



General Assembly

January Session, 2011

Governor's Bill No. 1007

LCO No. 3601

03601_____

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. WILLIAMS, 29th Dist.

SEN. LOONEY, 11th Dist.

REP. DONOVAN, 84th Dist.

REP. SHARKEY, 88th Dist.

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 Section 12-202 of the general statutes is repealed and the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 Each domestic insurance company shall, annually, pay a tax on the
5 total net direct premiums received by such company during the
6 calendar year next preceding from policies written on property or risks
7 located or resident in this state. The rate of tax on all net direct
8 insurance premiums received on and after January 1, 1995, shall be one
9 and [three-quarters] ninety-five one hundredths per cent. The
10 franchise tax imposed under this section on premium income for the
11 privilege of doing business in the state is in addition to the tax
12 imposed under chapter 208. In the case of any local domestic insurance

13 company the admitted assets of which as of the end of an income year
14 do not exceed ninety-five million dollars, eighty per cent of the tax
15 paid by such company under chapter 208 during such income year
16 reduced by any refunds of taxes paid by such company and granted
17 under said chapter within such income year and eighty per cent of the
18 assessment paid by such company under section 38a-48 during such
19 income year shall be allowed as a credit in the determination of the tax
20 under this chapter payable with respect to total net direct premiums
21 received during such income year, provided that these two credits
22 shall not reduce the tax under this chapter to less than zero, and
23 provided further in the case of a local domestic insurance company
24 which is a member of an insurance holding company system, as
25 defined in section 38a-129, these credits shall apply if the total
26 admitted assets of the local domestic insurance company and its
27 affiliates, as defined in said section, do not exceed two hundred fifty
28 million dollars or, in the alternative, in the case of a local domestic
29 insurance company which is a member of an insurance holding
30 company system, as defined in section 38a-129, these credits shall
31 apply only if total direct written premiums are derived from policies
32 issued or delivered in Connecticut, on risk located in Connecticut and,
33 as of the end of the income year the company and its affiliates have
34 admitted assets minus unpaid losses and loss adjustment expenses that
35 are also discounted for federal and state tax purposes and which for
36 said local domestic insurance company and its affiliates, as defined in
37 said section do not exceed two hundred fifty million dollars.

38 Sec. 2. Subsection (a) of section 12-202a of the general statutes is
39 repealed and the following is substituted in lieu thereof (*Effective from*
40 *passage and applicable to calendar years commencing on or after January 1,*
41 *2011*):

42 (a) Each health care center, as defined in section 38a-175, that is
43 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to
44 the Commissioner of Revenue Services for the calendar year
45 commencing on January 1, 1995, and annually thereafter, at the rate of

46 one and [three-quarters] ninety-five one hundredths per cent of the
47 total net direct subscriber charges received by such health care center
48 during each such calendar year on any new or renewal contract or
49 policy approved by the Insurance Commissioner under section 38a-
50 183. Such payment shall be in addition to any other payment required
51 under section 38a-48.

52 Sec. 3. Subsection (b) of section 12-210 of the general statutes is
53 repealed and the following is substituted in lieu thereof (*Effective from*
54 *passage and applicable to calendar years commencing on or after January 1,*
55 *2011*):

56 (b) Each insurance company incorporated by or organized under
57 the laws of any other state or foreign government and doing business
58 in this state shall, annually, on and after January 1, 1995, pay to said
59 Commissioner of Revenue Services, in addition to any other taxes
60 imposed on such company or its agents, a tax of one and [three-
61 quarters] ninety-five one hundredths per cent of all net direct
62 premiums received by such company in the calendar year next
63 preceding from policies written on property or risks located or resident
64 in this state, excluding premiums for ocean marine insurance, and,
65 upon ceasing to transact new business in this state, shall continue to
66 pay a tax upon the renewal premiums derived from its business
67 remaining in force in this state at the rate which was applicable when
68 such company ceased to transact new business in this state.

69 Sec. 4. Section 12-211a of the general statutes is repealed and the
70 following is substituted in lieu thereof (*Effective from passage and*
71 *applicable to calendar years commencing on or after January 1, 2011*):

72 (a) Notwithstanding any provision of the general statutes, and
73 except as provided in subsection (b) of this section, the amount of tax
74 credit or credits otherwise allowable against the tax imposed under
75 this chapter for any [income] calendar year shall not exceed seventy
76 per cent of the amount of tax due from such taxpayer under this
77 chapter with respect to such [income] calendar year of the taxpayer

78 prior to the application of such credit or credits.

79 (b) (1) For a calendar year commencing on or after January 1, 2011,
80 and prior to January 1, 2013, the amount of tax credit or credits
81 otherwise allowable against the tax imposed under this chapter for
82 such calendar year may exceed the amount specified in subsection (a)
83 of this section only by the amount computed under subparagraph (A)
84 of subdivision (2) of this subsection, provided in no event may the
85 amount of tax credit or credits otherwise allowable against the tax
86 imposed under this chapter for such calendar year exceed one hundred
87 per cent of the amount of tax due from such taxpayer under this
88 chapter with respect to such calendar year of the taxpayer prior to the
89 application of such credit or credits.

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

92 (B) The taxpayer's average monthly net employee gain for a
93 calendar year shall be computed as follows: For each month in the
94 calendar year, the taxpayer shall subtract from the number of its
95 employees in this state on the last day of such month the number of its
96 employees in this state on the first day of the calendar year. The
97 taxpayer shall total the differences for the twelve months in the
98 calendar year, and such total, when divided by twelve, shall be the
99 taxpayer's average monthly net employee gain for the calendar year.
100 For purposes of this computation, only employees who are required to
101 work at least thirty-five hours per week and only employees who were
102 not employed in this state by a related person, as defined in section 12-
103 217ii, within the twelve months prior to the first day of the calendar
104 year may be taken into account in computing the number of
105 employees.

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

109 Sec. 5. Subdivision (6) of subsection (b) of section 12-214 of the
110 general statutes is repealed and the following is substituted in lieu
111 thereof (*Effective from passage and applicable to income years commencing*
112 *on or after January 1, 2011*):

113 (6) (A) With respect to income years commencing on or after
114 January 1, 2009, and prior to January 1, [2012] 2014, any company
115 subject to the tax imposed in accordance with subsection (a) of this
116 section shall pay, for each such income year, except when the tax so
117 calculated is equal to two hundred fifty dollars, an additional tax in an
118 amount equal to ten per cent of the tax calculated under said
119 subsection (a) for such income year, without reduction of the tax so
120 calculated by the amount of any credit against such tax. The additional
121 amount of tax determined under this subsection for any income year
122 shall constitute a part of the tax imposed by the provisions of said
123 subsection (a) and shall become due and be paid, collected and
124 enforced as provided in this chapter.

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

131 Sec. 6. Subsection (e) of section 12-217jj of the general statutes is
132 repealed and the following is substituted in lieu thereof (*Effective from*
133 *passage and applicable to income years commencing on or after January 1,*
134 *2011*):

135 (e) On and after July 1, 2006, and for income years commencing on
136 or after January 1, 2006, any credit allowed pursuant to this
137 [subsection] section may be sold, assigned or otherwise transferred, in
138 whole or in part, to one or more taxpayers, provided (1) no credit, after
139 issuance, may be sold, assigned or otherwise transferred, in whole or
140 in part, more than three times, (2) in the case of a credit allowed for the

141 income year commencing on or after January 1, 2011, and prior to
142 January 1, 2012, any entity that is not subject to tax under chapter 207
143 or this chapter may transfer not more than fifty per cent of such credit
144 in any one income year, and (3) in the case of a credit allowed for an
145 income year commencing on or after January 1, 2012, any entity that is
146 not subject to tax under chapter 207 or this chapter may transfer not
147 more than twenty-five per cent of such credit in any one income year.

148 Sec. 7. Section 12-217zz of the general statutes is repealed and the
149 following is substituted in lieu thereof (*Effective from passage and*
150 *applicable to income years commencing on or after January 1, 2011*):

151 (a) Notwithstanding any other provision of law, and except as
152 otherwise provided in subsection (b) of this section, the amount of tax
153 credit or credits otherwise allowable against the tax imposed under
154 this chapter for any income year shall not exceed seventy per cent of
155 the amount of tax due from such taxpayer under this chapter with
156 respect to such income year of the taxpayer prior to the application of
157 such credit or credits.

158 (b) (1) For an income year commencing on or after January 1, 2011,
159 and prior to January 1, 2013, the amount of tax credit or credits
160 otherwise allowable against the tax imposed under this chapter for
161 such income year may exceed the amount specified in subsection (a) of
162 this section only by the amount computed under subparagraph (A) of
163 subdivision (2) of this subsection, provided in no event may the
164 amount of tax credit or credits otherwise allowable against the tax
165 imposed under this chapter for such income year exceed one hundred
166 per cent of the amount of tax due from such taxpayer under this
167 chapter with respect to such income year of the taxpayer prior to the
168 application of such credit or credits.

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

171 (B) The taxpayer's average monthly net employee gain for an

172 income year shall be computed as follows: For each month in the
173 taxpayer's income year, the taxpayer shall subtract from the number of
174 its employees in this state on the last day of such month the number of
175 its employees in this state on the first day of its income year. The
176 taxpayer shall total the differences for the twelve months in such
177 income year, and such total, when divided by twelve, shall be the
178 taxpayer's average monthly net employee gain for the income year. For
179 purposes of this computation, only employees who are required to
180 work at least thirty-five hours per week and only employees who were
181 not employed in this state by a related person, as defined in section 12-
182 217ii, within the twelve months prior to the first day of the income
183 year may be taken into account in computing the number of
184 employees.

