taxable years commencing on or after January 1, 2001, but  
1662 prior to January 1, 2004, in the case of any such taxpayer who files  
1663 under the federal income tax for such taxable year as an unmarried  
1664 individual whose Connecticut adjusted gross income exceeds fifty-four  
1665 thousand five hundred dollars, the amount of the credit shall be  
1666 reduced by ten per cent for each ten thousand dollars, or fraction  
1667 thereof, by which the taxpayer's Connecticut adjusted gross income  
1668 exceeds said amount.

1669 (D) For taxable years commencing on or after January 1, 2004, but  
1670 prior to January 1, 2007, in the case of any such taxpayer who files  
1671 under the federal income tax for such taxable year as an unmarried  
1672 individual whose Connecticut adjusted gross income exceeds fifty-five  
1673 thousand dollars, the amount of the credit shall be reduced by ten per  
1674 cent for each ten thousand dollars, or fraction thereof, by which the  
1675 taxpayer's Connecticut adjusted gross income exceeds said amount.

1676 (E) For taxable years commencing on or after January 1, 2007, but  
1677 prior to January 1, 2008, in the case of any such taxpayer who files  
1678 under the federal income tax for such taxable year as an unmarried  
1679 individual whose Connecticut adjusted gross income exceeds fifty-five  
1680 thousand five hundred dollars, the amount of the credit shall be  
1681 reduced by ten per cent for each ten thousand dollars, or fraction  
1682 thereof, by which the taxpayer's Connecticut adjusted gross income  
1683 exceeds said amount.

1684 (F) For taxable years commencing on or after January 1, 2008, but  
1685 prior to January 1, [2012] 2011, in the case of any such taxpayer who  
1686 files under the federal income tax for such taxable year as an  
1687 unmarried individual whose Connecticut adjusted gross income  
1688 exceeds fifty-six thousand five hundred dollars, the amount of the  
1689 credit shall be reduced by ten per cent for each ten thousand dollars, or  
1690 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1691 income exceeds said amount.

1692 (G) For taxable years commencing on or after January 1, [2012] 2011,  
1693 but prior to January 1, 2013, in the case of any such taxpayer who files  
1694 under the federal income tax for such taxable year as an unmarried  
1695 individual whose Connecticut adjusted gross income exceeds [fifty-  
1696 eight] fifty-six thousand five hundred dollars, the amount of the credit  
1697 shall be reduced by [ten] fifteen per cent for each ten thousand dollars,  
1698 or fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1699 income exceeds said amount.

1700 (H) For taxable years commencing on or after January 1, 2013, but  
1701 prior to January 1, 2014, in the case of any such taxpayer who files  
1702 under the federal income tax for such taxable year as an unmarried  
1703 individual whose Connecticut adjusted gross income exceeds sixty  
1704 thousand five hundred dollars, the amount of the credit shall be  
1705 reduced by [ten] fifteen per cent for each ten thousand dollars, or  
1706 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1707 income exceeds said amount.

1708 (I) For taxable years commencing on or after January 1, 2014, but  
1709 prior to January 1, 2015, in the case of any such taxpayer who files  
1710 under the federal income tax for such taxable year as an unmarried  
1711 individual whose Connecticut adjusted gross income exceeds  
1712 sixty-two thousand five hundred dollars, the amount of the credit shall  
1713 be reduced by [ten] fifteen per cent for each ten thousand dollars, or  
1714 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1715 income exceeds said amount.

1716 (J) For taxable years commencing on or after January 1, 2015, in the

1717 case of any such taxpayer who files under the federal income tax for  
1718 such taxable year as an unmarried individual whose Connecticut  
1719 adjusted gross income exceeds sixty-four thousand five hundred  
1720 dollars, the amount of the credit shall be reduced by [ten] fifteen per  
1721 cent for each ten thousand dollars, or fraction thereof, by which the  
1722 taxpayer's Connecticut adjusted gross income exceeds said amount.

1723 (2) In the case of any such taxpayer who files under the federal  
1724 income tax for such taxable year as a married individual filing  
1725 separately whose Connecticut adjusted gross income exceeds fifty  
1726 thousand two hundred fifty dollars, the amount of the credit shall be  
1727 reduced by [ten] fifteen per cent for each five thousand dollars, or  
1728 fraction thereof, by which the taxpayer's Connecticut adjusted gross  
1729 income exceeds said amount.

1730 (3) In the case of a taxpayer who files under the federal income tax  
1731 for such taxable year as a head of household whose Connecticut  
1732 adjusted gross income exceeds seventy-eight thousand five hundred  
1733 dollars, the amount of the credit shall be reduced by [ten] fifteen per  
1734 cent for each ten thousand dollars or fraction thereof, by which the  
1735 taxpayer's Connecticut adjusted gross income exceeds said amount.

1736 (4) In the case of a taxpayer who files under federal income tax for  
1737 such taxable year as married individuals filing jointly whose  
1738 Connecticut adjusted gross income exceeds one hundred thousand five  
1739 hundred dollars, the amount of the credit shall be reduced by [ten]  
1740 fifteen per cent for each ten thousand dollars, or fraction thereof, by  
1741 which the taxpayer's Connecticut adjusted gross income exceeds said  
1742 amount.

1743 Sec. 41. Subsection (a) of section 14-12 of the general statutes is  
1744 repealed and the following is substituted in lieu thereof (*Effective July*  
1745 *1, 2011*):

1746 (a) No motor vehicle shall be operated or towed on any highway,  
1747 except as otherwise expressly provided, unless it is registered with the  
1748 commissioner, provided any motor vehicle may be towed for repairs

1749 or necessary work if it bears the markers of a licensed and registered  
1750 dealer, manufacturer or repairer and provided any motor vehicle  
1751 which is validly registered in another state may, for a period of sixty  
1752 days following establishment by the owner of residence in this state, be  
1753 operated on any highway without first being registered with the  
1754 commissioner. Except as otherwise provided in this subsection, (1) a  
1755 person commits an infraction if [he] such person registers a motor  
1756 vehicle he or she does not own or if [he] such person operates, or  
1757 allows the operation of, an unregistered motor vehicle on a public  
1758 highway, or (2) a resident of this state who operates a motor vehicle he  
1759 or she owns with marker plates issued by another state shall be fined  
1760 [not less than one hundred fifty dollars nor more than three hundred]  
1761 one thousand dollars. If the owner of a motor vehicle previously  
1762 registered on an annual or biennial basis, the registration of which  
1763 expired not more than thirty days previously, operates or allows the  
1764 operation of such a motor vehicle, [he] such owner shall be fined the  
1765 amount designated for the infraction of failure to renew a registration,  
1766 but [his] the right to retain his or her operator's license shall not be  
1767 affected. No operator other than the owner shall be subject to penalty  
1768 for the operation of such a previously registered motor vehicle. As  
1769 used in this subsection, the term "unregistered motor vehicle" includes  
1770 any vehicle that is not eligible for registration by the commissioner due  
1771 to the absence of necessary equipment or other characteristics of the  
1772 vehicle that make it unsuitable for highway operation, unless the  
1773 operation of such vehicle is expressly permitted by another provision  
1774 of this chapter or chapter 248.

1775 Sec. 42. Subsection (b) of section 51-56a of the general statutes is  
1776 repealed and the following is substituted in lieu thereof (*Effective July*  
1777 *1, 2011*):

1778 (b) The state shall remit to the municipalities in which the violations  
1779 occurred all amounts received in respect to the violation of subdivision  
1780 (2) of subsection (a) of section 14-12, as amended by this act, sections  
1781 14-251, 14-252, 14-253a and 14-305 to 14-308, inclusive, or any  
1782 regulation adopted thereunder or ordinance enacted in accordance

1783 therewith. Each clerk of the Superior Court or the Chief Court  
1784 Administrator, or any other official of the Superior Court designated  
1785 by the Chief Court Administrator, shall, on or before the thirtieth day  
1786 of January, April, July and October in each year, certify to the  
1787 Comptroller the amount due for the previous quarter under this  
1788 subsection to each municipality served by the office of the clerk or  
1789 official, provided prior to the institution of court proceedings, a city,  
1790 town or borough shall have the authority to collect and retain all  
1791 proceeds from parking violations committed within the jurisdiction of  
1792 such city, town or borough.

1793       Sec. 43. (*Effective July 1, 2011*) Notwithstanding the provisions of  
1794 subsection (a) of section 14-12 of the general statutes, as amended by  
1795 this act, and subsection (b) of section 51-56a of the general statutes, as  
1796 amended by this act, no person shall be liable for the fine prescribed  
1797 pursuant to subdivision (2) of subsection (a) of section 14-12 of the  
1798 general statutes, as amended by this act, prior to January 1, 2012. When  
1799 a resident of this state registers in this state a motor vehicle with  
1800 marker plates issued by another state, taxes owing, if any, shall be due  
1801 upon such registration, but no fine, interest or other penalty shall  
1802 apply prior to January 1, 2012.

1803       Sec. 44. Subsection (g) of section 13b-59 of the general statutes is  
1804 repealed and the following is substituted in lieu thereof (*Effective July*  
1805 *1, 2011*):

1806       (g) "Motor vehicle related fines, penalties or other charges" means  
1807 all fines, penalties or other charges required by, or levied pursuant to  
1808 subsection (a) of section 14-12, as amended by this act, except for  
1809 subdivision (2) of said subsection (a), sections 14-12s, 14-13, 14-16,  
1810 14-17, 14-18, 14-26, 14-27 and 14-29, subsection (d) of section 14-35 and  
1811 sections 14-36, 14-39, 14-43, 14-45, 14-64, 14-80, 14-81, 14-97, 14-98,  
1812 14-99, 14-101, 14-102, 14-103, 14-104, 14-105, 14-106, 14-110, 14-111,  
1813 14-112, 14-137a, 14-140, 14-145, 14-146, 14-147, 14-148, 14-149, 14-150,  
1814 14-151, 14-152, 14-161, subsection (f) of section 14-164i, 14-196, 14-197,  
1815 14-198, 14-213, 14-214, 14-215, 14-216, 14-217, 14-218a, 14-219, 14-220,

1816 14-221, 14-222, 14-223, 14-224, 14-225, 14-226, 14-228, 14-230, 14-231,  
1817 14-232, 14-233, 14-234, 14-235, 14-236, 14-237, 14-238, 14-239, 14-240,  
1818 14-241, 14-242, 14-243, 14-244, 14-245, 14-246a, 14-247, 14-249, 14-250,  
1819 14-257, 14-260, 14-261, 14-262, 14-264, 14-267a, 14-269, subsection (g) of  
1820 section 14-270, sections 14-271, 14-273, 14-274, 14-275, 14-276, 14-277,  
1821 14-279, 14-280, 14-281, 14-282, 14-283, 14-285, 14-286, 14-295, 14-296,  
1822 14-300, 14-314, 14-329, 14-331, 14-342, 14-386, 14-386a, 14-387, 15-7,  
1823 15-8, 15-9, 15-16, 15-25 and 15-33;

1824 Sec. 45. Subsections (a) to (g), inclusive, of section 13b-76 of the  
1825 general statutes are repealed and the following is substituted in lieu  
1826 thereof (*Effective July 1, 2011*):

1827 (a) Bonds and bond anticipation notes issued pursuant to sections  
1828 13b-74 to 13b-77, inclusive, as amended by this act, are hereby  
1829 determined to be issued for valid public purposes in exercise of  
1830 essential governmental functions. Such bonds and bond anticipation  
1831 notes shall be special obligations of the state and shall not be payable  
1832 from or charged upon any funds other than the pledged revenues or  
1833 other receipts, funds or moneys pledged therefor as provided in  
1834 sections 3-21a, 3-27a, 3-27f, 12-458, as amended by this act, and 12-  
1835 458d, subsection (c) of section 13a-80a, sections 13a-175p to 13a-175u,  
1836 inclusive, subsection (f) of section 13b-42, sections 13b-59, as amended  
1837 by this act, 13b-61, 13b-69, 13b-71, 13b-74 to 13b-77, inclusive, as  
1838 amended by this act, and 13b-80, subsection (a) of section 13b-97,  
1839 subsection (a) of section 14-12, as amended by this act, except for  
1840 subdivision (2) of said subsection (a), sections 14-15, 14-16a and 14-21c,  
1841 subsection (a) of section 14-25a, section 14-28, subsection (b) of section  
1842 14-35, subsection (b) of section 14-41, section 14-41a, subsection (a) of  
1843 section 14-44, sections 14-47, 14-48b, 14-49 and 14-50, subsection (a) of  
1844 section 14-50a, sections 14-52 and 14-58, subsection (c) of section 14-66,  
1845 subsection (e) of section 14-67, sections 14-67a, 14-67d, 14-67l and 14-  
1846 69, subsection (e) of section 14-73, subsection (c) of section 14-96q,  
1847 sections 14-103a and 14-160, subsection (a) of section 14-164a,  
1848 subsection (a) of section 14-192, sections 14-319, 14-320 and 14-381,  
1849 subsection (b) of section 14-382 and sections 15-14 and 16-299, nor shall