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

188 Sec. 8. Subsection (c) of section 12-218 of the general statutes is
189 repealed and the following is substituted in lieu thereof (*Effective from*
190 *passage and applicable to income years commencing on or after January 1,*
191 *2011*):

192 (c) Except as otherwise provided in subsection (k) or (l) of this
193 section, the net income of the taxpayer when derived from the
194 manufacture, sale or use of tangible personal or real property, shall be
195 apportioned within and without the state by means of an
196 apportionment fraction, to be computed as the sum of the property
197 factor, the payroll factor and twice the receipts factor, divided by four.

198 (1) The first of these fractions, the property factor, shall represent
199 that part of the average monthly net book value of the total tangible
200 property held and owned by the taxpayer during the income year
201 which is held within the state, without deduction on account of any
202 encumbrance thereon, and the value of tangible property rented to the
203 taxpayer computed by multiplying the gross rents payable during the

204 income year or period by eight. For the purpose of this section, gross
205 rents shall be the actual sum of money or other consideration payable,
206 directly or indirectly, by the taxpayer or for its benefit for the use or
207 possession of the property, excluding royalties, but including interest,
208 taxes, insurance, repairs or any other amount required to be paid by
209 the terms of a lease or other arrangement and a proportionate part of
210 the cost of any improvement to the real property made by or on behalf
211 of the taxpayer which reverts to the owner or lessor upon termination
212 of a lease or other arrangement, based on the unexpired term of the
213 lease commencing with the date the improvement is completed,
214 provided, where a building is erected on leased land by or on behalf of
215 the taxpayer, the value of the land is determined by multiplying the
216 gross rent by eight, and the value of the building is determined in the
217 same manner as if owned by the taxpayer.

218 (2) The second fraction, the payroll factor, shall represent the part of
219 the total wages, salaries and other compensation to employees paid by
220 the taxpayer during the income year which was paid in this state,
221 excluding any such wages, salaries or other compensation attributable
222 to the production of gross income of an international banking facility
223 as defined in section 12-217. Compensation is paid in this state if (A)
224 the individual's service is performed entirely within the state; or (B)
225 the individual's service is performed both within and without the state,
226 but the service performed without the state is incidental to the
227 individual's service within the state; or (C) some of the service is
228 performed in the state and (i) the base of operations or, if there is no
229 base of operations, the place from which the service is directed or
230 controlled is in the state, or (ii) the base of operations or the place from
231 which the service is directed or controlled is not in any state in which
232 some part of the service is performed, but the individual's residence is
233 in this state.

234 (3) The third fraction, the receipts factor, shall represent the part of
235 the taxpayer's gross receipts from sales or other sources during the
236 income year, computed according to the method of accounting used in

237 the computation of its entire net income, which is assignable to the
238 state, and excluding any gross receipts attributable to an international
239 banking facility as defined in section 12-217, but including receipts
240 from (A) sales of tangible property if the property is delivered or
241 shipped to a purchaser within this state, other than the federal
242 government or a company which qualifies as a Domestic International
243 Sales Corporation (DISC) as defined in Section 992 of the Internal
244 Revenue Code of 1986, or any subsequent corresponding internal
245 revenue code of the United States, as from time to time amended, and
246 as to which a valid election under Subsection (b) of said Section 992 to
247 be treated as a DISC is effective, regardless of the f.o.b. point or other
248 conditions of the sale, (B) sales of tangible property if the property is
249 delivered or shipped from an office, warehouse, factory, store or other
250 place of storage in the state, and the purchaser is the federal
251 government or the taxpayer is not taxable in the state where such
252 property is delivered or shipped to the purchaser, (C) receipts from
253 services performed within the state, (D) rentals and royalties from
254 properties situated within the state, (E) royalties from the use of
255 patents or copyrights within the state, (F) interest managed or
256 controlled within the state, (G) net gains from the sale or other
257 disposition of intangible assets managed or controlled within the state,
258 (H) net gains from the sale or other disposition of tangible assets
259 situated within the state, and (I) all other receipts earned within the
260 state.

261 Sec. 9. Subdivision (6) of subsection (b) of section 12-219 of the
262 general statutes is repealed and the following is substituted in lieu
263 thereof (*Effective from passage and applicable to income years commencing*
264 *on or after January 1, 2011*):

265 (6) (A) With respect to income years commencing on or after
266 January 1, 2009, and prior to January 1, [2012] 2014, the additional tax
267 imposed on any company and calculated in accordance with
268 subsection (a) of this section shall, for each such income year, except
269 when the tax so calculated is equal to two hundred fifty dollars, be

270 increased by adding thereto an amount equal to ten per cent of the
271 additional tax so calculated for such income year, without reduction of
272 the tax so calculated by the amount of any credit against such tax. The
273 increased amount of tax payable by any company under this section,
274 as determined in accordance with this subsection, shall become due
275 and be paid, collected and enforced as provided in this chapter.

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

282 Sec. 10. Section 12-296 of the general statutes is repealed and the
283 following is substituted in lieu thereof (*Effective July 1, 2011, and*
284 *applicable to sales occurring on or after said date*):

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

291 Sec. 11. Section 12-316 of the general statutes is repealed and the
292 following is substituted in lieu thereof (*Effective July 1, 2011, and*
293 *applicable to sales occurring on or after said date*):

294 A tax is hereby imposed at the rate of one hundred [fifty] seventy
295 mills for each cigarette upon the storage or use within this state of any
296 unstamped cigarettes in the possession of any person other than a
297 licensed distributor or dealer, or a carrier for transit from without this
298 state to a licensed distributor or dealer within this state. Any person,
299 including distributors, dealers, carriers, warehousemen and
300 consumers, last having possession of unstamped cigarettes in this state

301 shall be liable for the tax on such cigarettes if such cigarettes are
302 unaccounted for in transit, storage or otherwise, and in such event a
303 presumption shall exist for the purpose of taxation that such cigarettes
304 were used and consumed in Connecticut.

305 Sec. 12. (*Effective from passage*) (a) An excise tax is hereby imposed
306 upon each distributor and each dealer, as each are defined in section
307 12-285 of the general statutes and licensed pursuant to chapter 214 of
308 the general statutes, in the amount of twenty mills per cigarette, as
309 defined in said section 12-285, in such distributor's or such dealer's
310 inventory as of the close of business on June 30, 2011, or, if the business
311 closes after eleven fifty-nine o'clock p.m. on such date, at eleven fifty-
312 nine o'clock p.m. on such date.

313 (b) Each such licensed distributor or dealer shall, not later than
314 August 15, 2011, file with the Commissioner of Revenue Services, on
315 forms prescribed by said commissioner, a report that shows the
316 number of cigarettes in inventory as of the close of business on June 30,
317 2011, or, if the business closes after eleven fifty-nine o'clock p.m. on
318 such date, at eleven fifty-nine o'clock p.m. on such date, upon which
319 inventory the tax under subsection (a) of this section shall be imposed.
320 The tax shall be due and payable on the due date of such report. If any
321 distributor or dealer required to file a report pursuant to this section
322 fails to file such report on or before August 15, 2011, the commissioner
323 shall make an estimate of the number of cigarettes in such distributor's
324 or dealer's inventory as of the close of business on June 30, 2011, based
325 upon any information that is in the commissioner's possession or that
326 may come into the commissioner's possession. The provisions of
327 chapter 214 of the general statutes pertaining to failure to file returns,
328 examination of returns by the commissioner, the issuance of deficiency
329 assessments or assessments where no return has been filed, the
330 collection of tax, the imposition of penalties and the accrual of interest
331 shall apply to the distributors and dealers required to pay the tax
332 imposed under this section. Failure of any distributor or dealer to file
333 such report when due shall be sufficient reason to revoke such

334 distributor's or dealer's license under the provisions of said chapter 214
 335 and to revoke any other state license or permit held by such distributor
 336 or dealer. If, in the discretion of the commissioner, the enforcement of
 337 this section would otherwise be adversely affected, the commissioner
 338 shall not renew the dealer's license of any dealer who fails to file such
 339 report, or the distributor's license of any distributor who fails to file
 340 such report, until such report is filed.

341 Sec. 13. Subsection (a) of section 12-330c of the general statutes is
 342 repealed and the following is substituted in lieu thereof (*Effective July*
 343 *1, 2011, and applicable to sales occurring on or after said date*):

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

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

353 Sec. 14. Subsection (g) of section 12-391 of the general statutes is
 354 repealed and the following is substituted in lieu thereof (*Effective from*
 355 *passage and applicable to estates of decedents dying on or after January 1,*
 356 *2011*):

357 (g) (1) With respect to the estates of decedents dying on or after
 358 January 1, 2005, but prior to January 1, 2010, the tax based on the
 359 Connecticut taxable estate shall be as provided in the following
 360 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

361 (2) With respect to the estates of decedents dying on or after January
 362 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut
 363 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

364 (3) With respect to the estates of decedents dying on or after January
 365 1, 2011, the tax based on the Connecticut taxable estate shall be as
 366 provided in the following schedule:

	<u>Amount of Connecticut</u>		<u>Rate of Tax</u>
	<u>Taxable Estate</u>		
T49			
T50			
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	but not over <u>\$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	but not over <u>\$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	but not over <u>\$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	but not over <u>\$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		<u>over \$10,100,000</u>

367 Sec. 15. Subdivision (3) of subsection (b) of section 12-392 of the
 368 general statutes is repealed and the following is substituted in lieu
 369 thereof (*Effective from passage and applicable to estates of decedents dying on*
 370 *or after January 1, 2011*):

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

378 (B) A tax return shall be filed, in the case of every decedent who dies
 379 on or after January 1, 2005, but prior to January 1, 2010, and at the time
 380 of death was (i) a resident of this state, or (ii) a nonresident of this state
 381 whose gross estate includes any real property situated in this state or
 382 tangible personal property having an actual situs in this state. If the
 383 decedent's Connecticut taxable estate is over two million dollars, such
 384 tax return shall be filed with the Commissioner of Revenue Services
 385 and a copy of such return shall be filed with the court of probate for
 386 the district within which the decedent resided at the date of his or her
 387 death or, if the decedent died a nonresident of this state, the court of
 388 probate for the district within which such real property or tangible

389 personal property is situated. If the decedent's Connecticut taxable
390 estate is two million dollars or less, such return shall be filed with the
391 court of probate for the district within which the decedent resided at
392 the date of his or her death or, if the decedent died a nonresident of
393 this state, the court of probate for the district within which such real
394 property or tangible personal property is situated, and no such return
395 shall be filed with the Commissioner of Revenue Services. The judge of
396 probate for the district in which such return is filed shall review each
397 such return and shall issue a written opinion to the estate
398 representative in each case in which the judge determines that the
399 estate is not subject to tax under this chapter.