1850 the state or any political subdivision thereof be subject to any liability  
1851 thereon, except to the extent of such pledged revenues or other  
1852 receipts, funds or moneys pledged therefor as provided in said  
1853 sections. As part of the contract of the state with the owners of said  
1854 bonds and bond anticipation notes, all amounts necessary for punctual  
1855 payment of the debt service requirements with respect to such bonds  
1856 and bond anticipation notes shall be deemed to be appropriated, but  
1857 only from the sources pledged pursuant to said sections, upon the  
1858 authorization of issuance of such bonds and bond anticipation notes by  
1859 the State Bond Commission, or the filing of a certificate of  
1860 determination by the Treasurer in accordance with subsection (c) of  
1861 this section, and the Treasurer shall pay such principal and interest as  
1862 the same shall accrue, but only from such sources. The issuance of  
1863 bonds or bond anticipation notes issued under sections 13b-74 to 13b-  
1864 77, inclusive, as amended by this act, shall not directly or indirectly or  
1865 contingently obligate the state or any political subdivision thereof to  
1866 levy or to pledge any form of taxation whatever therefor, except for  
1867 taxes included in the pledged revenues, or to make any additional  
1868 appropriation for their payment. Such bonds and bond anticipation  
1869 notes shall not constitute a charge, lien or encumbrance, legal or  
1870 equitable, upon any property of the state or of any political subdivision  
1871 thereof other than the pledged revenues or other receipts, funds or  
1872 moneys pledged therefor as provided in sections 3-21a, 3-27a, 3-27f, 12-  
1873 458, as amended by this act, and 12-458d, subsection (c) of section 13a-  
1874 80a, sections 13a-175p to 13a-175u, inclusive, subsection (f) of section  
1875 13b-42, sections 13b-59, as amended by this act, 13b-61, 13b-69, 13b-71,  
1876 13b-74 to 13b-77, inclusive, as amended by this act, and 13b-80,  
1877 subsection (a) of section 13b-97, subsection (a) of section 14-12, as  
1878 amended by this act, except for subdivision (2) of said subsection (a),  
1879 sections 14-15, 14-16a and 14-21c, subsection (a) of section 14-25a,  
1880 section 14-28, subsection (b) of section 14-35, subsection (b) of section  
1881 14-41, section 14-41a, subsection (a) of section 14-44, sections 14-47, 14-  
1882 48b, 14-49 and 14-50, subsection (a) of section 14-50a, sections 14-52  
1883 and 14-58, subsection (c) of section 14-66, subsection (e) of section 14-  
1884 67, sections 14-67a, 14-67d, 14-67l and 14-69, subsection (e) of section

1885 14-73, subsection (c) of section 14-96q, sections 14-103a and 14-160,  
1886 subsection (a) of section 14-164a, subsection (a) of section 14-192,  
1887 sections 14-319, 14-320 and 14-381, subsection (b) of section 14-382 and  
1888 section 15-14, and the substance of such limitation shall be plainly  
1889 stated on the face of each such bond and bond anticipation note. Bonds  
1890 and bond anticipation notes issued pursuant to sections 13b-74 to 13b-  
1891 77, inclusive, as amended by this act, shall not be subject to any  
1892 statutory limitation on the indebtedness of the state, and, when issued,  
1893 shall not be included in computing the aggregate indebtedness of the  
1894 state in respect to and to the extent of any such limitation.

1895 (b) Bonds issued pursuant to sections 13b-74 to 13b-77, inclusive, as  
1896 amended by this act, may be executed and delivered at such time or  
1897 times and shall be dated, bear interest at such rate or rates, including  
1898 variable rates to be determined in such manner as set forth in the  
1899 proceedings authorizing the issuance of the bonds, provide for  
1900 payment of interest on such dates, whether before or at maturity, be  
1901 issued at, above or below par, mature at such time or times not  
1902 exceeding thirty years from their date, have such rank or priority, be  
1903 payable in such medium of payment, be issued in such form, including  
1904 without limitation registered or book-entry form, carry such  
1905 registration and transfer privileges and be made subject to purchase or  
1906 redemption before maturity at such price or prices and under such  
1907 terms and conditions, including the condition that such bonds be  
1908 subject to purchase or redemption on the demand of the owner  
1909 thereof, all as may be provided by the State Bond Commission. The  
1910 State Bond Commission shall determine the form of the bonds, the  
1911 manner of execution of the bonds, the denomination or denominations  
1912 of the bonds and the manner of payment of principal and interest.  
1913 Prior to the preparation of definitive bonds, the State Bond  
1914 Commission may, under like restrictions, authorize the issuance of  
1915 interim receipts or temporary bonds, exchangeable for definitive bonds  
1916 when such bonds have been executed and are available for delivery. If  
1917 any of the officers whose signatures appear on the bonds cease to be  
1918 officers before the delivery of any such bonds, such signatures shall,  
1919 nevertheless, be valid and sufficient for all purposes, the same as if

1920 such officers had remained in office until delivery. Nothing herein  
1921 shall prevent any series of bonds issued under sections 3-21a, 3-27a, 3-  
1922 27f, 12-458, as amended by this act, and 12-458d, subsection (c) of  
1923 section 13a-80a, sections 13a-175p to 13a-175u, inclusive, subsection (f)  
1924 of section 13b-42, sections 13b-59, as amended by this act, 13b-61, 13b-  
1925 69, 13b-71, 13b-74 to 13b-77, inclusive, as amended by this act, and 13b-  
1926 80, subsection (a) of section 13b-97, subsection (a) of section 14-12, as  
1927 amended by this act, except for subdivision (2) of said subsection (a),  
1928 sections 14-15, 14-16a and 14-21c, subsection (a) of section 14-25a,  
1929 section 14-28, subsection (b) of section 14-35, subsection (b) of section  
1930 14-41, section 14-41a, subsection (a) of section 14-44, sections 14-47, 14-  
1931 48b, 14-49 and 14-50, subsection (a) of section 14-50a, sections 14-52  
1932 and 14-58, subsection (c) of section 14-66, subsection (e) of section 14-  
1933 67, sections 14-67a, 14-67d, 14-67l and 14-69, subsection (e) of section  
1934 14-73, subsection (c) of section 14-96q, sections 14-103a and 14-160,  
1935 subsection (a) of section 14-164a, subsection (a) of section 14-192,  
1936 sections 14-319, 14-320 and 14-381, subsection (b) of section 14-382 and  
1937 sections 15-14 and 16-299 from being issued in coupon form, in which  
1938 case references to the bonds herein also shall refer to the coupons  
1939 attached thereto where appropriate, and references to owners of bonds  
1940 shall include holders of such bonds where appropriate.

1941 (c) Any bonds issued pursuant to sections 13b-74 to 13b-77,  
1942 inclusive, as amended by this act, may be sold at public sale on sealed  
1943 proposals or by negotiation in such manner, at such price or prices, at  
1944 such time or times and on such other terms and conditions of such  
1945 bonds and the issuance and sale thereof as the State Bond Commission  
1946 may determine to be in the best interests of the state, or the State Bond  
1947 Commission may delegate to the Treasurer all or any part of the  
1948 foregoing powers in which event the Treasurer shall exercise such  
1949 powers unless the State Bond Commission, by adoption of a resolution  
1950 prior to the exercise of such powers by the Treasurer shall elect to  
1951 reassume the same. Such powers shall be exercised from time to time  
1952 in such manner as the Treasurer shall determine to be in the best  
1953 interests of the state and he shall file a certificate of determination  
1954 setting forth the details thereof with the secretary of the State Bond

1955 Commission on or before the date of delivery of such bonds, the details  
1956 of which were determined by him in accordance with such delegation.

1957 (d) The debt service requirements with respect to any bonds and  
1958 bond anticipation notes issued pursuant to sections 13b-74 to 13b-77,  
1959 inclusive, as amended by this act, shall be secured by (1) a first call  
1960 upon the pledged revenues as they are received by the state and  
1961 credited to the Special Transportation Fund established under section  
1962 13b-68, and (2) a lien upon any and all amounts held to the credit of  
1963 said Special Transportation Fund from time to time, provided said lien  
1964 shall not extend to amounts held to the credit of such Special  
1965 Transportation Fund which represent (A) amounts borrowed by the  
1966 Treasurer in anticipation of state revenues pursuant to section 3-16, or  
1967 (B) transportation-related federal revenues of the state. Any obligation  
1968 of the state secured by said lien to pay the unrefunded principal of  
1969 bond anticipation notes, including for this purpose any obligation of  
1970 the state under a reimbursement agreement entered into in connection  
1971 with a credit facility providing for payment of the unrefunded  
1972 principal of bond anticipation notes, shall be subordinate to any  
1973 obligation of the state secured by said lien to pay (i) the debt service  
1974 requirements with respect to bonds, or (ii) any debt service  
1975 requirements with respect to bond anticipation notes other than debt  
1976 service requirements relating to unrefunded principal of bond  
1977 anticipation notes or to obligations under a credit facility for the  
1978 payment of such unrefunded principal. The debt service requirements  
1979 with respect to bonds and bond anticipation notes also may be secured  
1980 by a pledge of reserves, sinking funds and any other funds and  
1981 accounts, including proceeds from investment of any of the foregoing,  
1982 established pursuant to sections 3-21a, 3-27a, 3-27f, 12-458, as amended  
1983 by this act, and 12-458d, subsection (c) of section 13a-80a, sections 13a-  
1984 175p to 13a-175u, inclusive, subsection (f) of section 13b-42, sections  
1985 13b-59, as amended by this act, 13b-61, 13b-69, 13b-71, 13b-74 to 13b-  
1986 77, inclusive, as amended by this act, and 13b-80, subsection (a) of  
1987 section 13b-97, subsection (a) of section 14-12, as amended by this act,  
1988 except for subdivision (2) of said subsection (a), sections 14-15, 14-16a  
1989 and 14-21c, subsection (a) of section 14-25a, section 14-28, subsection

1990 (b) of section 14-35, subsection (b) of section 14-41, section 14-41a,  
1991 subsection (a) of section 14-44, sections 14-47, 14-48b, 14-49 and 14-50,  
1992 subsection (a) of section 14-50a, sections 14-52 and 14-58, subsection (c)  
1993 of section 14-66, subsection (e) of section 14-67, sections 14-67a, 14-67d,  
1994 14-67l and 14-69, subsection (e) of section 14-73, subsection (c) of  
1995 section 14-96q, sections 14-103a and 14-160, subsection (a) of section  
1996 14-164a, subsection (a) of section 14-192, sections 14-319, 14-320 and 14-  
1997 381, subsection (b) of section 14-382 and sections 15-14 and 16-299 or  
1998 the proceedings authorizing the issuance of such bonds, and by  
1999 moneys paid under a credit facility, including, but not limited to, a  
2000 letter of credit or policy of bond insurance, issued by a financial  
2001 institution pursuant to an agreement authorized by such proceedings.

2002 (e) The proceedings under which bonds are authorized to be issued  
2003 may, subject to the provisions of the general statutes, contain any or all  
2004 of the following: (1) Provisions respecting custody of the proceeds  
2005 from the sale of the bonds and any bond anticipation notes, including  
2006 any requirements that such proceeds be held separate from or not be  
2007 commingled with other funds of the state; (2) provisions for the  
2008 investment and reinvestment of bond proceeds until used to pay  
2009 transportation costs and for the disposition of any excess bond  
2010 proceeds or investment earnings thereon; (3) provisions for the  
2011 execution of reimbursement agreements or similar agreements in  
2012 connection with credit facilities, including, but not limited to, letters of  
2013 credit or policies of bond insurance, remarketing agreements and  
2014 agreements for the purpose of moderating interest rate fluctuations,  
2015 and of such other agreements entered into pursuant to section 3-20a;  
2016 (4) provisions for the collection, custody, investment, reinvestment and  
2017 use of the pledged revenues or other receipts, funds or moneys  
2018 pledged therefor as provided in sections 3-21a, 3-27a, 3-27f, 12-458, as  
2019 amended by this act, and 12-458d, subsection (c) of section 13a-80a,  
2020 sections 13a-175p to 13a-175u, inclusive, subsection (f) of section 13b-  
2021 42, sections 13b-59, as amended by this act, 13b-61, 13b-69, 13b-71, 13b-  
2022 74 to 13b-77, inclusive, as amended by this act, and 13b-80, subsection  
2023 (a) of section 13b-97, subsection (a) of section 14-12, as amended by this  
2024 act, except for subdivision (2) of said subsection (a), sections 14-15, 14-

2025 16a and 14-21c, subsection (a) of section 14-25a, section 14-28,  
2026 subsection (b) of section 14-35, subsection (b) of section 14-41, section  
2027 14-41a, subsection (a) of section 14-44, sections 14-47, 14-48b, 14-49 and  
2028 14-50, subsection (a) of section 14-50a, sections 14-52 and 14-58,  
2029 subsection (c) of section 14-66, subsection (e) of section 14-67, sections  
2030 14-67a, 14-67d, 14-67l and 14-69, subsection (e) of section 14-73,  
2031 subsection (c) of section 14-96q, sections 14-103a and 14-160, subsection  
2032 (a) of section 14-164a, subsection (a) of section 14-192, sections 14-319,  
2033 14-320 and 14-381, subsection (b) of section 14-382 and sections 15-14  
2034 and 16-299; (5) provisions regarding the establishment and  
2035 maintenance of reserves, sinking funds and any other funds and  
2036 accounts as shall be approved by the State Bond Commission in such  
2037 amounts as may be established by the State Bond Commission, and the  
2038 regulation and disposition thereof, including requirements that any  
2039 such funds and accounts be held separate from or not be commingled  
2040 with other funds of the state; (6) covenants for the establishment of  
2041 pledged revenue coverage requirements for the bonds and bond  
2042 anticipation notes, provided that no such covenant shall obligate the  
2043 state to provide coverage in any year with respect to any bonds or  
2044 bond anticipation notes in excess of four times the aggregate debt  
2045 service on bonds and bond anticipation notes, as described in  
2046 subparagraph (A) of subdivision (3) of section 13b-75, during such  
2047 year; (7) covenants for the establishment of maintenance requirements  
2048 with respect to state transportation facilities and properties; (8)  
2049 provisions for the issuance of additional bonds on a parity with bonds  
2050 theretofore issued, including establishment of coverage requirements  
2051 with respect thereto as herein provided; (9) provisions regarding the  
2052 rights and remedies available in case of a default to the bondowners,  
2053 noteowners or any trustee under any contract, loan agreement,  
2054 document, instrument or trust indenture, including the right to  
2055 appoint a trustee to represent their interests upon occurrence of an  
2056 event of default, as defined in said proceedings, provided that if any  
2057 bonds or bond anticipation notes shall be secured by a trust indenture,  
2058 the respective owners of such bonds or notes shall have no authority  
2059 except as set forth in such trust indenture to appoint a separate trustee

2060 to represent them; and (10) provisions or covenants of like or different  
2061 character from the foregoing which are consistent with sections 3-21a,  
2062 3-27a, 3-27f, 12-458, as amended by this act, and 12-458d, subsection (c)  
2063 of section 13a-80a, sections 13a-175p to 13a-175u, inclusive, subsection  
2064 (f) of section 13b-42, sections 13b-59, as amended by this act, 13b-61,  
2065 13b-69, 13b-71, 13b-74 to 13b-77, inclusive, as amended by this act, and  
2066 13b-80, subsection (a) of section 13b-97, subsection (a) of section 14-12,  
2067 as amended by this act, except for subdivision (2) of said subsection  
2068 (a), sections 14-15, 14-16a and 14-21c, subsection (a) of section 14-25a,  
2069 section 14-28, subsection (b) of section 14-35, subsection (b) of section  
2070 14-41, section 14-41a, subsection (a) of section 14-44, sections 14-47, 14-  
2071 48b, 14-49 and 14-50, subsection (a) of section 14-50a, sections 14-52  
2072 and 14-58, subsection (c) of section 14-66, subsection (e) of section 14-  
2073 67, sections 14-67a, 14-67d, 14-67l and 14-69, subsection (e) of section  
2074 14-73, subsection (c) of section 14-96q, sections 14-103a and 14-160,  
2075 subsection (a) of section 14-164a, subsection (a) of section 14-192,  
2076 sections 14-319, 14-320 and 14-381, subsection (b) of section 14-382 and  
2077 sections 15-14 and 16-299 and which the State Bond Commission  
2078 determines in such proceedings are necessary, convenient or desirable  
2079 in order to better secure the bonds or bond anticipation notes, or will  
2080 tend to make the bonds or bond anticipation notes more marketable,  
2081 and which are in the best interests of the state. Any provision which  
2082 may be included in proceedings authorizing the issuance of bonds  
2083 hereunder may be included in an indenture of trust duly approved in  
2084 accordance with subsection (g) of this section which secures the bonds  
2085 and any notes issued in anticipation thereof, and in such case the  
2086 provisions of such indenture shall be deemed to be a part of such  
2087 proceedings as though they were expressly included therein.

2088 (f) Any pledge made by the state shall be valid and binding from the  
2089 time when the pledge is made, and any revenues or other receipts,  
2090 funds or moneys so pledged and thereafter received by the state shall  
2091 be subject immediately to the lien of such pledge without any physical  
2092 delivery thereof or further act. The lien of any such pledge shall be  
2093 valid and binding as against all parties having claims of any kind in  
2094 tort, contract, or otherwise against the state, irrespective of whether

2095 such parties have notice thereof. Neither the resolution nor any other  
2096 instrument by which a pledge is created need be recorded.

2097 (g) In the discretion of the State Bond Commission, bonds issued  
2098 pursuant to sections 13b-74 to 13b-77, inclusive, as amended by this  
2099 act, including for this purpose any bond anticipation notes, may be  
2100 secured by a trust indenture by and between the state and a corporate  
2101 trustee, which may be any trust company or bank having the powers  
2102 of a trust company within or without the state. Such trust indenture  
2103 may contain such provisions for protecting and enforcing the rights  
2104 and remedies of the bondowners and noteowners as may be  
2105 reasonable and proper and not in violation of law, including covenants  
2106 setting forth the duties of the state in relation to the exercise of its  
2107 powers pursuant to sections 3-21a, 3-27a, 3-27f, 12-458, as amended by  
2108 this act, and 12-458d, subsection (c) of section 13a-80a, sections 13a-  
2109 175p to 13a-175u, inclusive, subsection (f) of section 13b-42, sections  
2110 13b-59, as amended by this act, 13b-61, 13b-69, 13b-71, 13b-74 to 13b-  
2111 77, inclusive, as amended by this act, and 13b-80, subsection (a) of  
2112 section 13b-97, subsection (a) of section 14-12, as amended by this act,  
2113 except for subdivision (2) of said subsection (a), sections 14-15, 14-16a  
2114 and 14-21c, subsection (a) of section 14-25a, section 14-28, subsection  
2115 (b) of section 14-35, subsection (b) of section 14-41, section 14-41a,  
2116 subsection (a) of section 14-44, sections 14-47, 14-48b, 14-49 and 14-50,  
2117 subsection (a) of section 14-50a, sections 14-52 and 14-58, subsection (c)  
2118 of section 14-66, subsection (e) of section 14-67, sections 14-67a, 14-67d,  
2119 14-67l and 14-69, subsection (e) of section 14-73, subsection (c) of  
2120 section 14-96q, sections 14-103a and 14-160, subsection (a) of section  
2121 14-164a, subsection (a) of section 14-192, sections 14-319, 14-320 and 14-  
2122 381, subsection (b) of section 14-382 and sections 15-14 and 16-299 and  
2123 the custody, safeguarding and application of all moneys. The state may  
2124 provide by such trust indenture for the payment of the pledged  
2125 revenues or other receipts, funds or moneys to the trustee under such  
2126 trust indenture or to any other depository, and for the method of  
2127 disbursement thereof, with such safeguards and restrictions as it may  
2128 determine. All expenses incurred in carrying out such trust indenture  
2129 may be treated as transportation costs, as defined in section 13b-75.

2130 Sec. 46. Subsection (c) of section 13b-77 of the general statutes is  
2131 repealed and the following is substituted in lieu thereof (*Effective July*  
2132 *1, 2011*):

2133 (c) The state covenants with the purchasers and all subsequent  
2134 owners and transferees of bonds and bond anticipation notes issued by  
2135 the state pursuant to sections 13b-74 to 13b-77, inclusive, as amended  
2136 by this act, in consideration of the acceptance of the payment for the  
2137 bonds and bond anticipation notes, until such bonds and bond  
2138 anticipation notes, together with the interest thereon, with interest on  
2139 any unpaid installment of interest and all costs and expenses in  
2140 connection with any action or proceeding on behalf of such owners,  
2141 are fully met and discharged, or unless expressly permitted or  
2142 otherwise authorized by the terms of each contract and agreement  
2143 made or entered into by or on behalf of the state with or for the benefit  
2144 of such owners, that the state will impose, charge, raise, levy, collect  
2145 and apply the pledged revenues and other receipts, funds or moneys  
2146 pledged for the payment of debt service requirements as provided in  
2147 sections 13b-74 to 13b-77, inclusive, as amended by this act, in such  
2148 amounts as may be necessary to pay such debt service requirements in  
2149 each year in which bonds or bond anticipation notes are outstanding  
2150 and further, that the state (1) will not limit or alter the duties imposed  
2151 on the Treasurer and other officers of the state by sections 3-21a, 3-27a,  
2152 3-27f, 12-458, as amended by this act, and 12-458d, subsection (c) of  
2153 section 13a-80a, sections 13a-175p to 13a-175u, inclusive, subsection (f)  
2154 of section 13b-42, sections 13b-59, as amended by this act, 13b-61, 13b-  
2155 69, 13b-71, 13b-74 to 13b-77, inclusive, as amended by this act, and 13b-  
2156 80, subsection (a) of section 13b-97, subsection (a) of section 14-12, as  
2157 amended by this act, except for subdivision (2) of said subsection (a),  
2158 sections 14-15, 14-16a and 14-21c, subsection (a) of section 14-25a,  
2159 section 14-28, subsection (b) of section 14-35, subsection (b) of section  
2160 14-41, section 14-41a, subsection (a) of section 14-44, sections 14-47, 14-  
2161 48b, 14-49 and 14-50, subsection (a) of section 14-50a, sections 14-52  
2162 and 14-58, subsection (c) of section 14-66, subsection (e) of section 14-  
2163 67, sections 14-67a, 14-67d, 14-67l and 14-69, subsection (e) of section  
2164 14-73, subsection (c) of section 14-96q, sections 14-103a and 14-160,

2165 subsection (a) of section 14-164a, subsection (a) of section 14-192,  
2166 sections 14-319, 14-320 and 14-381, subsection (b) of section 14-382 and  
2167 section 15-14 and by the proceedings authorizing the issuance of bonds  
2168 with respect to application of pledged revenues or other receipts,  
2169 funds or moneys pledged for the payment of debt service  
2170 requirements as provided in said sections; (2) will not issue any bonds,  
2171 notes or other evidences of indebtedness, other than the bonds and  
2172 bond anticipation notes, having any rights arising out of said sections  
2173 or secured by any pledge of or other lien or charge on the pledged  
2174 revenues or other receipts, funds or moneys pledged for the payment  
2175 of debt service requirements as provided in said sections; (3) will not  
2176 create or cause to be created any lien or charge on such pledged  
2177 amounts, other than a lien or pledge created thereon pursuant to said  
2178 sections, provided nothing in this subsection shall prevent the state  
2179 from issuing evidences of indebtedness (A) which are secured by a  
2180 pledge or lien which is and shall on the face thereof be expressly  
2181 subordinate and junior in all respects to every lien and pledge created  
2182 by or pursuant to said sections; or (B) for which the full faith and credit  
2183 of the state is pledged and which are not expressly secured by any  
2184 specific lien or charge on such pledged amounts; or (C) which are  
2185 secured by a pledge of or lien on moneys or funds derived on or after  
2186 such date as every pledge or lien thereon created by or pursuant to  
2187 said sections shall be discharged and satisfied; (4) will carry out and  
2188 perform, or cause to be carried out and performed, each and every  
2189 promise, covenant, agreement or contract made or entered into by the  
2190 state or on its behalf with the owners of any bonds or bond  
2191 anticipation notes; (5) will not in any way impair the rights,  
2192 exemptions or remedies of such owners; and (6) will not limit, modify,  
2193 rescind, repeal or otherwise alter the rights or obligations of the  
2194 appropriate officers of the state to impose, maintain, charge or collect  
2195 the taxes, fees, charges and other receipts constituting the pledged  
2196 revenues as may be necessary to produce sufficient revenues to fulfill  
2197 the terms of the proceedings authorizing the issuance of the bonds,  
2198 including pledged revenue coverage requirements, and provided  
2199 nothing herein shall preclude the state from exercising its power,

2200 through a change in law, to limit, modify, rescind, repeal or otherwise  
2201 alter the character or amount of such pledged revenues or to substitute  
2202 like or different sources of taxes, fees, charges or other receipts as  
2203 pledged revenues if, for the ensuing fiscal year, as evidenced by the  
2204 proposed or adopted budget of the state with respect to the Special  
2205 Transportation Fund, the projected revenues meet or exceed the  
2206 estimated expenses of the Special Transportation Fund including  
2207 accumulated deficits, if any, debt service requirements and any  
2208 pledged revenue coverage requirement. The State Bond Commission is  
2209 authorized to include this covenant of the state in any agreement with  
2210 the owner of any such bonds or bond anticipation notes.