400 (C) A tax return shall be filed, in the case of every decedent who
401 dies on or after January 1, 2010, but prior to January 1, 2011, and at the
402 time of death was (i) a resident of this state, or (ii) a nonresident of this
403 state whose gross estate includes any real property situated in this
404 state or tangible personal property having an actual situs in this state.
405 If the decedent's Connecticut taxable estate is over three million five
406 hundred thousand dollars, such tax return shall be filed with the
407 Commissioner of Revenue Services and a copy of such return shall be
408 filed with the court of probate for the district within which the
409 decedent resided at the date of his or her death or, if the decedent died
410 a nonresident of this state, the court of probate for the district within
411 which such real property or tangible personal property is situated. If
412 the decedent's Connecticut taxable estate is three million five hundred
413 thousand dollars or less, such return shall be filed with the court of
414 probate for the district within which the decedent resided at the date
415 of his or her death or, if the decedent died a nonresident of this state,
416 the court of probate for the district within which such real property or
417 tangible personal property is situated, and no such return shall be filed
418 with the Commissioner of Revenue Services. The judge of probate for
419 the district in which such return is filed shall review each such return
420 and shall issue a written opinion to the estate representative in each
421 case in which the judge determines that the estate is not subject to tax
422 under this chapter.

423 (D) A tax return shall be filed, in the case of every decedent who
424 dies on or after January 1, 2011, and at the time of death was (i) a
425 resident of this state, or (ii) a nonresident of this state whose gross
426 estate includes any real property situated in this state or tangible
427 personal property having an actual situs in this state. If the decedent's
428 Connecticut taxable estate is over two million dollars, such tax return
429 shall be filed with the Commissioner of Revenue Services and a copy
430 of such return shall be filed with the court of probate for the district
431 within which the decedent resided at the date of his or her death or, if
432 the decedent died a nonresident of this state, the court of probate for
433 the district within which such real property or tangible personal
434 property is situated. If the decedent's Connecticut taxable estate is two
435 million dollars or less, such return shall be filed with the court of
436 probate for the district within which the decedent resided at the date
437 of his or her death or, if the decedent died a nonresident of this state,
438 the court of probate for the district within which such real property or
439 tangible personal property is situated, and no such return shall be filed
440 with the Commissioner of Revenue Services. The judge of probate for
441 the district in which such return is filed shall review each such return
442 and shall issue a written opinion to the estate representative in each
443 case in which the judge determines that the estate is not subject to tax
444 under this chapter.

445 ~~[(D)]~~ (E) The duly authorized executor or administrator shall file the
446 return. If there is more than one executor or administrator, the return
447 shall be made jointly by all. If there is no executor or administrator
448 appointed, qualified and acting, each person in actual or constructive
449 possession of any property of the decedent is constituted an executor
450 for purposes of the tax and shall make and file a return. If in any case
451 the executor is unable to make a complete return as to any part of the
452 gross estate, the executor shall provide all the information available to
453 him with respect to such property, including a full description, and the
454 name of every person holding a legal or beneficial interest in the
455 property. If the executor is unable to make a return as to any property,
456 each person holding a legal or equitable interest in such property shall,

457 upon notice from the commissioner, make a return as to that part of
458 the gross estate.

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

465 Sec. 16. Subsection (e) of section 12-398 of the general statutes is
466 repealed and the following is substituted in lieu thereof (*Effective from*
467 *passage and applicable to estates of decedents dying on or after January 1,*
468 *2011*):

469 (e) Any person shall be entitled to a certificate of release of lien with
470 respect to the interest of the decedent in such real property, if either
471 the court of probate for the district within which the decedent resided
472 at the date of his death or, if the decedent died a nonresident of this
473 state, for the district within which real estate or tangible personal
474 property of the decedent is situated, or the Commissioner of Revenue
475 Services finds, upon evidence satisfactory to said court or said
476 commissioner, as the case may be, that payment of the tax imposed
477 under this chapter with respect to the interest of the decedent in such
478 real property is adequately assured, or that no tax imposed under this
479 chapter is due. If the decedent died prior to January 1, 2010, and such
480 decedent's Connecticut taxable estate is two million dollars or less, or if
481 the decedent died on or after January 1, 2010, but prior to January 1,
482 2011, and such decedent's Connecticut taxable estate is three million
483 five hundred thousand dollars or less, or if the decedent died on or
484 after January 1, 2011, and such decedent's Connecticut taxable estate is
485 two million dollars or less, the certificate of release of lien shall be
486 issued by the court of probate. Such certificate may be recorded in the
487 office of the town clerk of the town within which such real property is
488 situated, and it shall be conclusive proof that such real property has

489 been released from the operation of such lien. The commissioner may
 490 adopt regulations in accordance with the provisions of chapter 54 that
 491 establish procedures to be followed by a court of probate or by said
 492 commissioner, as the case may be, for issuing certificates of release of
 493 lien, and that establish the requirements and conditions that must be
 494 satisfied in order for a court of probate or for the commissioner, as the
 495 case may be, to find that the payment of such tax is adequately assured
 496 or that no tax imposed under this chapter is due.

497 Sec. 17. Subsection (a) of section 12-642 of the general statutes is
 498 repealed and the following is substituted in lieu thereof (*Effective from*
 499 *passage and applicable to gifts made during calendar years commencing on or*
 500 *after January 1, 2011*):

501 (a) (1) With respect to calendar years commencing prior to January
 502 1, 2001, the tax imposed by section 12-640 for the calendar year shall be
 503 at a rate of the taxable gifts made by the donor during the calendar
 504 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

505 (2) With respect to the calendar years commencing January 1, 2001,
 506 January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed
 507 by section 12-640 for each such calendar year shall be at a rate of the

508 taxable gifts made by the donor during the calendar year set forth in
 509 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

510 (3) With respect to Connecticut taxable gifts, as defined in section
 511 12-643, made by a donor during a calendar year commencing on or
 512 after January 1, 2005, but prior to January 1, 2010, including the
 513 aggregate amount of all Connecticut taxable gifts made by the donor
 514 during all calendar years commencing on or after January 1, 2005, but
 515 prior to January 1, 2010, the tax imposed by section 12-640 for the
 516 calendar year shall be at the rate set forth in the following schedule,
 517 with a credit allowed against such tax for any tax previously paid to
 518 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

519 (4) With respect to Connecticut taxable gifts, as defined in section
520 12-643, made by a donor during a calendar year commencing on or
521 after January 1, 2010, but prior to January 1, 2011, including the
522 aggregate amount of all Connecticut taxable gifts made by the donor
523 during all calendar years commencing on or after January 1, 2005, the
524 tax imposed by section 12-640 for the calendar year shall be at the rate
525 set forth in the following schedule, with a credit allowed against such
526 tax for any tax previously paid to this state pursuant to this
527 subdivision or pursuant to subdivision (3) of this subsection, provided
528 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

529 (5) With respect to Connecticut taxable gifts, as defined in section
530 12-643, made by a donor during a calendar year commencing on or
531 after January 1, 2011, including the aggregate amount of all
532 Connecticut taxable gifts made by the donor during all calendar years
533 commencing on or after January 1, 2005, the tax imposed by section 12-
534 640 for the calendar year shall be at the rate set forth in the following
535 schedule, with a credit allowed against such tax for any tax previously
536 paid to this state pursuant to this subdivision or pursuant to
537 subdivision (3) or (4) of this subsection, provided such credit shall not
538 exceed the amount of tax imposed by this section:

	<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>

539 Sec. 18. Subparagraph (M) of subdivision (2) of subsection (a) of
540 section 12-407 of the general statutes is repealed and the following is
541 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*
542 *occurring on or after said date*):

543 (M) The transfer for consideration of space or the right to use any
544 space for the purpose of storage or mooring of any noncommercial
545 vessel; [, exclusive of dry or wet storage or mooring of such vessel
546 during the period commencing on the first day of November in any
547 year to and including the thirtieth day of April of the next succeeding
548 year;]

549 Sec. 19. Subdivisions (8) and (9) of subsection (a) of section 12-407 of
550 the general statutes are repealed and the following is substituted in
551 lieu thereof (*Effective July 1, 2011, and applicable to sales occurring on or*
552 *after said date*):