2211 Sec. 47. Section 13b-79a of the general statutes is repealed and the  
2212 following is substituted in lieu thereof (*Effective July 1, 2011*):

2213 Not later than October 1, 1984, and annually thereafter, the  
2214 Commissioner of Transportation shall prepare a report on the current  
2215 status and progress of the transportation infrastructure program  
2216 authorized pursuant to special act 84-52 and sections 3-21a, 3-27a, 3-  
2217 27f, 12-458, as amended by this act, and 12-458d, subsection (c) of  
2218 section 13a-80a, sections 13a-175p to 13a-175u, inclusive, subsection (f)  
2219 of section 13b-42, sections 13b-59, as amended by this act, 13b-61, 13b-  
2220 69, 13b-71, 13b-74 to 13b-77, inclusive, as amended by this act, and 13b-  
2221 80, subsection (a) of section 13b-97, subsection (a) of section 14-12, as  
2222 amended by this act, except for subdivision (2) of said subsection (a),  
2223 sections 14-15, 14-16a and 14-21c, subsection (a) of section 14-25a,  
2224 section 14-28, subsection (b) of section 14-35, subsection (b) of section  
2225 14-41, section 14-41a, subsection (a) of section 14-44, sections 14-47, 14-  
2226 48b, 14-49 and 14-50, subsection (a) of section 14-50a, sections 14-52  
2227 and 14-58, subsection (c) of section 14-66, subsection (e) of section 14-  
2228 67, sections 14-67a, 14-67d, 14-67l and 14-69, subsection (e) of section  
2229 14-73, subsection (c) of section 14-96q, sections 14-103a and 14-160,  
2230 subsection (a) of section 14-164a, subsection (a) of section 14-192,  
2231 sections 14-319, 14-320 and 14-381, subsection (b) of section 14-382 and  
2232 section 15-14. Each report shall include, but not be limited to:  
2233 Information on the number of lane miles of state and local roadway

2234 repaved, the status of the state and local bridge programs, the status of  
2235 intrastate and interstate highway programs and the interstate trade-in  
2236 program and mass transportation and aeronautics programs. The  
2237 commissioner shall notify the joint standing committees of the General  
2238 Assembly having cognizance of matters relating to finance, revenue  
2239 and bonding and appropriations and the budgets of state agencies of  
2240 the availability of the report. A requesting member of such a  
2241 committee shall be sent a written copy or electronic storage media of  
2242 the report by the commissioner.

2243 Sec. 48. Subsection (l) of section 45a-107 of the general statutes is  
2244 repealed and the following is substituted in lieu thereof (*Effective from*  
2245 *passage and applicable to estates of decedents dying on or after January 1,*  
2246 *2011*):

2247 (l) In the case of decedents who die on or after January 1, 2011:

2248 (1) Any costs assessed under this section that are not paid within  
2249 thirty days of the date of an invoice from the court of probate shall  
2250 bear interest at the rate of one-half of one per cent per month or  
2251 portion thereof until paid;

2252 (2) If a tax return or a copy of a tax return required under  
2253 subparagraph [(C)] (D) of subdivision (3) of subsection (b) of section  
2254 12-392, as amended by this act, is not filed with a court of probate by  
2255 the due date for such return or copy under subdivision (1) of  
2256 subsection (b) of section 12-392, as amended by this act, or by the date  
2257 an extension under subdivision (4) of subsection (b) of section 12-392,  
2258 as amended by this act, expires, the costs that would have been due  
2259 under this section if such return or copy had been filed by such due  
2260 date or expiration date shall bear interest at the rate of one-half of one  
2261 per cent per month or portion thereof from the date that is thirty days  
2262 after such due date or expiration date, whichever is later, until paid. If  
2263 a return or copy is filed with a court of probate on or before such due  
2264 date or expiration date, whichever is later, the costs assessed shall bear  
2265 interest as provided in subdivision (1) of this subsection;

2266 (3) A court of probate may extend the time for payment of any costs  
2267 under this section, including interest, if it appears to the court that  
2268 requiring payment by such due date or expiration date would cause  
2269 undue hardship. No additional interest shall accrue during the period  
2270 of such extension. A court of probate may not waive interest outside of  
2271 any extension period;

2272 (4) The interest requirements in subdivisions (1) and (2) of this  
2273 subsection shall not apply if:

2274 (A) The basis for costs for the estate does not exceed forty thousand  
2275 dollars; or

2276 (B) The basis for costs for the estate does not exceed five hundred  
2277 thousand dollars and any portion of the property included in the basis  
2278 for costs passes to a surviving spouse.

2279 Sec. 49. (*Effective July 1, 2011*) Notwithstanding section 3-69a of the  
2280 general statutes, the amount to be deposited into the Citizens' Election  
2281 Fund established in section 9-791 of the general statutes shall be  
2282 \$10,600,000 for the fiscal year ending June 30, 2012.

2283 Sec. 50. Section 13b-61a of the general statutes is repealed and the  
2284 following substituted in lieu thereof (*Effective July 1, 2011*):

2285 (a) Notwithstanding the provisions of section 13b-61: (1) For  
2286 calendar quarters ending on or after September 30, 1998, and prior to  
2287 September 30, 1999, the Commissioner of Revenue Services shall  
2288 deposit into the Special Transportation Fund established under section  
2289 13b-68 five million dollars of the amount of funds received by the state  
2290 from the tax imposed under section 12-587 on the gross earnings from  
2291 the sales of petroleum products attributable to sales of motor vehicle  
2292 fuel; (2) for calendar quarters ending September 30, 1999, and prior to  
2293 September 30, 2000, the commissioner shall deposit into the Special  
2294 Transportation Fund nine million dollars of the amount of such funds  
2295 received by the state from the tax imposed under said section 12-587  
2296 on the gross earnings from the sales of petroleum products attributable

2297 to sales of motor vehicle fuel; (3) for calendar quarters ending  
 2298 September 30, 2000, and prior to September 30, 2002, the commissioner  
 2299 shall deposit into the Special Transportation Fund eleven million five  
 2300 hundred thousand dollars of the amount of such funds received by the  
 2301 state from the tax imposed under said section 12-587 on the gross  
 2302 earnings from the sales of petroleum products attributable to sales of  
 2303 motor vehicle fuel; (4) for the calendar quarters ending September 30,  
 2304 2002, and prior to September 30, 2003, the commissioner shall deposit  
 2305 into the Special Transportation Fund, five million dollars of the  
 2306 amount of such funds received by the state from the tax imposed  
 2307 under said section 12-587 on the gross earnings from the sales of  
 2308 petroleum products attributable to sales of motor vehicle fuel; (5) for  
 2309 the calendar quarter ending September 30, 2003, and prior to  
 2310 September 30, 2005, the commissioner shall deposit into the Special  
 2311 Transportation Fund, five million two hundred fifty thousand dollars  
 2312 of the amount of such funds received by the state from the tax imposed  
 2313 under said section 12-587 on the gross earnings from the sales of  
 2314 petroleum products attributable to sales of motor vehicle fuel; and (6)  
 2315 for the calendar quarters ending September 30, 2005, and prior to  
 2316 September 30, 2006, the commissioner shall deposit into the Special  
 2317 Transportation Fund ten million eight hundred and seventy-five  
 2318 thousand dollars of the amount of such funds received by the state  
 2319 from the tax imposed under said section 12-587 on the gross earnings  
 2320 from the sales of petroleum products attributable to sales of motor  
 2321 vehicle fuel.

2322 (b) Notwithstanding the provisions of section 13b-61, for calendar  
 2323 quarters ending on or after September 30, 2006, the Comptroller shall  
 2324 deposit into the Special Transportation Fund an annual amount in  
 2325 accordance with the following schedule, from such funds received by  
 2326 the state from the tax imposed under said section 12-587 on the gross  
 2327 earnings from the sales of petroleum products. Such transfers shall be  
 2328 made in quarterly installments.

T299	Fiscal Year	Annual Transfer
T300	2007	\$141,000,000

T301	2008	\$127,800,000	
T302	2009	\$141,900,000	
T303	2010	\$141,900,000	
T304	2011	\$165,300,000	
T305	2012	[\$165,300,000]	<u>\$200,700,000</u>
T306	2013	[\$165,300,000]	<u>\$203,400,000</u>
T307	2014 [and thereafter]	[\$179,200,000]	<u>\$222,700,000</u>
T308	<u>2015</u>		<u>\$226,800,000</u>
T309	<u>2016 and thereafter</u>		<u>\$231,400,000</u>

2329 (c) If in any calendar quarter ending on or after September 30, 2006,  
 2330 receipts from the tax imposed under section 12-587 are less than  
 2331 twenty-five per cent of the total of (1) the amount required to be  
 2332 transferred pursuant to the Special Transportation Fund pursuant to  
 2333 subsections (a) and (b) of this section, and (2) any other transfers  
 2334 required by law, the Comptroller shall certify to the Treasurer the  
 2335 amount of such shortfall and shall forthwith transfer an amount equal  
 2336 to such shortfall from the resources of the General Fund into the  
 2337 Special Transportation Fund.

2338 (d) The Commissioner of Revenue Services shall, on or before  
 2339 January 1, 2013, and on or before the first day of January biennially  
 2340 thereafter, calculate the amount of tax paid pursuant to section 12-587  
 2341 on gasoline sold for the prior fiscal year as a percentage of total tax  
 2342 collected under said section. Such percentage shall become the basis  
 2343 for determining the transfers to be made under subsection (b) of this  
 2344 section. The commissioner shall notify the chairpersons and ranking  
 2345 members of the joint standing committee of the General Assembly  
 2346 having cognizance of matters relating to finance, revenue and bonding,  
 2347 and the Secretary of the Office of Policy and Management of such  
 2348 percentage calculation.

2349 Sec. 51. Subsection (b) of section 2-35 of the general statutes is  
 2350 repealed and the following substituted in lieu thereof (*Effective July 1,*  
 2351 *2011*):

2352 (b) The state budget act passed by the legislature for funding the  
 2353 expenses of operations of the state government in the ensuing

2354 biennium shall contain a statement of estimated revenue, based upon  
2355 the most recent consensus revenue estimate or the revised consensus  
2356 revenue estimate issued pursuant to section 2-36c, itemized by major  
2357 source, for each appropriated fund. The statement of estimated  
2358 revenue applicable to each such fund shall include, for any fiscal year,  
2359 an estimate of total revenue with respect to such fund, which amount  
2360 shall be reduced by (1) an estimate of total refunds of taxes to be paid  
2361 from such revenue in accordance with the authorization in section 12-  
2362 39f, and (2) an estimate of total refunds of payments to be paid from  
2363 such revenue in accordance with the provisions of [section] sections 4-  
2364 37 and 3-70a. Such statement of estimated revenue, including the  
2365 estimated refunds of taxes to be offset against such revenue, shall be  
2366 supplied by the joint standing committee of the General Assembly  
2367 having cognizance of matters relating to state finance, revenue and  
2368 bonding. The total estimated revenue for each fund, as adjusted in  
2369 accordance with this section, shall not be less than the total net  
2370 appropriations made from each fund. On or before July first of each  
2371 fiscal year said committee shall, if any revisions in such estimates are  
2372 required by virtue of legislative amendments to the revenue measures  
2373 proposed by said committee, changes in conditions or receipt of new  
2374 information since the original estimate was supplied, meet and revise  
2375 such estimates and, through its cochairpersons, report to the  
2376 Comptroller any such revisions.

2377       Sec. 52. (*Effective July 1, 2011*) On July 1, 2011, the unexpended  
2378 balance of funds carried forward in the General Fund for the  
2379 Transportation Strategy Board account in the Department of  
2380 Transportation, in accordance with section 13b-57r of the general  
2381 statutes, shall be transferred to the resources of the General Fund.

2382       Sec. 53. Subsection (c) of section 16a-46e of the general statutes is  
2383 repealed and the following is substituted in lieu thereof (*Effective from*  
2384 *passage*):

2385       (c) No person shall receive a rebate pursuant to this section for a  
2386 furnace or boiler replacement if such person has received a monetary

2387 grant for the same furnace or boiler replacement under any program  
2388 administered by [the Fuel Oil Conservation Board established  
2389 pursuant to section 16a-22l or] any other state or federal grant program  
2390 that pays the full cost of furnace or boiler replacement. A person using  
2391 a state or federal low interest loan program to pay for the cost of  
2392 furnace or boiler replacement may be eligible for a rebate pursuant to  
2393 this section. In no event shall a rebate exceed the total expenditures for  
2394 such furnace or boiler replacement.

2395 Sec. 54. Subsection (b) of section 16-32f of the general statutes is  
2396 repealed and the following is substituted in lieu thereof (*Effective from*  
2397 *passage*):

2398 (b) Not later than October 1, 2005, and annually thereafter, a gas  
2399 company, as defined in section 16-1, shall submit to the Department of  
2400 Public Utility Control a gas conservation plan, in accordance with the  
2401 provisions of this section, to implement cost-effective energy  
2402 conservation programs and market transformation initiatives. All  
2403 supply and conservation and load management options shall be  
2404 evaluated and selected within an integrated supply and demand  
2405 planning framework. [Such plan shall be funded during each state  
2406 fiscal year by the revenue from the tax imposed by section 12-264 on  
2407 the gross receipts of sales of all public services companies that is in  
2408 excess of the revenue estimate for said tax that is approved by the  
2409 General Assembly in the appropriations act for such fiscal year,  
2410 provided the amount of such excess revenue that shall be allocated to  
2411 fund such plan in any state fiscal year shall not exceed ten million  
2412 dollars. Before the accounts for the General Fund have been closed for  
2413 each fiscal year, such excess revenue shall be deposited by the  
2414 Comptroller in an account held by the Energy Conservation  
2415 Management Board, established pursuant to section 16-245m.] Services  
2416 provided under the plan shall be available to all gas company  
2417 customers. Each gas company shall apply to the Energy Conservation  
2418 Management Board for reimbursement for expenditures pursuant to  
2419 the plan. The department shall, in an uncontested proceeding during  
2420 which the department may hold a public hearing, approve, modify or

2421 reject the plan.

2422 Sec. 55. Subsection (c) of section 12-411b of the general statutes is  
 2423 repealed and the following is substituted in lieu thereof (*Effective July*  
 2424 *1, 2011, and applicable to sales occurring on or after said date*):

2425 (c) Any agreement entered into under subsection (a) of this section  
 2426 may provide that the contractor and its affiliates shall collect the use  
 2427 tax only on items that are subject to the six and thirty-five-hundredths  
 2428 per cent rate of tax.

2429 Sec. 56. Section 16a-22l of the general statutes is repealed. (*Effective*  
 2430 *from passage*)

2431 Sec. 57. Subdivisions (47), (48), (52), (95), (97) and (111) of section 12-  
 2432 412 and section 12-412b of the general statutes are repealed. (*Effective*  
 2433 *July 1, 2011, and applicable to sales occurring on or after said date*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to calendar years commencing on or after January 1, 2011</i>	12-211a
Sec. 2	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-214(b)
Sec. 3	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-217jj(c) to (e)
Sec. 4	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-217zz
Sec. 5	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-219(b)

Sec. 6	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-296
Sec. 7	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-316
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-330c(a)
Sec. 10	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	12-391(g)
Sec. 11	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	12-392(b)(3)
Sec. 12	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	12-398(e)
Sec. 13	<i>from passage and applicable to gifts made during calendar years commencing on or after January 1, 2011</i>	12-642(a)
Sec. 14	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(I)
Sec. 15	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(N)
Sec. 16	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(S)

Sec. 17	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(FF)
Sec. 18	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)
Sec. 19	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-408(1)
Sec. 20	<i>July 1, 2011</i>	12-408(3)
Sec. 21	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-408
Sec. 22	<i>July 1, 2011</i>	New section
Sec. 23	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-411(1)
Sec. 24	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-411
Sec. 25	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-412(77)
Sec. 26	<i>from passage and applicable to sales occurring on or after July 1, 2011</i>	12-435
Sec. 27	<i>from passage</i>	New section
Sec. 28	<i>July 1, 2011</i>	12-458(a)(2)
Sec. 29	<i>July 1, 2011</i>	12-458h
Sec. 30	<i>from passage</i>	New section
Sec. 31	<i>July 1, 2011, and applicable to conveyances occurring on or after said date</i>	12-494(a) and (b)
Sec. 32	<i>July 1, 2011</i>	New section

Sec. 33	<i>July 1, 2011</i>	New section
Sec. 34	<i>January 1, 2012, and applicable to admission charges imposed on or after said date</i>	12-541(a)
Sec. 35	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	New section
Sec. 36	<i>from passage and applicable to taxable years commencing on or after January 1, 2011</i>	12-700(a)
Sec. 37	<i>from passage</i>	New section
Sec. 38	<i>from passage</i>	New section
Sec. 39	<i>from passage and applicable to taxable years commencing on or after January 1, 2011</i>	New section
Sec. 40	<i>from passage and applicable to taxable years commencing on or after January 1, 2011</i>	12-704c(b) and (c)
Sec. 41	<i>July 1, 2011</i>	14-12(a)
Sec. 42	<i>July 1, 2011</i>	51-56a(b)
Sec. 43	<i>July 1, 2011</i>	New section
Sec. 44	<i>July 1, 2011</i>	13b-59(g)
Sec. 45	<i>July 1, 2011</i>	13b-76(a) to (g)
Sec. 46	<i>July 1, 2011</i>	13b-77(c)
Sec. 47	<i>July 1, 2011</i>	13b-79a
Sec. 48	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	45a-107(l)
Sec. 49	<i>July 1, 2011</i>	New section
Sec. 50	<i>July 1, 2011</i>	13b-61a
Sec. 51	<i>July 1, 2011</i>	2-35(b)
Sec. 52	<i>July 1, 2011</i>	New section
Sec. 53	<i>from passage</i>	16a-46e(c)
Sec. 54	<i>from passage</i>	16-32f(b)

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Sec. 55	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-411b(c)
Sec. 56	<i>from passage</i>	Repealer section
Sec. 57	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	Repealer section

**FIN**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

**State and Municipal Impact:** See Below

#### **Explanation**

The bill makes various tax and other revenue changes. See below for a summary and the following pages for details by Section.

Net Revenue Gain (\$ - millions)		
	FY 12	FY 13
General Fund	1,416.7	1,234.6
Special Transportation Fund	91.0	90.5
State Subtotal	1,507.7	1,325.1
Municipalities		
-Municipal Revenue Sharing Acct	98.9	104.8
-Municipal Portion of Taxes and Fees	25.3	28.0
Municipal Subtotal	124.2	132.8
Total	1,631.9	1,457.8

A portion of the increases in the Sales Tax, Hotel Tax and Conveyance Tax would be deposited into a separate, non-lapsing Municipal Revenue Sharing Account. The Office of Policy and Management would administer the account and provide grants to municipalities from it.

In addition, increases in collections from the following sources would be remitted to the municipalities in which the transactions occur: Cabaret Tax; Sales Tax surcharge on rental cars; continuation of the municipal portion of the Conveyance Tax; and fines imposed for the failure to register a motor vehicle.

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
1	Lower the tax credit cap for Insurance Companies from 70% to 30%	General Fund	27.5	27.5		
1	Lift the cap on tax credits for job creation by Insurance Companies, Hospital and Medical Services Corporations	General Fund	-0.5	-0.5		
2 & 5	Increase the Corporate Tax surcharge from 10% to 20% and extend <i>until 2013</i>	General Fund	46.0	116.0		
3	Limit the transfer of film tax credits	General Fund	7.8	3.9		
4	Lift the cap on tax credits for job creation by Corporations	General Fund	-6.9	-8.1		
6-7	Increase the Excise Tax on cigarettes from \$3.00 to \$3.40 per pack	General Fund	44.6	42.4		
8	Increase the Excise Tax on the current inventory ("floor tax") of cigarettes	General Fund	3.6	0.0		
9	Increase tax on other tobacco products from 27.5% to 50.0% of the wholesale price	General Fund	3.7	3.7		
9	Increase the tax on snuff from \$0.55 to \$1.00 per ounce	General Fund	1.4	1.4		
10-13, 48	Lower the estate and gift tax threshold from \$3.5 million to \$2.0 million, and extend the existing 7.2% rate to estates and gifts valued at between \$2.0 million and \$3.5 million.	General Fund	22.4	22.4		
14	Eliminate the Sales Tax exemption for hazardous waste removal	General Fund	1.2	1.2		
15	Eliminate the Sales Tax exemption for airport valet services	General Fund	0.5	0.5		
16, 57	Eliminate the Sales Tax exemption for clothing and footwear under \$50	General Fund	128.1	133.9		

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
17	Eliminate the Sales Tax exemption for yoga instruction provided at a yoga studio	General Fund	0.1	0.1		
18	Impose the Sales Tax on motor vehicle storage	General Fund	0.2	0.2		
18	Impose the Sales Tax on packing and crating services	General Fund	1.0	1.1		
18	Impose the Sales Tax on motor vehicle towing and road services	General Fund	2.6	2.7		
18	Impose the Sales Tax on intrastate transportation livery services	General Fund	2.6	2.7		
18	Impose the Sales Tax on pet grooming and boarding	General Fund	3.0	3.1		
18	Impose Sales Tax cosmetic medical procedures	General Fund	4.1	4.3		
18	Impose the Sales Tax manicure and pedicure services	General Fund	2.2	2.3		
18	Impose the Sales Tax on spa services	General Fund	7.9	8.2		
19, 23, 55	Increase the Sales Tax rate from 6.00% to 6.35%, with 0.1% of the increase to be distributed to municipalities	General Fund / Municipal	138.4	144.7	56.6	59.0
19, 23	Increase the Sales Tax rate from 6.35% to 7.00% on certain items	General Fund	3.6	4.0		

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
19, 23	Increase Room Occupancy Tax rate from 12.00% to 15.00%, with 1.00% of the increase to be distributed to municipalities	General Fund / Municipal	11.1	11.6	5.6	5.8
19, 21, 23, 24	Increase rental car surcharge to 8.35%, with 1.00% of the increase to be remitted to the municipalities in which the transactions occur	General Fund / Municipal	3.8	4.0	1.6	1.6
20	Makes a conforming change related to the Sales Tax rate change in Section 19	General Fund	None	None		
22	Establishes a "Municipal Revenue Sharing Account" within the Office of Policy and Management for the purpose of providing grants to municipalities		None	None		
25	Eliminates the Sales Tax exemption on repair services for aircraft weighing less than six thousand pounds		0.1	0.1		
26	Increase alcoholic beverages Excise Tax by 20%	General Fund	9.9	9.9		

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
27	Increase the Excise Tax on the current inventory ("floor tax") of alcohol	General Fund	0.5	0.0		
28	Increase motor vehicle fuel tax by 3 cents to 28 cents per gallon; impose 28 cents per gallon tax on liquefied natural gas, liquefied petroleum gas or compressed gas	Special Transportation Fund	46.2	46.5		
29	Increase diesel fuel tax by 3 cents to 29 cents per gallon	Special Transportation Fund	8.5	8.7		
30	Increase the Excise Tax on the current inventory ("floor tax") of gas/diesel	Special Transportation Fund	1.0	0.0		
31	Eliminates the sunset of the Municipal Conveyance Tax rate increases	Municipal	0.0	0.0	22.0	24.0
31, 32	Increases the State Conveyance Tax by 0.25%; and requires the Commissioner of the Department of Revenue Services to deposit revenue from the increase to the state tax into the Municipal Revenue Sharing Account established under Section 22	Municipal	0.0	0.0	36.7	40.0
33	Establish a tax on electric generation from natural gas, coal, oil, and nuclear facilities <i>due to sunset on June 30, 2013</i>	General Fund	72.0	72.0		

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
34	Eliminate exemptions from the Admissions Tax	General Fund	4.0	8.0		
35	Establishes a Cabaret Tax, which the state would collect and must remit to the municipalities in which the transactions occur	Municipal	None	None	0.9	0.9
36	Increases the marginal Income Tax rates	General Fund	564.8	399.1		
36	Phases out the 3% rate for certain filers	General Fund	159.4	112.5		
36	Establishes a "benefit recapture" mechanism that increases the effective Income Tax rate of filers at certain income levels	General Fund	110.6	78.1		
37-38	Makes conforming changes related to the Income Tax changes in Section 36		None	None		
39	Establishes an Earned Income Tax Credit equal to 30% of the Federal Level	General Fund	-110.2	-116.5		
40	Decreases the maximum property tax credit from \$500 to \$300 and alters the phase out schedule	General Fund	150.5	150.9		

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
41-44	Increases the fine for failing to register a motor vehicle in the proper state; and requires total revenues to be remitted to the municipalities in which the violations occur.	Special Transportation Fund / Municipal	-0.1	-0.2	0.8	1.5
45-47	Makes various conforming changes		None	None		
49	Decrease the General Fund Transfer to the Citizen's Election Fund	General Fund	8.0	0.0		
50	Increase the transfer of petroleum products gross earnings tax revenue from the General Fund to the Special Transportation Fund; Transfer amounts as follows: \$35.4 million in FY 12 and \$38.1 million in FY 13	General Fund / Special Transportation Fund	0.0	0.0		
51	Include refunds of escheated properties in revenue estimates	General Fund	None	None		
52	Transfer the unexpended balance of the Transportation Strategy Board	General Fund	0.6	0.0		
53, 56	Eliminate Fuel Oil Conservation Board	General Fund	5.0	5.0		
54	Eliminate transfer of excess public service company taxes to Natural Gas Conservation programs		None	None		

Section(s)	Description of the changes	Fund or Municipal Impact	FY 12	FY 13	FY 12	FY 13
			State Impact (\$ - millions)		Aggregate Municipal Impact (\$ - millions)	
57	Eliminate the Sales Tax exemption on cloth or fabric purchased for non-commercial sewing	General Fund	0.9	0.9		
57	Eliminate the Sales Tax exemption on non-prescription drugs	General Fund	15.8	16.5		
57	Eliminate the sales tax exemption on services or tangible property used or consumed in operating solid waste-to-energy facilities	General Fund	0.2	0.2		

### ***The Out Years***

#### ***State and Municipal Impact:***

Except for the changes subject to sunset (as indicated above), the annualized fiscal impacts identified above would continue into the future, subject to inflation.