553 (8) (A) "Sales price" means the total amount for which tangible
554 personal property is sold by a retailer, the total amount of rent for
555 which occupancy of a room is transferred by an operator, the total

556 amount for which any service described in subdivision (2) of this
557 subsection is rendered by a retailer or the total amount of payment or
558 periodic payments for which tangible personal property is leased by a
559 retailer, valued in money, whether paid in money or otherwise, which
560 amount is due and owing to the retailer or operator and, subject to the
561 provisions of subdivision (1) of section 12-408, whether or not actually
562 received by the retailer or operator, without any deduction on account
563 of any of the following: (i) The cost of the property sold; (ii) the cost of
564 materials used, labor or service cost, interest charged, losses or any
565 other expenses; (iii) for any sale occurring on or after July 1, 1993, any
566 charges by the retailer to the purchaser for shipping or delivery,
567 notwithstanding whether such charges are separately stated in a
568 written contract, or on a bill or invoice rendered to such purchaser or
569 whether such shipping or delivery is provided by the retailer or a third
570 party. The provisions of subparagraph (A) (iii) of this subdivision shall
571 not apply to any item exempt from taxation pursuant to section 12-412.
572 Such total amount includes any services that are a part of the sale, [;
573 except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
574 subdivision,] any amount for which credit is given to the purchaser by
575 the retailer, and all compensation and all employment-related
576 expenses, whether or not separately stated, paid to or on behalf of
577 employees of a retailer of any service described in subdivision (2) of
578 this subsection.

579 (B) "Sales price" does not include any of the following: (i) Cash
580 discounts allowed and taken on sales; (ii) any portion of the amount
581 charged for property returned by purchasers, which upon rescission of
582 the contract of sale is refunded either in cash or credit, provided the
583 property is returned within ninety days from the date of purchase; (iii)
584 the amount of any tax, not including any manufacturers' or importers'
585 excise tax, imposed by the United States upon or with respect to retail
586 sales whether imposed upon the retailer or the purchaser; (iv) the
587 amount charged for labor rendered in installing or applying the
588 property sold, provided such charge is separately stated and exclusive
589 of such charge for any service rendered within the purview of

590 subparagraph (I) of subdivision (37) of this subsection; [(v) unless the
591 provisions of subdivision (4) of section 12-430 or of section 12-430a are
592 applicable, any amount for which credit is given to the purchaser by
593 the retailer, provided such credit is given solely for property of the
594 same kind accepted in part payment by the retailer and intended by
595 the retailer to be resold; (vi) the full face value of any coupon used by a
596 purchaser to reduce the price paid to a retailer for an item of tangible
597 personal property, whether or not the retailer will be reimbursed for
598 such coupon, in whole or in part, by the manufacturer of the item of
599 tangible personal property or by a third party; (vii)] (v) the amount
600 charged for separately stated compensation, fringe benefits, workers'
601 compensation and payroll taxes or assessments paid to or on behalf of
602 employees of a retailer who has contracted to manage a service
603 recipient's property or business premises and renders management
604 services described in subparagraph (I) or (J) of subdivision (37) of this
605 subsection, provided, the employees perform such services solely for
606 the service recipient at its property or business premises and "sales
607 price" shall include the separately stated compensation, fringe benefits,
608 workers' compensation and payroll taxes or assessments paid to or on
609 behalf of any employee of the retailer who is an officer, director or
610 owner of more than five per cent of the outstanding capital stock of the
611 retailer. Determination whether an employee performs services solely
612 for a service recipient at its property or business premises for purposes
613 of this subdivision shall be made by reference to such employee's
614 activities during the time period beginning on the later of the
615 commencement of the management contract, the date of the
616 employee's first employment by the retailer or the date which is six
617 months immediately preceding the date of such determination; [(viii)]
618 (vi) the amount charged for separately stated compensation, fringe
619 benefits, workers' compensation and payroll taxes or assessments paid
620 to or on behalf of (I) a leased employee, or (II) a worksite employee by
621 a professional employer organization pursuant to a professional
622 employer agreement. For purposes of this subparagraph, an employee
623 shall be treated as a leased employee if the employee is provided to the

624 client at the commencement of an agreement with an employee leasing
625 organization under which at least seventy-five per cent of the
626 employees provided to the client at the commencement of such initial
627 agreement qualify as leased employees pursuant to Section 414(n) of
628 the Internal Revenue Code of 1986, or any subsequent corresponding
629 internal revenue code of the United States, as from time to time
630 amended, or the employee is added to the client's workforce by the
631 employee leasing organization subsequent to the commencement of
632 such initial agreement and qualifies as a leased employee pursuant to
633 Section 414(n) of said Internal Revenue Code of 1986 without regard to
634 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
635 worksite employee subject to a professional employer agreement, shall
636 not include any employee who is hired by a temporary help service
637 and assigned to support or supplement the workforce of a temporary
638 help service's client; [(ix)] (vii) any amount received by a retailer from
639 a purchaser as the battery deposit that is required to be paid under
640 subsection (a) of section 22a-245h; the refund value of a beverage
641 container that is required to be paid under subsection (a) of section
642 22a-244; or a deposit that is required by law to be paid by the
643 purchaser to the retailer and that is required by law to be refunded to
644 the purchaser by the retailer when the same or similar tangible
645 personal property is delivered as required by law to the retailer by the
646 purchaser, if such amount is separately stated on the bill or invoice
647 rendered by the retailer to the purchaser; and [(x)] (viii) the amount
648 charged for separately stated compensation, fringe benefits, workers'
649 compensation and payroll taxes or assessments paid to a media payroll
650 services company, as defined in this subsection.

651 (9) (A) "Gross receipts" means the total amount of the sales price
652 from retail sales of tangible personal property by a retailer, the total
653 amount of the rent from transfers of occupancy of rooms by an
654 operator, the total amount of the sales price from retail sales of any
655 service described in subdivision (2) of this subsection by a retailer of
656 services, or the total amount of payment or periodic payments from
657 leases or rentals of tangible personal property by a retailer, valued in

658 money, whether received in money or otherwise, which amount is due
659 and owing to the retailer or operator and, subject to the provisions of
660 subdivision (1) of section 12-408, whether or not actually received by
661 the retailer or operator, without any deduction on account of any of
662 the following: (i) The cost of the property sold; however, in accordance
663 with such regulations as the Commissioner of Revenue Services may
664 prescribe, a deduction may be taken if the retailer has purchased
665 property for some other purpose than resale, has reimbursed the
666 retailer's vendor for tax which the vendor is required to pay to the
667 state or has paid the use tax with respect to the property, and has
668 resold the property prior to making any use of the property other than
669 retention, demonstration or display while holding it for sale in the
670 regular course of business. If such a deduction is taken by the retailer,
671 no refund or credit will be allowed to the retailer's vendor with respect
672 to the sale of the property; (ii) the cost of the materials used, labor or
673 service cost, interest paid, losses or any other expense; (iii) for any sale
674 occurring on or after July 1, 1993, except for any item exempt from
675 taxation pursuant to section 12-412, any charges by the retailer to the
676 purchaser for shipping or delivery, notwithstanding whether such
677 charges are separately stated in the written contract, or on a bill or
678 invoice rendered to such purchaser or whether such shipping or
679 delivery is provided by the retailer or a third party. The total amount
680 of the sales price includes any services that are a part of the sale; all
681 receipts, cash, credits and property of any kind, [; except as otherwise
682 provided in subparagraph (B)(v) or (B)(vi) of this subdivision,] any
683 amount for which credit is allowed by the retailer to the purchaser;
684 and all compensation and all employment-related expenses, whether
685 or not separately stated, paid to or on behalf of employees of a retailer
686 of any service described in subdivision (2) of this subsection.

687 (B) "Gross receipts" do not include any of the following: (i) Cash
688 discounts allowed and taken on sales; (ii) any portion of the sales price
689 of property returned by purchasers, which upon rescission of the
690 contract of sale is refunded either in cash or credit, provided the
691 property is returned within ninety days from the date of sale; (iii) the

692 amount of any tax, not including any manufacturers' or importers'
693 excise tax, imposed by the United States upon or with respect to retail
694 sales whether imposed upon the retailer or the purchaser; (iv) the
695 amount charged for labor rendered in installing or applying the
696 property sold, provided such charge is separately stated and exclusive
697 of such charge for any service rendered within the purview of
698 subparagraph (I) of subdivision (37) of this subsection; [(v) unless the
699 provisions of subdivision (4) of section 12-430 or of section 12-430a are
700 applicable, any amount for which credit is given to the purchaser by
701 the retailer, provided such credit is given solely for property of the
702 same kind accepted in part payment by the retailer and intended by
703 the retailer to be resold; (vi) the full face value of any coupon used by a
704 purchaser to reduce the price paid to the retailer for an item of tangible
705 personal property, whether or not the retailer will be reimbursed for
706 such coupon, in whole or in part, by the manufacturer of the item of
707 tangible personal property or by a third party; (vii)] (v) the amount
708 charged for separately stated compensation, fringe benefits, workers'
709 compensation and payroll taxes or assessments paid to or on behalf of
710 employees of a retailer who has contracted to manage a service
711 recipient's property or business premises and renders management
712 services described in subparagraph (I) or (J) of subdivision (37) of this
713 subsection, provided the employees perform such services solely for
714 the service recipient at its property or business premises and "gross
715 receipts" shall include the separately stated compensation, fringe
716 benefits, workers' compensation and payroll taxes or assessments paid
717 to or on behalf of any employee of the retailer who is an officer,
718 director or owner of more than five per cent of the outstanding capital
719 stock of the retailer. Determination whether an employee performs
720 services solely for a service recipient at its property or business
721 premises for purposes of this subdivision shall be made by reference to
722 such employee's activities during the time period beginning on the
723 later of the commencement of the management contract, the date of the
724 employee's first employment by the retailer or the date which is six
725 months immediately preceding the date of such determination; [(viii)]