## OLR Bill Analysis

### sSB 1007

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

### INCOME TAX CHANGES

#### § 36 - Marginal Rate Increases

The bill increases marginal income tax rates for those with taxable incomes over (1) \$100,000 for joint filers, (2) \$50,000 for single filers and married people filing separately, and (3) \$80,000 for heads of household. It does so by (1) increasing the number of tax brackets from three to six, (2) splitting the existing 5% bracket into four brackets and adding three higher marginal rates to that taxable income, (3) increasing the top marginal income tax rate from 6.5% to 6.7%, and (4) lowering the taxable income for the 6.7% rate bracket by half. The bill also increases the flat income tax rate for trusts and estates from 6.5% to 6.7%.

Table 1 shows marginal tax rates and brackets under current law and the bill.

**TABLE 1: CURRENT AND PROPOSED TAX RATES AND BRACKETS**

TAX RATES		CT TAXABLE INCOME			
		<i>Married Filing Jointly</i>		<i>Single</i>	
<i>Current</i>	<i>Bill</i>	<i>Over</i>	<i>But Not Over</i>	<i>Over</i>	<i>But Not Over</i>
3.0%	3.0%	\$0	\$20,000	\$0	\$10,000
5.0%	5.0%	20,000	100,000	10,000	50,000
	5.5%	100,000	200,000	50,000	100,000
	6.0%	200,000	400,000	100,000	200,000
	6.5%	400,000	500,000	200,000	250,000
6.5%	6.7%	500,000	1,000,000	250,000	500,000
		Over \$1,000,000		Over \$500,000	
TAX RATES		CT TAXABLE INCOME			
		<i>Head of Household</i>		<i>Married Filing Separately</i>	
<i>Current</i>	<i>Bill</i>	<i>Over</i>	<i>But Not Over</i>	<i>Over</i>	<i>But Not Over</i>

3.0%	3.0%	\$0	\$16,000	\$0	\$10,000
5.0%	5.0%	16,000	80,000	10,000	50,000
	5.5%	80,000	160,000	50,000	100,000
	6.0%	160,000	320,000	100,000	200,000
	6.5%	320,000	400,000	200,000	250,000
6.5%	6.7%	400,000	800,000	250,000	500,000
			Over \$800,000	Over \$500,000	

**§ 36 - Phase-Out of 3% Tax Bracket**

The bill phases out the lowest (3%) income tax bracket starting with taxpayers with Connecticut adjusted gross incomes (CT AGI) over \$100,500 for joint filers, \$56,500 for singles, \$78,500 for heads of household, and \$50,250 for married couples filing separately. It does so by subjecting increasingly less taxable income to the 3% income tax rate as CT AGI increases and moving the phased-out taxable income to the 5% bracket.

Table 2 shows the phase-out of the 3% bracket for each type of filer.

**TABLE 2: 3.0% BRACKET PHASE-OUT**

<b>SINGLE</b>			<b>MARRIED FILING JOINTLY</b>		
<b>CT AGI</b>		<b>3% Rate Applies to Taxable Income Up to</b>	<b>CT AGI</b>		<b>3% Rate Applies to Taxable Income Up to</b>
<i>Over</i>	<i>But Not Over</i>		<i>Over</i>	<i>But Not Over</i>	
0	56,500	\$10,000	0	\$100,500	\$20,000
56,500	61,500	9,000	100,500	105,500	18,000
61,500	66,500	8,000	105,500	110,500	16,000
66,500	71,500	7,000	110,500	115,500	14,000
71,500	76,500	6,000	115,500	120,500	12,000
76,500	81,500	5,000	120,500	125,500	10,000
81,500	86,500	4,000	125,500	130,500	8,000
86,500	91,500	3,000	130,500	135,500	6,000
91,500	96,500	2,000	135,500	140,500	4,000
96,500	101,500	1,000	140,500	145,500	2,000
Over \$101,500		None	Over \$145,500		None
<b>HEAD OF HOUSEHOLD</b>			<b>MARRIED FILING SEPARATELY</b>		
<b>CT AGI</b>		<b>3% Rate Applies to Taxable Income Up to</b>	<b>CT AGI</b>		<b>3% Rate Applies to Taxable Income Up to</b>
<i>Over</i>	<i>But Not Over</i>		<i>Over</i>	<i>But Not Over</i>	
0	\$78,500	\$16,000	0	\$50,250	\$10,000
78,500	82,500	14,400	50,250	52,750	9,000
82,500	86,500	12,800	52,750	55,250	8,000
86,500	90,500	11,200	55,250	57,750	7,000
90,500	94,500	9,600	57,750	60,250	6,000

94,500	98,500	8,000	60,250	62,750	5,000
98,500	102,500	6,400	62,750	65,250	4,000
102,500	106,500	4,800	65,250	67,750	3,000
106,500	110,500	3,200	67,750	70,250	2,000
110,500	114,500	1,600	70,250	72,750	1,000
Over \$114,500		None	Over \$72,250		None

**§ 40 - Property Tax Credit Reduced**

The bill reduces, from \$500 to \$300, the maximum property tax credit against the personal income tax and phases out the credit at a steeper rate than under current law. Current law reduces the maximum credit by 10% for every \$10,000 in additional CT AGI (every \$5,000 for married people filing separately). The bill increases these percentage reductions by 15%.

The combination of a lower maximum credit and the steeper phase-out reduces the number of taxpayers eligible for a credit. For example, under the bill, joint filers receive no credit once their CT AGI reaches \$160,500 compared to \$190,500 under current law.

Table 3 shows the maximum property tax credits by income level and filing status under current law and the bill.

**TABLE 3: CURRENT AND PROPOSED MAXIMUM PROPERTY TAX CREDITS**

CT AGI				MAXIMUM PROPERTY TAX CREDIT	
<i>Married Filing Jointly</i>		<i>Single (for 2011-2012)</i>		<i>Current</i>	<i>Bill</i>
<i>Over</i>	<i>But Not Over</i>	<i>Over</i>	<i>But Not Over</i>		
0	\$100,500	0	\$56,500	\$500	\$300
100,500	110,500	56,500	66,500	450	255
110,500	120,500	66,500	76,500	400	210
120,500	130,500	76,500	86,500	350	165
130,500	140,500	86,500	96,500	300	120
140,500	150,500	96,500	106,500	250	75
150,500	160,500	106,500	116,500	200	30
160,500	170,500	116,500	126,500	150	0
170,500	180,500	126,500	136,500	100	
180,500	190,500	136,500	146,500	50	
Over \$190,500		Over \$146,500		0	
CT AGI				MAXIMUM PROPERTY TAX CREDIT	
<i>Head of Household</i>		<i>Married Filing Separately</i>		<i>Current</i>	<i>Bill</i>
<i>Over</i>	<i>But Not Over</i>	<i>Over</i>	<i>But Not Over</i>		
0	\$78,500	0	50,250	\$500	\$300
78,500	88,500	50,250	55,250	450	255

88,500	98,500	55,250	60,250	400	210
98,500	108,500	60,250	65,250	350	165
108,500	118,500	65,250	70,250	300	120
118,500	128,500	70,250	75,250	250	75
128,500	138,500	75,250	80,250	200	30
138,500	148,500	80,250	85,250	150	0
148,500	158,500	85,250	90,250	100	
158,500	168,500	90,250	95,250	50	
Over \$168,500		Over \$95,250		0	

Under current law, the AGI threshold at which a single filer’s maximum property tax credit starts to be reduced is scheduled to increase annually from \$56,500 to \$58,500 for 2012, \$60,500 for 2013, \$62,500 for 2014, and \$64,500 for 2015 and thereafter. The bill instead maintains the current \$56,500 threshold through the 2012 tax year and then increases it to \$60,500 for 2013, \$62,500 for 2014, \$64,500 for 2015 and thereafter.

**§ 41 - Recapture of Benefits**

For taxpayers whose annual CT AGI exceeds specified thresholds, the bill imposes a “recapture” provision to eliminate the benefits they receive from having a portion of their taxable income taxed at lower marginal rates. It does so by requiring taxpayers with higher incomes to add specified amounts to their tax liability figured using the marginal rates specified in Table 1 above. The bill phases in the recapture requirement until, once a taxpayer’s CT AGI is high enough to require him or her to add the maximum recapture amount, 100% of his or her taxable income is effectively taxed at the highest marginal rate (6.7% under the bill).

Table 4 shows, for each type of filer, the CT AGI starting point for the recapture phase-in, the AGI phase-in intervals and the recapture amount to be added at each interval, and the maximum total recapture amount to be added once CT AGI reaches the fully phased-in level.

**TABLE 4: BENEFIT RECAPTURE PHASE-IN**

	<i>Married Filing Jointly</i>	<i>Single/ Married Filing Separately</i>	<i>Head of Household</i>
Phase-In Starting Point:	\$400,000	\$200,000	\$320,000

CT AGI Equal to or greater than			
Recapture Amount	\$150 per \$10,000 CT AGI over starting point	\$75 per \$5,000 CT AGI over starting point	\$120 per \$8,000 CT AGI over starting point
Maximum Total Recapture Amount	\$4,500	\$2,250	\$3,600

### § 39 - *Earned Income Tax Credit*

The bill establishes a refundable state earned income tax credit (EITC) equal to 30% of the federal credit and, to the extent allowed under federal law, specifies that the refund is not counted in determining eligibility for or the amount of aid under any need-based state or federal program.

The bill gives people who qualify for, and claim, the federal EITC a credit against their state income tax liability equal to 30% of their federal credit for the same tax year. Under the bill, if the state credit exceeds the taxpayer's state income tax liability, the DRS commissioner must refund the difference to the taxpayer. Refunds must be treated the same as other income tax refunds, except that they are not subject to the 0.66% monthly interest payable on late tax refunds.

Under federal law and this bill, people who work and earn incomes below certain levels qualify for credits. Credit amounts vary according to a taxpayer's income and the number of children he or she has. Income limits and credit amounts are adjusted annually for inflation (26 USCA § 32).

For 2010, a person qualifies for a federal EITC if he or she has at least \$1 of earned income, investment income (with certain exceptions) of \$3,100 or less, and a maximum federal AGI of:

1. \$13,460 (\$18,470 if married and filing jointly) with no children,
2. \$35,535 (\$40,545 if married and filing jointly) with one child,
3. \$40,363 (\$45,373 if married and filing jointly) with two children,  
and

4. \$43,352 (\$48,362 if married and filing jointly) with three or more children.

Based on the federal EITC for 2010, the maximum state credit under the bill for the 2010 tax year would have been:

1. \$137 for filers with no children,
2. \$915 for filers with one child,
3. \$1,511 for filers with two children, and
4. \$1,700 for filers with three or more children

Table 5 shows proposed state EITCs at selected income levels, also based on federal EITCs for 2010.

**TABLE 5: EXAMPLES OF STATE EITC AT SELECTED INCOME LEVELS, 2010**

2010 FEDERAL AGI		SINGLE/HEAD OF HOUSEHOLD			
Over	But Not Over	No Children	One Child	2 Children	3+ Children
\$5,500	\$5,550	\$127	\$564	\$663	\$746
10,500	10,550	68	915	1,263	1,421
14,500	14,550	0	915	1,511	1,700
18,500	18,550	0	815	1,380	1,569
25,500	25,550	0	480	938	1,127
35,500	35,550	0	1	306	494
40,500	45,550	0	0	0	179
2010 FEDERAL AGI		MARRIED FILING JOINTLY			
Over	But Not Over	No Children	One Child	2 Children	3+ Children
\$5,500	\$5,550	\$127	\$564	\$663	\$746
10,500	10,550	137	915	1,263	1,421
14,500	14,550	91	915	1,511	1,700
18,500	18,550	0	915	1,511	1,700
25,500	25,550	0	720	1,254	1,443
35,500	35,550	0	241	622	811
40,500	45,550	0	1	306	495

If a taxpayer eligible for a state EITC files a joint income tax return for federal tax purposes but has to file a separate state income tax return for the same year, his or her state EITC is calculated by

multiplying 30% of the taxpayer's federal EITC by the ratio of the taxpayer's CT AGI to federal AGI, as reported on the taxpayer's state and federal income tax returns, respectively.

### **§§ 37 & 38 - Withholding and Estimated Tax Payments**

The bill requires the DRS commissioner to issue new withholding tables applicable for the 2011 tax year as soon as possible. It also requires those paying estimated taxes to adjust their September 2011 payment to reflect the bill's income tax changes.

**EFFECTIVE DATE:** The income tax provisions are effective on passage, and applicable to tax years starting on or after January 1, 2011.

## **SALES AND USE TAX**

### **§§ 19, 20, 23, & 55 - Tax Rate Increases**

The bill increases the general sales and use tax rate from 6% to 6.35% and the hotel tax rate from 12% to 15%. It does not change existing lower rates for sales of (1) motor vehicles to active duty U.S. military members stationed in Connecticut (4.5%) or (2) computer and data processing services (1%).

### **§§ 19 & 23 - Luxury Goods Tax**

The bill imposes a 7% sales and use tax on the full sales price of motor vehicles, boats, jewelry, clothing, and footwear costing more than:

1. \$50,000 for motor vehicles, with certain exceptions (see below);
2. \$100,000 for boats;
3. \$5,000 for jewelry; and
4. \$1,000 for clothing or footwear (including handbags, luggage, umbrellas, wallets, and watches).

The bill excludes from the type of motor vehicles subject to the luxury tax any (1) motor vehicle purchased by an active duty U.S.

military member stationed in Connecticut or (2) commercial motor vehicle. A motor vehicle used for both private passenger and commercial purposes that is eligible for combination registration is subject to the tax.

### **§§ 19, 21, & 24 - Rental Car Surcharge**

The bill imposes an additional 3% sales and use tax (9.35% total) on short-term car rentals (30 days or less) and requires the state to disburse the revenue from one percentage point of the increase to the municipality where the sale occurred.

### **§§ 14-18, 25 & 57 – Sales & Use Tax Extensions**

The bill eliminates specified sales tax exemptions and extends the tax to additional services shown in Table 6.

**TABLE 6: SALES & USE TAX EXTENSIONS**

<b>Exemptions Eliminated</b>	<b>New Services Taxed ( §§ 18 &amp; 25)</b>
Containment or removal of hazardous waste or other contaminants (§ 14)	Motor vehicle storage, including storage for motor homes, campers, and camp trailers, excluding self-storage units
Valet parking at any airport (§ 15)	Packing and crating, other than that provided by retailers in connection with the sale of tangible personal property
Yoga instruction at a yoga studio (§ 17)	Motor vehicle towing and road services, other than repairs
Clothing and footwear costing less than \$50 (§§ 16 & 57)	Intrastate transportation via limousine, community car, or van with a driver, excluding taxis, buses, ambulances, scheduled public transportation, and funerals
Non-prescription drugs and medicine (§ 57)	Pet grooming, boarding, and obedience classes, other than grooming or boarding provided as an integral part of veterinarian services
Cloth or fabric for non-commercial sewing (§ 57)	Cosmetic medical procedures, excluding reconstructive surgery
Property or services used in operating solid waste-to-energy facilities (§ 57)	Manicure, pedicure, and other nail services
Yarn (§ 57)	Spa services, including body waxing and wraps, peels, scrubs, and facials
Smoking cessation products (§ 57)	Repair of light aircraft (< 6,000 lbs) (§ 25)

EFFECTIVE DATE: July 1, 2011, and applicable to sales on or after that date.

### **§§ 31 & 32 - REAL ESTATE CONVEYANCE TAX**

The bill (1) increases state real estate conveyance tax rates by 0.25%, and (2) makes permanent the 0.25% base municipal real estate conveyance tax, currently scheduled to expire on July 1, 2011.

The real estate conveyance tax has two parts: a state tax and a municipal tax. The applicable state and municipal rates are added together to get the total tax rate for a particular transaction. The combined rate is applied to the sale price.

The current state tax is 0.5% of (1) the first \$800,000 of the sale price of a residential property and (2) the full sale price of unimproved land and certain bank foreclosures for mortgage delinquencies. A 1% rate applies to (1) sales of nonresidential property other than unimproved land and (2) any portion of the sale price of a residential dwelling that exceeds \$800,000 (the so-called "mansion tax"). The bill increases these rates to 0.75% and 1.25%, respectively.

In addition to the state tax, a seller must pay a state-specified conveyance tax to the municipality where the property is located. The current municipal tax rate is 0.25% for all towns plus an additional tax of up to 0.25% in 18 eligible towns that choose to impose the increased rate. Thus, under current law, the municipal tax rate can range from 0.25% to 0.5%, depending on where the property is located.

Under current law, the base tax rate of 0.25% for all towns is scheduled to expire on June 30, 2011. This bill makes that rate permanent.

It requires the DRS commissioner to deposit the revenue attributable to the increase in the state tax rate into the municipal revenue sharing account (see below).

EFFECTIVE DATE: July 1, 2011, and applicable to conveyances occurring on or after that date.

#### **§§ 19, 22, & 32 - TAX REVENUE ALLOCATED TO MUNICIPAL REVENUE SHARING ACCOUNT**

The bill allocates the following revenue from increased taxes to

municipalities:

1. 0.1 percentage point of the 6.35% sales tax on all taxable goods and services,
2. 0.1 percentage point of the 7.0% luxury tax,
3. 0.25 percentage point of the state conveyance tax, and
4. one percentage point of the 15% hotel occupancy tax.

The DRS commissioner must deposit the revenue quarterly in a municipal revenue sharing account, which the bill creates as a separate, nonlapsing General Fund account. The account must contain any funds required by law to be deposited in it. The Office of Policy and Management (OPM) secretary must use the account funds for municipal grants.

### **§ 35 - CABARET TAX**

The bill imposes a 3% tax on admissions, food, drink, service, and merchandise at any place offering live music, dancing, or other entertainment in addition to serving alcoholic drinks (“cabarets”) and requires the state to disburse the tax revenue to the municipality where the sale occurred.

#### ***Applicability***

The 3% tax applies on charges for admissions, food, drink, service, and merchandise at any place offering live music (with more than one performer), dancing, or other entertainment for profit in addition to serving alcoholic drinks. The tax applies to these charges only when the establishment is in “cabaret status.” Under the bill, cabaret status begins when the (1) music, dancing, or entertainment starts or (2) establishment starts charging an admission or cover charge. If any portion of the establishment is subject to the cabaret tax, the tax also applies to areas from which the (1) entertainment can be viewed or (2) entertainment or dancing can be accessed at no charge.

#### ***Collecting the Tax***

The bill imposes the tax on the establishments described above and requires that they collect it from purchasers. It specifies that the tax (1) is a recoverable debt from the purchaser to the establishment and (2) when collected by the establishment, is deemed a special fund in trust for the state.

### ***Tax Administration***

Taxpayers subject to the tax must remit the payments and file signed tax returns on a monthly basis. The returns must provide (1) the amount of tax due for the preceding month and (2) any other information the DRS commissioner requires. Unpaid taxes are subject to a penalty of 10% of the unpaid amount or \$50, whichever is greater, plus 1% interest for each full or partial month that the tax remains unpaid.

The same administrative, enforcement, liability, and appeal process requirements established in statute for the admissions tax apply to the cabaret tax and must be adapted accordingly.

EFFECTIVE DATE: July 1, 2011, and applicable to sales on or after that date.

## **CORPORATION TAX**

### ***§§ 2 & 5 – Corporation Tax Surcharge***

The bill imposes a 20% corporation tax surcharge for the 2012 and 2013 income years. Under current law and the bill, a 10% corporation tax surcharge expires at the end of the 2011 income year. As under current law, the surcharge for 2012 and 2013 applies to companies that have (1) at least \$100 million in annual gross income in those years and (2) a tax liability that exceeds \$250. The exemption for companies with less than \$100 million in annual gross income does not apply to companies filing combined or unitary returns.

### ***§ 4 - Credit Limit***

By law, companies are barred from using tax credits to reduce their annual corporation tax liability by more than 70%. Under the bill, for

the 2011 and 2012 income years, a company may offset additional tax liability beyond 70% by adding employees.

The additional offset equals \$6,000 times the company's average net monthly increase in employees, up to 100% of its total tax liability. The average net monthly employee gain must be calculated by dividing the company's total new employees for the applicable year by 12. In order for an employee to count, he or she must (1) be required to work at least a 35-hour week and (2) not have been employed in Connecticut by an entity who is a "related person" to the corporation within 12 months before the start of the applicable income year (see BACKGROUND). A company may not exceed the 70% credit limit if its average net employee gain is zero or less than zero.

EFFECTIVE DATE: Corporation tax changes are effective upon passage, and applicable to income years starting on or after January 1, 2011.

### **§ 3 - FILM PRODUCTION TAX CREDIT**

The bill limits the transfer of film production tax credits allowed (1) in 2011 to 50% of the credit in any one income year and (2) in 2012 and beyond to 25% of the credit in any one income year. Entities subject to the corporation or insurance premium tax are not bound by the transfer restrictions.

It exempts from these restrictions credits issued for any production that the Department of Economic and Community Development (DECD) commissioner determines is created in whole or significant part in a "qualified production facility." Under the bill, a "qualified production facility" is a facility in the state that (1) is intended for film, television, or digital media production and (2) has a minimum investment of \$3 million, or less if the DECD commissioner determines it otherwise qualifies.

The bill also increases, from 25% to 50%, the minimum share of principal photography days a production company must spend in the state in order to qualify for a film production tax credit.

EFFECTIVE DATE: Upon passage, and applicable to income years beginning on or after January 1, 2011.

## §§ 10-13 & 48 - ESTATE AND GIFT TAXES

### *Tax Threshold*

The bill lowers the estate and gift tax threshold from \$3.5 million to \$2 million and extends the existing 7.2% rate to estates and gifts valued at between \$2 million and \$3.5 million. Table 7 shows the current and proposed tax rates.

TABLE 7: CURRENT AND PROPOSED ESTATE AND GIFT TAXES

VALUE OF TAXABLE ESTATE OR GIFT		CURRENT TAX (Add cols. C & D)		PROPOSED TAX (Add cols. E & F)	
Col A: Over	Col B: But not over	Col C Tax on Col. A	Col D: Tax rate on excess over Col A	Col E: Tax on Col. A	Col F: Tax rate on excess over Col A
0	\$2,000,000	NO TAX		NO TAX	
2,000,000	3,500,000	7.2% of the excess over \$3,500,000		7.2% of the excess over \$2,000,000	
3,500,000	3,600,000	7.2% of the excess over \$3,500,000		7.2% of the excess over \$2,000,000	
3,600,000	4,100,000	\$7,200	7.8%	\$115,200	7.8%
4,100,000	5,100,000	46,200	8.4%	154,200	8.4%
5,100,000	6,100,000	130,200	9.0%	238,200	9.0%
6,100,000	7,100,000	220,200	9.6%	328,200	9.6%
7,100,000	8,100,000	316,200	10.2%	424,200	10.2%
8,100,000	9,100,000	418,200	10.8%	526,200	10.8%
9,100,000	10,100,000	526,200	11.4%	634,200	11.4%
Over \$10,100,000		640,200	12.0%	748,200	12.0%

### *Filing Estate Tax Returns*

The bill makes a conforming change in requirements for filing tax returns with the probate court. By law, all estates, regardless of their gross value, must file an estate tax return. If the estate's value is more than the taxable threshold, the executor must file the return with DRS, with a copy to the probate court for the district where the decedent lived or, if the decedent was not a Connecticut resident, where the Connecticut property is located. If the estate's value is below the tax threshold, the return must be filed only with the appropriate probate court. The probate judge must review the return and issue a written opinion to the estate's representative if the judge determines it is not

subject to the estate tax.

Under current law, the threshold for filing an estate tax return only with the probate court from someone who dies on or after January 1, 2010 is \$3.5 million. Starting with deaths on or after January 1, 2011, this bill reduces that threshold to \$2 million.

### ***Release of Estate Tax Liens***

The bill makes a conforming change in requirements for releasing estate tax liens.

By law, a person who does not owe, or who has paid, the estate tax receives a certificate releasing the lien on his or her interest in real property in the estate. The probate court is required to issue all lien release certificates for estates below the estate tax threshold. Current law requires probate courts to issue all lien release certificates for estates of \$3.5 million or less, starting with deaths on or after January 1, 2010. The bill reduces the threshold to \$2 million for deaths occurring on or after January 1, 2011.

EFFECTIVE DATE: Upon passage, and applicable to deaths occurring and gifts made on or after January 1, 2011.