726 (vi) the amount charged for separately stated compensation, fringe
727 benefits, workers' compensation and payroll taxes or assessments paid
728 to or on behalf of (I) a leased employee, or (II) a worksite employee by
729 a professional employer organization pursuant to a professional
730 employer agreement. For purposes of this subparagraph, an employee
731 shall be treated as a leased employee if the employee is provided to the
732 client at the commencement of an agreement with an employee leasing
733 organization under which at least seventy-five per cent of the
734 employees provided to the client at the commencement of such initial
735 agreement qualify as leased employees pursuant to Section 414(n) of
736 the Internal Revenue Code of 1986, or any subsequent corresponding
737 internal revenue code of the United States, as from time to time
738 amended, or the employee is added to the client's workforce by the
739 employee leasing organization subsequent to the commencement of
740 such initial agreement and qualifies as a leased employee pursuant to
741 Section 414(n) of said Internal Revenue Code of 1986 without regard to
742 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
743 worksite employee subject to a professional employer agreement, shall
744 not include any employee who is hired by a temporary help service
745 and assigned to support or supplement the workforce of a temporary
746 help service's client; ~~[(ix)]~~ (vii) the amount received by a retailer from a
747 purchaser as the battery deposit that is required to be paid under
748 subsection (a) of section 22a-256h; the refund value of a beverage
749 container that is required to be paid under subsection (a) of section
750 22a-244 or a deposit that is required by law to be paid by the purchaser
751 to the retailer and that is required by law to be refunded to the
752 purchaser by the retailer when the same or similar tangible personal
753 property is delivered as required by law to the retailer by the
754 purchaser, if such amount is separately stated on the bill or invoice
755 rendered by the retailer to the purchaser; and ~~[(x)]~~ (viii) the amount
756 charged for separately stated compensation, fringe benefits, workers'
757 compensation and payroll taxes or assessments paid to a media payroll
758 services company, as defined in this subsection.

759 Sec. 20. Subparagraph (I) of subdivision (37) of subsection (a) of

760 section 12-407 of the general statutes is repealed and the following is
761 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*
762 *occurring on or after said date*):

763 (I) Services to industrial, commercial or income-producing real
764 property, including, but not limited to, such services as management,
765 electrical, plumbing, painting and carpentry [and excluding any such
766 services rendered in the voluntary evaluation, prevention, treatment,
767 containment or removal of hazardous waste, as defined in section
768 22a-115, or other contaminants of air, water or soil,] provided
769 income-producing property shall not include property used
770 exclusively for residential purposes in which the owner resides and
771 which contains no more than three dwelling units, or a housing facility
772 for low and moderate income families and persons owned or operated
773 by a nonprofit housing organization, as defined in subdivision (29) of
774 section 12-412;

775 Sec. 21. Subparagraph (N) of subdivision (37) of subsection (a) of
776 section 12-407 of the general statutes is repealed and the following is
777 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*
778 *occurring on or after said date*):

779 (N) Motor vehicle parking, including the provision of space, other
780 than metered space, in a lot having thirty or more spaces, excluding (i)
781 space in a seasonal parking lot provided by a person who is exempt
782 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
783 of section 12-412, (ii) space in a parking lot owned or leased under the
784 terms of a lease of not less than ten years' duration and operated by an
785 employer for the exclusive use of its employees, [(iii) valet parking
786 provided at any airport, and (iv)] and (iii) space in
787 municipally-operated railroad parking facilities in municipalities
788 located within an area of the state designated as a severe
789 nonattainment area for ozone under the federal Clean Air Act or space
790 in a railroad parking facility in a municipality located within an area of
791 the state designated as a severe nonattainment area for ozone under

792 the federal Clean Air Act owned or operated by the state on or after
793 April 1, 2000;

794 Sec. 22. Subparagraph (S) of subdivision (37) of subsection (a) of
795 section 12-407 of the general statutes is repealed and the following is
796 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*
797 *occurring on or after said date*):

798 (S) Services of the agent of any person in relation to the sale of any
799 item of tangible personal property for such person, exclusive of the
800 services of a consignee selling works of art, as defined in subsection (b)
801 of section 12-376c, or articles of clothing or footwear intended to be
802 worn on or about the human body other than (i) any special clothing
803 or footwear primarily designed for athletic activity or protective use
804 and which is not normally worn except when used for the athletic
805 activity or protective use for which it was designed, and (ii) jewelry,
806 handbags, luggage, umbrellas, wallets, watches and similar items
807 carried on or about the human body but not worn on the body [in the
808 manner characteristic of clothing intended for exemption under
809 subdivision (47) of section 12-412,] under consignment, exclusive of
810 services provided by an auctioneer;

811 Sec. 23. Subparagraph (FF) of subdivision (37) of subsection (a) of
812 section 12-407 of the general statutes is repealed and the following is
813 substituted in lieu thereof (*Effective July 1, 2011, and applicable to sales*
814 *occurring on or after said date*):

815 (FF) Health and athletic club services, exclusive of (i) any such
816 services provided without any additional charge which are included in
817 any dues or initiation fees paid to any such club, which dues or fees
818 are subject to tax under section 12-543, (ii) any such services provided
819 by a municipality or an organization that is described in Section 501(c)
820 of the Internal Revenue Code of 1986, or any subsequent
821 corresponding internal revenue code of the United States, as from time
822 to time amended. [, and (iii) yoga instruction provided at a yoga
823 studio.]

824 Sec. 24. Subdivision (37) of subsection (a) of section 12-407 of the
825 general statutes is amended by adding subparagraphs (GG) to (PP),
826 inclusive, as follows (*Effective July 1, 2011, and applicable to sales*
827 *occurring on or after said date*):

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

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

835 (NEW) (II) Motor vehicle washing, waxing and detailing services,
836 whether or not automated;

837 (NEW) (JJ) Motor vehicle towing and road services, other than
838 motor vehicle repair services;

839 (NEW) (KK) Intrastate transportation services provided by livery
840 services, including limousines, community cars or vans, with a driver.
841 Intrastate transportation services shall not include transportation by
842 taxicab, motor bus, ambulance or ambulette, scheduled public
843 transportation or services provided in connection with funerals;

844 (NEW) (LL) Barber and beauty shop services, including hair cutting,
845 styling, and coloring;

846 (NEW) (MM) Noncommercial vessel repair, maintenance and
847 cleaning services, including any contract of warranty and service
848 related to such vessel, and noncommercial vessel towing services;

849 (NEW) (NN) Pet grooming and pet boarding services, except if such
850 services are provided as an integral part of professional veterinary
851 services, and pet obedience services;

852 (NEW) (OO) Services in connection with a cosmetic medical
853 procedure. For purposes of this subparagraph, "cosmetic medical
854 procedure" means any medical procedure performed on an individual
855 that is directed at improving the individual's appearance and that does
856 not meaningfully promote the proper function of the body or prevent
857 or treat illness or disease. "Cosmetic medical procedure" includes, but
858 is not limited, to cosmetic surgery, hair transplants, cosmetic injections,
859 cosmetic soft tissue fillers, dermabrasion and chemical peel, laser hair
860 removal, laser skin resurfacing, laser treatment of leg veins, and
861 sclerotherapy. "Cosmetic medical procedure" does not include
862 reconstructive surgery. "Reconstructive surgery" includes any surgery
863 performed on abnormal structures caused by or related to congenital
864 defects, developmental abnormalities, trauma, infection, tumors or
865 disease, including procedures to improve function or give a more
866 normal appearance;

867 (NEW) (PP) Manicure and pedicure services.

868 Sec. 25. Subdivision (1) of section 12-408 of the general statutes is
869 repealed and the following is substituted in lieu thereof (*Effective July*
870 *1, 2011, and applicable to sales occurring on or after said date*):

871 For the privilege of making any sales, as defined in subdivision (2)
872 of subsection (a) of section 12-407, at retail, in this state for a
873 consideration, a tax is hereby imposed on all retailers at the rate of six
874 and one-fourth per cent of the gross receipts of any retailer from the
875 sale of all tangible personal property sold at retail or from the
876 rendering of any services constituting a sale in accordance with
877 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said
878 rate of six and one-fourth per cent: [.]

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

883 (B) [with] With respect to the sale of a motor vehicle to any
884 individual who is a member of the armed forces of the United States
885 and is on full-time active duty in Connecticut and who is considered,
886 under 50 App USC 574, a resident of another state, or to any such
887 individual and the spouse thereof, at a rate of four and one-half per
888 cent of the gross receipts of any retailer from such sales, provided such
889 retailer requires and maintains a declaration by such individual,
890 prescribed as to form by the commissioner and bearing notice to the
891 effect that false statements made in such declaration are punishable, or
892 other evidence, satisfactory to the commissioner, concerning the
893 purchaser's state of residence under 50 App USC 574; [.]

894 (C) (i) [with] With respect to the sales of computer and data
895 processing services occurring on or after July 1, 1997, and prior to July
896 1, 1998, at the rate of five per cent, on or after July 1, 1998, and prior to
897 July 1, 1999, at the rate of four per cent, on or after July 1, 1999, and
898 prior to July 1, 2000, at the rate of three per cent, on or after July 1,
899 2000, and prior to July 1, 2001, at the rate of two per cent, on or after
900 July 1, 2001, at the rate of one per cent, (ii) with respect to sales of
901 Internet access services, on and after July 1, 2001, such services shall be
902 exempt from such tax; [.]

903 (D) [with respect to the sales of labor that is otherwise taxable under
904 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
905 12-407 on existing vessels and repair or maintenance services on
906 vessels occurring on and after July 1, 1999, such services shall be
907 exempt from such tax, (E) with respect to patient care services for
908 which payment is received by the hospital on or after July 1, 1999, and
909 prior to July 1, 2001, at the rate of five and three-fourths per cent and
910 on and after July 1, 2001, such services shall be exempt from such tax.]
911 With respect to the rental or leasing of a passenger motor vehicle for a
912 period of thirty consecutive calendar days or less, at a rate of eight and
913 one-fourth per cent;

914 (E) With respect to the sale of (i) a motor vehicle, other than a

915 passenger motor vehicle subject to the provisions of subparagraph (D)
916 of this subsection, or a truck for a sales price exceeding fifty thousand
917 dollars, at a rate of six and one-fourth per cent on the first fifty
918 thousand dollars of the sales price, and at a rate of nine and one-fourth
919 per cent on the portion of the sales price exceeding fifty thousand
920 dollars, (ii) a vessel for a sales price exceeding one hundred thousand
921 dollars, at a rate of six and one-fourth per cent on the first one hundred
922 thousand dollars of the sales price, and at a rate of nine and one-fourth
923 per cent on the portion of the sales price exceeding one hundred
924 thousand dollars, (iii) jewelry for a sales price exceeding five thousand
925 dollars, at a rate of six and one-fourth per cent on the first five
926 thousand dollars of the sales price and at a rate of nine and one-fourth
927 per cent on the portion of the sales price exceeding five thousand
928 dollars, and (iv) an article of clothing or footwear intended to be worn
929 on or about the human body, a handbag, luggage, umbrella, wallet or
930 watch for a sales price exceeding one thousand dollars, at a rate of six
931 and one-fourth per cent on the first one thousand dollars of the sales
932 price and at a rate of nine and one-fourth per cent on the portion of the
933 sales price exceeding one thousand dollars; and

934 (F) The rate of tax imposed by this chapter shall be applicable to all
935 retail sales upon the effective date of such rate, except that a new rate
936 which represents an increase in the rate applicable to the sale shall not
937 apply to any sales transaction wherein a binding sales contract without
938 an escalator clause has been entered into prior to the effective date of
939 the new rate and delivery is made within ninety days after the effective
940 date of the new rate. For the purposes of payment of the tax imposed
941 under this section, any retailer of services taxable under subparagraph
942 (I) of subdivision (2) of subsection (a) of section 12-407, who computes
943 taxable income, for purposes of taxation under the Internal Revenue
944 Code of 1986, or any subsequent corresponding internal revenue code
945 of the United States, as from time to time amended, on an accounting
946 basis which recognizes only cash or other valuable consideration
947 actually received as income and who is liable for such tax only due to
948 the rendering of such services may make payments related to such tax

949 for the period during which such income is received, without penalty
950 or interest, without regard to when such service is rendered.

951 Sec. 26. Section 12-408 of the general statutes is amended by adding
952 subdivision (8) as follows (*Effective July 1, 2011, and applicable to sales*
953 *occurring on or after said date*):

954 (NEW) (8) (A) For the privilege of making any sales, as defined in
955 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
956 for a consideration, a tax is hereby imposed on all described retailers,
957 as defined in this subdivision, at the rate of one-tenth of one per cent of
958 the gross receipts of any such described retailer from the sale of all
959 tangible personal property sold at retail or from the rendering of any
960 services constituting a sale in accordance with subdivision (2) of
961 subsection (a) of section 12-407. For purposes of this subsection,
962 "described retailer" means a retailer who is primarily engaged in
963 activities that are included in Sector 44 or 45 in the North American
964 Industrial Classification System, United States Manual, United States
965 Office of Management and Budget, 2007 Edition.

966 (B) For the privilege of making any sales, as defined in subdivision
967 (2) of subsection (a) of section 12-407, at retail, in this state for a
968 consideration, a tax is hereby imposed on all operators at the rate of
969 one per cent of the total amount of rent received for such occupancy of
970 any room or rooms in a hotel or lodging house for the first period not
971 exceeding thirty consecutive calendar days.

972 (C) For the privilege of making any sales, as defined in subdivision
973 (2) of subsection (a) of section 12-407, at retail, in this state for a
974 consideration, a tax is hereby imposed on all gross receipts of any
975 retailer from the rental or leasing of a passenger motor vehicle for a
976 period of thirty consecutive calendar days or less, at a rate of one per
977 cent of the gross receipts of any retailer from such rentals or leasing.

978 (D) The provisions of chapter 219 shall apply to the provisions of
979 this subdivision in the same manner and with the same force and effect

980 as if the language of said chapter had been incorporated in full into
981 said subdivision and had expressly referred to the tax imposed under
982 this subdivision, except to the extent that any such provision is
983 inconsistent with a provision of this subdivision. The amount of
984 municipal taxes determined under this subdivision shall become due
985 and be remitted to the state, as if due and payable to the state, and
986 shall be disbursed by the state to the municipality where the sale
987 giving rise to the taxes occurred.

988 Sec. 27. Subdivision (1) of section 12-411 of the general statutes is
989 repealed and the following is substituted in lieu thereof (*Effective July*
990 *1, 2011, and applicable to sales occurring on or after said date*):

991 (1) An excise tax is hereby imposed on the storage, acceptance,
992 consumption or any other use in this state of tangible personal
993 property purchased from any retailer for storage, acceptance,
994 consumption or any other use in this state, the acceptance or receipt of
995 any services constituting a sale in accordance with subdivision (2) of
996 subsection (a) of section 12-407, purchased from any retailer for
997 consumption or use in this state, or the storage, acceptance,
998 consumption or any other use in this state of tangible personal
999 property which has been manufactured, fabricated, assembled or
1000 processed from materials by a person, either within or without this
1001 state, for storage, acceptance, consumption or any other use by such
1002 person in this state, to be measured by the sales price of materials, at
1003 the rate of six and one-fourth per cent of the sales price of such
1004 property or services, except, in lieu of said rate of six and one-fourth
1005 per cent: [.]

1006 (A) [at] At a rate of [twelve] fourteen per cent of the rent paid for
1007 occupancy of any room or rooms in a hotel or lodging house for the
1008 first period of not exceeding thirty consecutive calendar days; [.]

1009 (B) [with] With respect to the storage, acceptance, consumption or
1010 use in this state of a motor vehicle purchased from any retailer for
1011 storage, acceptance, consumption or use in this state by any individual

1012 who is a member of the armed forces of the United States and is on
1013 full-time active duty in Connecticut and who is considered, under 50
1014 App USC 574, a resident of another state, or to any such individual
1015 and the spouse of such individual at a rate of four and one-half per
1016 cent of the sales price of such vehicle, provided such retailer requires
1017 and maintains a declaration by such individual, prescribed as to form
1018 by the commissioner and bearing notice to the effect that false
1019 statements made in such declaration are punishable, or other evidence,
1020 satisfactory to the commissioner, concerning the purchaser's state of
1021 residence under 50 App USC 574; [.]

1022 (C) [with respect to the acceptance or receipt in this state of labor
1023 that is otherwise taxable under subparagraph (C) or (G) of subdivision
1024 (2) of subsection (a) of section 12-407 on existing vessels and repair or
1025 maintenance services on vessels occurring on and after July 1, 1999,
1026 such services shall be exempt from such tax, (D) (i) with] (i) With
1027 respect to the acceptance or receipt in this state of computer and data
1028 processing services purchased from any retailer for consumption or
1029 use in this state occurring on or after July 1, 1997, and prior to July 1,
1030 1998, at the rate of five per cent of such services, on or after July 1,
1031 1998, and prior to July 1, 1999, at the rate of four per cent of such
1032 services, on or after July 1, 1999, and prior to July 1, 2000, at the rate of
1033 three per cent of such services, on or after July 1, 2000, and prior to July
1034 1, 2001, at the rate of two per cent of such services, on and after July 1,
1035 2001, at the rate of one per cent of such services, and (ii) with respect to
1036 the acceptance or receipt in this state of Internet access services, on or
1037 after July 1, 2001, such services shall be exempt from tax; [, (E) with
1038 respect to the acceptance or receipt in this state of patient care services
1039 purchased from any retailer for consumption or use in this state for
1040 which payment is received by the hospital on or after July 1, 1999, and
1041 prior to July 1, 2001, at the rate of five and three-fourths per cent and
1042 on and after July 1, 2001, such services shall be exempt from such tax.]

1043 (D) With respect to the rental or leasing of a passenger motor
1044 vehicle for a period of thirty consecutive calendar days or less, at a rate

1045 of eight and one-fourth per cent; and

1046 (E) With respect to the sale of (i) a motor vehicle, other than a
1047 passenger motor vehicle subject to the provisions of subparagraph (D)
1048 of this subdivision, or a truck for a sales price exceeding fifty thousand
1049 dollars, at a rate of six and one-fourth per cent on the first fifty
1050 thousand dollars of the sales price, and at a rate of nine and one-fourth
1051 per cent on the portion of the sales price exceeding fifty thousand
1052 dollars, (ii) a vessel for a sales price exceeding one hundred thousand
1053 dollars, at a rate of six and one-fourth per cent on the first one hundred
1054 thousand dollars of the sales price, and at a rate of nine and one-fourth
1055 per cent on the portion of the sales price exceeding one hundred
1056 thousand dollars, (iii) jewelry for a sales price exceeding five thousand
1057 dollars, at a rate of six and one-fourth per cent on the first five
1058 thousand dollars of the sales price and at a rate of nine and one-fourth
1059 per cent on the portion of the sales price exceeding five thousand
1060 dollars, and (iv) an article of clothing or footwear intended to be worn
1061 on or about the human body, a handbag, luggage, umbrella, wallet or
1062 watch for a sales price exceeding one thousand dollars, at a rate of six
1063 and one-fourth per cent on the first one thousand dollars of the sales
1064 price and at a rate of nine and one-fourth per cent on the portion of the
1065 sales price exceeding one thousand dollars.