### **§ 1 - INSURANCE PREMIUM TAX**

The bill (1) lowers, from 70% to 30%, the amount by which an insurer can reduce its insurance premium tax liability in any year through tax credits but (2) allows the insurer to offset additional tax liability for 2011 and 2012 if it adds employees. The bill makes the credit limit apply to calendar years, rather than income years.

Under the bill, for the calendar years 2011 and 2012, an insurer may offset additional tax liability by an amount equal to \$6,000 times its average net monthly increase in employees, up to 100% of its total tax liability. The average net employee gain must be calculated by adding insurer's total increase in employees for the applicable year and dividing by 12. In order for an employee to count, he or she must (1) be required to work at least a 35-hour week and (2) not have been

employed in Connecticut by the insurer's "related person" within 12 months before the applicable calendar year (see BACKGROUND). A company may not exceed the 30% credit limit if its average net employee gain is zero or less than zero.

EFFECTIVE DATE: Upon passage, and applicable to calendar years beginning January 1, 2011.

### **§§ 6-8 CIGARETTE TAX**

The bill increases the cigarette tax from \$3 to \$3.40 per pack.

It also imposes a 40-cent "floor tax" on each pack of cigarettes that dealers and distributors have in their inventories at the earlier of the close of business or 11:59 p.m. on June 30, 2011. By August 15, 2011, each dealer and distributor must report to the DRS the number of cigarettes in inventory as of June 30, 2011 and pay the floor tax. If a dealer or distributor does not report by the due date, the DRS commissioner must file the report, estimating the number of cigarettes in the dealer's or distributor's inventory using any information the commissioner has or obtains. If this occurs, the dealer or distributor is subject to a penalty of 10% of the tax due or \$50, whichever is greater, plus interest of 1% per month.

Failure to file the report by the due date is grounds for DRS to revoke or not renew a cigarette dealer's or distributor's license and any other state license or permit the person or entity holds. (Presumably, this means other licenses or permits issued by DRS.) Willful failure to file subjects the dealer or distributor to a fine of up to \$1,000, one year in prison, or both. A dealer or distributor who willfully files a false report can be fined up to \$5,000, sentenced to one to five years in prison, or both. Late filers are also subject to the same interest and penalties as apply to other late cigarette tax payments, namely, 10% of the tax due or \$50, whichever is greater, plus interest of 1% per month.

EFFECTIVE DATE: July 1, 2011, and applicable to sales on or after that date. The inventory tax is effective on passage.

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**§ 9 - TOBACCO PRODUCTS TAX**

The bill increases the tax on (1) snuff tobacco from 55 cents to \$1 per ounce, and (2) on all other tobacco products from 27.5% to 50% of the wholesale price. The tobacco products tax applies to cigars, cheroots, pipe tobacco, and similar products, but not cigarettes.

EFFECTIVE DATE: July 1, 2011, and applicable to sales on or after that date.

**§ 33 - ELECTRIC GENERATION TAX**

The bill imposes a temporary tax on electric generation facilities of 1/4 of a cent per net kilowatt hour (kwh) of electricity generated and uploaded into the regional bulk power grid at Connecticut facilities. The tax applies to all electricity except that generated through use of a fuel cell or alternative energy system, such as a solar or wind system. Under the bill, the tax expires on June 30, 2013.

The tax is payable quarterly starting by October 31, 2011 and thereafter, by the last day of January, April, July, and October, through June 30, 2013. Each taxpayer must file a DRS-prescribed return that reports the kwhs generated during the calendar quarter ending the preceding month and whatever other information the commissioner considers necessary. Taxpayers must file returns and pay taxes due electronically. Late payments are subject to a penalty of 10% of the tax due or \$50 whichever is greater, plus interest of 1% per month. The DRS audit, collection, other tax administration procedures applicable to the admissions and dues taxes apply to the generator tax except where inconsistent.

The bill allows the comptroller to count as revenue for FY 12 and FY 13, respectively, any generation tax revenue DRS receives within five business days after the July 31<sup>st</sup> following the end of those fiscal years.

EFFECTIVE DATE: July 1, 2011

**§ 34 - ADMISSIONS TAX EXEMPTIONS ELIMINATED**

The bill eliminates exemptions from the 10% admissions tax for the

facilities and events shown in Table 8.

**TABLE 8: ADMISSION TAX EXEMPTIONS ELIMINATED**

Hartford Civic Center	Lyme Rock Park	Dodd Stadium
New Haven Coliseum	Thompson Speedway	Arena at Harbor Yard
New Britain Beehive Stadium	Waterford Speedbowl	New Britain Rock Cats games
New Britain Stadium	Tennis Foundation of Connecticut facilities	New Haven Ravens games
New Britain Veterans Memorial Stadium	William A. O'Neill Convocation Center	Waterbury Spirit games
Bridgeport Harbor Yard Stadium	Nature's Art	
Stafford Motor Speedway	Connecticut Convention Center	

EFFECTIVE DATE: January 1, 2012, and applicable to charges imposed on or after that date.

### §§ 26 & 27 - ALCOHOLIC BEVERAGES TAX

The bill increases the excise tax on alcoholic beverages by 20%. It requires sellers to pay an additional tax on alcoholic beverages (e.g., beer, wine, liquor) in their inventories as of the close of business or 11:59 p.m. on June 30, 2011, whichever is earlier. Current and proposed new rates for the alcoholic beverages tax and the inventory tax are shown in Table 9.

**TABLE 9: CURRENT AND PROPOSED ALCOHOLIC BEVERAGES TAXES**

	<i>Unit Taxed</i>	<i>Current Tax</i>	<i>Proposed Tax</i>	<i>Proposed Per-Unit Inventory Tax</i>
<b>BEER AND CIDER</b>				
Beer and cider with no more than 7% alcohol	Barrel	\$6.00	\$7.20	\$1.20
	1/2 barrel	3.00	3.60	.60
	1/4 barrel	1.50	1.80	.30
	Wine gallon or fraction under 1/4 barrel	0.20	0.24	.04
<b>WINE</b>				
Still wines with no more than 21% alcohol	Wine gallon*	0.60	0.72	.12
Still wines with no more than 21% alcohol produced by a person producing no more than 55,000 wine gallons annually	Wine gallon*	0.15	0.18	.03
Still wines with more than 21% alcohol	Wine gallon*	1.50	1.80	.30

Sparkling wines				
<b>LIQUOR AND LIQUOR COOLERS</b>				
Liquor	Wine gallon*	4.50	5.40	.90
Alcohol – more than 100 proof	Proof Gallon*	4.50	5.40	.90
Liquor coolers with no more than 7% alcohol by volume	Wine gallon*	2.05	2.46	.41

\* A wine gallon is 128 ounces. A proof gallon is a measurement based on volume and alcohol content.

The bill requires distributors to file an inventory report with the DRS and pay the tax due on the inventory by August 15, 2011. If a distributor fails to file an inventory and pay the tax by that date, the DRS commissioner must estimate the seller's inventory tax based on information she has or obtains. Regular provisions of the alcoholic beverages tax laws concerning failure to file returns, DRS examination of returns, deficiency assessments or assessments for failure to file a return, tax collection, penalties, and interest apply to the bill's inventory tax. Under those provisions, someone who fails to pay the tax on time is subject to a penalty of 10% of the tax due with a \$50 minimum and interest at the rate of 1% per month from the tax due date to the payment date. The bill also makes failure to file a report and pay the tax on time grounds to revoke any state license or permit.

The bill requires the consumer protection (DCP) commissioner to cooperate with the DRS commissioner to enforce the inventory tax.

EFFECTIVE DATE: Upon passage, and applicable to sales occurring on or after July 1, 2011. The inventory tax is effective on passage.

### **§§ 28 - 30 - MOTOR VEHICLE AND DIESEL FUELS TAXES**

The bill increases the (1) tax on gasoline and gasohol, from 25 cents to 28 cents per gallon and (2) base tax on diesel fuel from 26 cents to 29 cents per gallon. It also imposes a 28-cent-per-gallon tax on liquefied natural gas, petroleum gas, or compressed natural gas used as motor fuels. Under the bill, 126.67 cubic feet of compressed natural gas is considered a gallon.

The bill imposes a three-cent inventory tax on each gallon of gasoline, gasohol, or diesel that licensed sellers have in inventory as of

either the close of business or 11:59 p.m. on June 30, 2011, whichever is earlier. It requires dealers, by August 1, 2011, to (1) report to the DRS commissioner the number of gallons of fuel they had in inventory at that time and (2) pay the inventory tax.

Amounts not paid by the due date accrue 1% interest per month or part of a month until paid. Failure to file the inventory report or filing an incorrect report must be treated as if the dealer failed to file other required motor vehicle tax reports, or filed them incorrectly, subjecting the dealer to, among other things, a penalty of 10% of the tax due or \$50, whichever is greater. In addition, failure to file inventory reports and pay the excise tax are grounds for revoking any state licenses or permits the dealer holds.

The motor vehicles commissioner must cooperate with the DRS commissioner to enforce the tax.

EFFECTIVE DATE: July 1, 2011, except the inventory tax is effective upon passage.

#### **§§ 41-47 PENALTY FOR FAILING TO REGISTER A MOTOR VEHICLE**

The bill increases, from between \$150 and \$300 to \$1,000, the fine for a Connecticut resident who operates a motor vehicle he or she owns with an out-of-state registration in violation of the Connecticut's registration requirements. By law, someone has 60 days from the time he or she takes up residence in the state to change his out-of-state registration to a Connecticut registration. The bill requires the fine to be remitted to the municipality in which the violation occurred, rather than the Special Transportation Fund, and makes related changes.

The bill exempts from any fine, interest, or penalties any Connecticut resident who registers a motor vehicle with out-of-state plates before January 1, 2012. Any taxes owed on the vehicle are due upon registration.

EFFECTIVE DATE: July 1, 2011

## § 49 - CITIZENS' ELECTION FUND TRANSFERS

The bill reduces, from \$18 million to \$10.6 million, the required FY 12 transfer to the Citizens' Election Fund.

EFFECTIVE DATE: July 1, 2011

## § 50 - SPECIAL TRANSPORTATION FUND TRANSFERS

The bill requires the DRS commissioner, by January 1, 2013 and biennially thereafter, to calculate the percentage of petroleum products gross earnings tax revenue from gasoline sold for the prior fiscal year and use this ratio as the basis for determining the required transfers from the General Fund to the Special Transportation Fund (STF). The commissioner must notify the Finance Committee chairpersons and ranking members and the OPM secretary of the calculated ratio.

The bill also increases the required annual transfers from the General Fund to the STF as shown in Table 10.

TABLE 10: GENERAL FUND TRANSFERS TO SPECIAL TRANSPORTATION FUND

FY	TRANSFERS TO STF	
	Current Law (million)	The Bill (million)
2012	\$165.3	\$200.7
2013	165.3	203.4
2014	179.2	222.7
2015	179.2	226.8
2016 and thereafter	179.2	231.4

EFFECTIVE DATE: July 1, 2011

## § 51 - ABANDONED PROPERTY

The bill requires the revenue estimates included in the budget act to be reduced by the estimated claims for abandoned property.

EFFECTIVE DATE: July 1, 2011

## § 52 - TRANSPORTATION STRATEGY BOARD ACCOUNT

On July 1, 2011, the bill transfers the unspent balance in the

Department of Transportation's nonlapsing Transportation Strategy Board account to general state resources.

EFFECTIVE DATE: July 1, 2011

### **§§ 53 & 56 - FUEL OIL CONSERVATION ACCOUNT ELIMINATED**

The bill eliminates the nonlapsing fuel oil conservation account, the conservation programs the account pays for, and the 13-member board that oversees the program. Under current law, the account is funded by annual revenue from the petroleum products gross receipts tax that exceeds the 2006 revenue, subject to a \$5 million annual cap.

EFFECTIVE DATE: July 1, 2011

### **§ 54 - FUNDING FOR NATURAL GAS CONSERVATION PLANS**

The bill eliminates funding for natural gas conservation plans by repealing a provision that dedicates to such plans any utility company tax revenue that exceeds the legislatively adopted annual revenue estimate, up to a maximum of \$10 million per year. Under current law, the comptroller must transfer the dedicated revenue to the Energy Conservation Management Board account to be used to reimburse gas companies for their conservation expenditures.

EFFECTIVE DATE: Upon passage

## **BACKGROUND**

### ***Related Person***

By law, an entity is a "related person" to a taxpayer if (1) the taxpayer controls it, (2) it is a business or trust controlled by another person or entity that the taxpayer controls, or (3) it is a member of the same controlled group as the taxpayer. A company is considered to be "controlled" by someone if he directly or indirectly owns more than 50% of the combined voting power of all classes of its stock or more than 50% capital or profit interest in it. In the case of a trust, control means owning 50% or more of the beneficial interest of the trust's principal or income. Ownership is defined as in federal income tax law (CGS § 12-217ii).

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 32 Nay 20 (04/21/2011)