1066 Sec. 28. Section 12-411 of the general statutes is amended by adding
1067 subdivision (16) as follows (*Effective July 1, 2011, and applicable to sales*
1068 *occurring on or after said date*):

1069 (NEW) (16) (A) An excise tax is hereby imposed on the storage,
1070 acceptance, consumption or any other use in this state of tangible
1071 personal property purchased from any described retailer for storage,
1072 acceptance, consumption or any other use in this state, the acceptance
1073 or receipt of any services constituting a sale in accordance with
1074 subdivision (2) of subsection (a) of section 12-407, purchased from any
1075 described retailer for consumption or use in this state, or the storage,
1076 acceptance, consumption or any other use in this state of tangible

1077 personal property which has been manufactured, fabricated,
1078 assembled or processed from materials by a person, either within or
1079 without this state, for storage, acceptance, consumption or any other
1080 use by such person in this state, to be measured by the sales price of
1081 materials, at the rate of one-tenth of one per cent of the sales price of
1082 such property or services.

1083 (B) An excise tax is hereby imposed on the storage, acceptance,
1084 consumption or any other use in this state of a passenger motor vehicle
1085 rented or leased for a period of thirty consecutive calendar days or
1086 less, at a rate of one per cent of the total amount of payment or
1087 periodic payments for which such vehicle is rented or leased.

1088 (C) The provisions of chapter 219 shall apply to the provisions of
1089 this subdivision in the same manner and with the same force and effect
1090 as if the language of said chapter had been incorporated in full into
1091 said subdivision and had expressly referred to the tax imposed under
1092 this subdivision, except to the extent that any such provision is
1093 inconsistent with a provision of this subdivision. The amount of
1094 municipal taxes determined under this subdivision shall become due
1095 and be remitted to the state, as if due and payable to the state, and
1096 shall be disbursed by the state to the municipality where the sale
1097 giving rise to the taxes occurred.

1098 Sec. 29. Subdivision (77) of section 12-412 of the general statutes is
1099 repealed and the following is substituted in lieu thereof (*Effective July*
1100 *1, 2011, and applicable to sales occurring on or after said date*):

1101 (77) Sales of aircraft repair services when such services are rendered
1102 in connection with (A) aircraft having a maximum certificated takeoff
1103 weight of six thousand pounds or more, or (B) the significant
1104 overhauling or rebuilding of aircraft or aircraft parts or components on
1105 a factory basis.

1106 Sec. 30. Section 12-435 of the general statutes is repealed and the
1107 following is substituted in lieu thereof (*Effective from passage and*

1108 *applicable to sales occurring on or after July 1, 2011):*

1109 Each distributor of alcoholic beverages shall pay a tax to the state on
1110 all sales within the state of alcoholic beverages, except sales to licensed
1111 distributors, sales of alcoholic beverages which, in the course of such
1112 sales, are actually transported to some point without the state and
1113 except malt beverages which are consumed on the premises covered
1114 by a manufacturer's permit, at the rates for the respective categories of
1115 alcoholic beverages listed below:

1116 (a) Beer, [~~six dollars~~] seven dollars and twenty cents for each barrel,
1117 three dollars and sixty cents for each half barrel, one dollar and [~~fifty~~]
1118 eighty cents for each quarter barrel and [~~twenty~~] twenty-four cents per
1119 wine gallon or fraction thereof on quantities less than a quarter barrel;

1120 (b) Liquor, [~~four dollars and fifty~~] five dollars and forty cents per
1121 wine gallon;

1122 (c) Still wines containing not more than twenty-one per cent of
1123 absolute alcohol, except as provided in subsections (g) and (h) of this
1124 section, [~~sixty~~] seventy-two cents per wine gallon;

1125 (d) Still wines containing more than twenty-one per cent of absolute
1126 alcohol and sparkling wines, one dollar and [~~fifty~~] eighty cents per
1127 wine gallon;

1128 (e) Alcohol in excess of 100 proof, [~~four dollars and fifty~~] five dollars
1129 and forty cents per proof gallon;

1130 (f) Liquor coolers containing not more than seven per cent of alcohol
1131 by volume, two dollars and [~~five~~] forty-six cents per wine gallon;

1132 (g) Still wine containing not more than twenty-one per cent of
1133 absolute alcohol, produced by a person who produces not more than
1134 fifty-five thousand wine gallons of wine during the calendar year,
1135 [~~fifteen~~] eighteen cents per wine gallon, provided such person presents
1136 to each distributor of alcoholic beverages described in this section a

1137 certificate, issued by the commissioner, stating that such person
1138 produces not more than fifty-five thousand wine gallons of wine
1139 during the calendar year. The commissioner is authorized to issue such
1140 certificates, prescribe the procedures for obtaining such certificates and
1141 prescribe their form; and

1142 (h) Cider containing not more than seven per cent of absolute
1143 alcohol shall be subject to the same rate as applies to beer, as provided
1144 in subsection (a) of this section.

1145 Sec. 31. (NEW) (*Effective from passage*) (a) No person, except a
1146 licensed distributor, shall, on or after July 1, 2011, sell, or after August
1147 15, 2011, possess with intent to sell, alcoholic beverages owned by such
1148 person and held with this state on July 1, 2011, without complying
1149 with the provisions of this section. Each such person shall take an
1150 inventory of the alcoholic beverages owned by such person and held
1151 within this state at the opening of business on July 1, 2011, including
1152 therein the whole number and any fractional part of (1) barrels, half
1153 barrels, quarter barrels and wine gallons of quantities less than quarter
1154 barrels, of (A) beer, and (B) cider containing not more than seven per
1155 cent of absolute alcohol; (2) wine gallons of liquor; (3) wine gallons of
1156 still wines containing not more than twenty-one per cent of absolute
1157 alcohol; (4) wine gallons of (A) still wines containing more than
1158 twenty-one per cent of absolute alcohol, and (B) sparkling wines; (5)
1159 proof gallons of alcohol in excess of 100 proof; and (6) liquor coolers
1160 containing not more than seven per cent alcohol by volume. Each such
1161 person shall, not later than August 15, 2011, file a report of such
1162 inventory with the Commissioner of Revenue Services on forms to be
1163 prescribed or furnished by said commissioner. The tax, at rates for the
1164 respective categories of alcoholic beverages as set forth in subsection
1165 (b) of this section, shall be due and payable on the due date of such
1166 report.

1167 (b) The rates for the respective categories of alcoholic beverages are
1168 as follows: (1) (A) Beer, and (B) cider containing not more than seven

1169 per cent of absolute alcohol, one dollar and twenty cents for each
1170 barrel, sixty cents for each half barrel, thirty cents for each quarter
1171 barrel and four cents per wine gallon or fraction thereof on quantities
1172 less than a quarter barrel; (2) liquor, ninety cents per wine gallon; (3)
1173 still wines containing not more than twenty-one per cent of absolute
1174 alcohol, twelve cents per wine gallon; (4) (A) still wines containing
1175 more than twenty-one per cent of absolute alcohol, and (B) sparkling
1176 wines, thirty cents per wine gallon; (5) alcohol in excess of 100 proof,
1177 ninety cents per proof gallon; (6) liquor coolers containing not more
1178 than seven per cent of alcohol by volume, forty-one cents per wine
1179 gallon; and (7) still wines containing not more than twenty-one per
1180 cent of absolute alcohol, produced by a person who produces not more
1181 than fifty-five thousand wine gallons of wine during the calendar year,
1182 three cents per wine gallon.

1183 (c) If any person required to file a report under this section fails to
1184 file such report on or before August 15, 2011, the commissioner shall
1185 make an estimate of the amounts of alcoholic beverages of the several
1186 categories specified in subsection (b) of this section owned by such
1187 person and held within this state on July 1, 2011, based upon any
1188 information which is in the commissioner's possession or which may
1189 come into the commissioner's possession. The provisions of chapter
1190 220 of the general statutes pertaining to failure to file returns,
1191 examination of returns by the commissioner, the issuance of deficiency
1192 assessments or assessments where no return has been filed, the
1193 collection of tax, the imposition of penalties and the accrual of interest
1194 shall apply to the persons required to pay the tax imposed under this
1195 section as if such persons were distributors licensed under chapter 220
1196 of the general statutes. Failure to file such report and pay the tax when
1197 due shall be sufficient reason to revoke any state license or permit held
1198 by such person.

1199 (d) The Commissioner of Consumer Protection shall cooperate with
1200 the Commissioner of Revenue Services in the enforcement of the tax
1201 imposed pursuant to this section.

1202 Sec. 32. Subdivision (2) of subsection (a) of section 12-458 of the
1203 general statutes is repealed and the following is substituted in lieu
1204 thereof (*Effective July 1, 2011*):

1205 (2) On said date and coincident with the filing of such return each
1206 distributor shall pay to the commissioner for the account of the
1207 purchaser or consumer a tax (A) on each gallon of such fuels sold or
1208 used in this state during the preceding calendar month of twenty-six
1209 cents on and after January 1, 1992, twenty-eight cents on and after
1210 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents
1211 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,
1212 thirty-two cents on and after January 1, 1995, thirty-three cents on and
1213 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-
1214 five cents on and after January 1, 1996, thirty-six cents on and after
1215 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight
1216 cents on and after October 1, 1996, thirty-nine cents on and after
1217 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two
1218 cents on and after July 1, 1998, [and] twenty-five cents on and after July
1219 1, 2000, and twenty-eight cents on and after July 1, 2011; and (B) in lieu
1220 of said taxes, each distributor shall pay a tax on each gallon of gasohol,
1221 as defined in section 14-1, sold or used in this state during such
1222 preceding calendar month, of twenty-five cents on and after January 1,
1223 1992, twenty-seven cents on and after January 1, 1993, twenty-eight
1224 cents on and after July 1, 1993, twenty-nine cents on and after January
1225 1, 1994, thirty cents on and after July 1, 1994, thirty-one cents on and
1226 after January 1, 1995, thirty-two cents on and after July 1, 1995, thirty-
1227 three cents on and after October 1, 1995, thirty-four cents on and after
1228 January 1, 1996, thirty-five cents on and after April 1, 1996, thirty-six
1229 cents on and after July 1, 1996, thirty-seven cents on and after October
1230 1, 1996, thirty-eight cents on and after January 1, 1997, thirty-five cents
1231 on and after July 1, 1997, thirty-one cents on and after July 1, 1998,
1232 [and] twenty-four cents on and after July 1, 2000, [and] twenty-five
1233 cents on and after July 1, 2004, and twenty-eight cents on and after July
1234 1, 2011; (C) in lieu of said taxes, each distributor shall pay a tax on each
1235 gallon of diesel fuel, propane or natural gas sold or used in this state

1236 during such preceding calendar month, of eighteen cents on and after
1237 September 1, 1991, and twenty-six cents on and after August 1, 2002,
1238 and prior to July 1, 2007; (D) in lieu of said taxes, each distributor shall
1239 pay a tax on each gallon of propane or natural gas sold or used in this
1240 state during such preceding calendar month, of twenty-six cents on
1241 and after July 1, 2007, and prior to July 1, 2011; [and] (E) in lieu of said
1242 taxes, each distributor shall pay a tax on each gallon of diesel fuel sold
1243 or used in this state during such preceding calendar month, of thirty-
1244 seven cents on and after July 1, 2007, and at the applicable tax rate, as
1245 determined by the commissioner pursuant to section 12-458h, as
1246 amended by this act, on and after July 1, 2008; and (F) in lieu of said
1247 taxes, each distributor shall pay a tax on each gallon of liquefied
1248 natural gas or liquefied petroleum gas or compressed natural gas sold
1249 or used in this state during such preceding calendar month, of twenty-
1250 eight cents on and after July 1, 2011. For purposes of subparagraph (F)
1251 of this subdivision, each one hundred twenty-six and sixty-seven one-
1252 hundredths cubic feet of compressed natural gas shall be treated as a
1253 gallon.

1254 Sec. 33. Section 12-458h of the general statutes is repealed and the
1255 following is substituted in lieu thereof (*Effective July 1, 2011*):

1256 (a) (1) The Commissioner of Revenue Services shall, on or before
1257 June 15, 2008, and on or before the fifteenth day of June thereafter,
1258 calculate, in accordance with subsection (b) of this section, the
1259 applicable tax rate per gallon of diesel fuel on the sale or use of such
1260 fuel during the twelve-month period beginning on the next succeeding
1261 July first, and shall notify each distributor, the chairpersons and
1262 ranking members of the joint standing committee of the General
1263 Assembly having cognizance of matters relating to finance, revenue
1264 and bonding, and the Secretary of the Office of Policy and
1265 Management of such applicable tax rate.

1266 (2) The commissioner shall, on or before June 15, 2008, and on or
1267 before the fifteenth day of June thereafter, determine the average

1268 wholesale price per gallon of diesel fuel in this state during the twelve-
1269 month period ending on the next preceding March thirty-first by using
1270 wholesale price information for diesel fuel published by the Oil Price
1271 Information Service. Such wholesale price information for
1272 "Hartford/Rocky Hill" and "New Haven" shall be averaged by the
1273 commissioner. If either the first or last day of such twelve-month
1274 period falls on a Sunday or a legal holiday, as defined in section 1-4,
1275 the next succeeding day which is not a Sunday or legal holiday shall be
1276 substituted for such first or last day, as the case may be.

1277 (b) (1) The applicable tax rate per gallon of diesel fuel shall be the
1278 sum of (A) [twenty-six] twenty-eight cents, and (B) the product
1279 calculated in accordance with subdivision (2) of this subsection. The
1280 sum shall be rounded to the nearest one-tenth of a cent.

1281 (2) The commissioner shall multiply (A) the average wholesale price
1282 per gallon of diesel fuel, as determined in accordance with subdivision
1283 (2) of subsection (a) of this section, by (B) the tax rate specified in
1284 subdivision (1) of subsection (b) of section 12-587. The tax rate so
1285 specified shall be the tax rate in effect for the twelve-month period
1286 beginning on the next succeeding July first.

1287 (c) For purposes of subdivision (1) of subsection (a) of section 12-
1288 459, the tax provided for by section 12-458, as amended by this act,
1289 shall, if determined by the commissioner to be eligible for refund, be
1290 refunded at the tax rate per gallon specified in subparagraph (A) of
1291 subdivision (1) of subsection (b) of this section.

1292 Sec. 34. (NEW) (*Effective from passage*) (a) An excise tax is hereby
1293 imposed upon each person licensed to sell fuel under the provisions of
1294 section 14-319 of the general statutes in the amount of three cents per
1295 gallon of gasoline and gasohol in such licensee's inventory on June 30,
1296 2011, and in the amount of two cents per gallon of diesel fuel in such
1297 licensee's inventory on June 30, 2011.

1298 (b) Each such licensee shall, not later than August 1, 2011, file with

1299 the Commissioner of Revenue Services, on forms prescribed by said
1300 commissioner, a report which shall show the number of gallons of
1301 gasoline, gasohol and diesel fuel in inventory as of the close of
1302 business on June 30, 2011, or, if the business closes after 11:59 p.m. on
1303 such date, at 11:59 p.m. on such date, and shall, not later than August
1304 1, 2011, pay such tax based upon the total gallonage shown on such
1305 report. Interest at the rate of one per cent per month or fraction thereof
1306 shall be assessed on the amount of such tax not paid when due, from
1307 the date such tax became due to the date of payment. The
1308 Commissioner of Motor Vehicles shall cooperate with the
1309 Commissioner of Revenue Services in the enforcement of this tax. If
1310 any licensee required to file a report pursuant to this section fails to file
1311 such report on or before August 1, 2011, the commissioner shall make
1312 an estimate of the number of gallons of gasoline, gasohol and diesel
1313 fuel in such licensee's inventory as of the close of business on June 30,
1314 2011, based upon any information that is in the commissioner's
1315 possession or that may come into the commissioner's possession.
1316 Failure to file such report and pay the tax when due shall be sufficient
1317 reason to revoke any state license or permit held by such person.
1318 Failure to file such report shall be treated as a failure to file a report
1319 required to be filed under the provisions of chapter 221 of the general
1320 statutes. The filing of an incorrect report shall be treated as the filing of
1321 an incorrect report under the provisions of chapter 221 of the general
1322 statutes.

1323 Sec. 35. Subsection (a) of section 12-494 of the general statutes is
1324 repealed and the following is substituted in lieu thereof (*Effective July*
1325 *1, 2011, and applicable to conveyances occurring on or after said date*):

1326 (a) There is imposed a tax on each deed, instrument or writing,
1327 whereby any lands, tenements or other realty is granted, assigned,
1328 transferred or otherwise conveyed to, or vested in, the purchaser, or
1329 any other person by such purchaser's direction, when the
1330 consideration for the interest or property conveyed equals or exceeds
1331 two thousand dollars, (1) subject to the provisions of subsection (b) of

1332 this section, at the rate of five-tenths of one per cent of the
1333 consideration for the interest in real property conveyed by such deed,
1334 instrument or writing, the revenue from which shall be remitted by the
1335 town clerk of the municipality in which such tax is paid, not later than
1336 ten days following receipt thereof, to the Commissioner of Revenue
1337 Services for deposit to the credit of the state General Fund, and (2) at
1338 the rate of one-fourth of one per cent of the consideration for the
1339 interest in real property conveyed by such deed, instrument or writing,
1340 [and on and after July 1, 2011, at the rate of eleven one-hundredths of
1341 one per cent of the consideration for the interest in real property
1342 conveyed by such deed, instrument or writing,] provided the amount
1343 imposed under this subdivision shall become part of the general
1344 revenue of the municipality in accordance with section 12-499.

1345 Sec. 36. Subsection (c) of section 12-494 of the general statutes is
1346 repealed and the following is substituted in lieu thereof (*Effective July*
1347 *1, 2011, and applicable to conveyances occurring on or after said date*):

1348 (c) (1) In addition to the tax imposed under subsection (a) of this
1349 section, any targeted investment community, as defined in section 32-
1350 222, or any municipality in which properties designated as
1351 manufacturing plants under section 32-75c are located, may, on or after
1352 March 15, 2003, and prior to July 1, 2011, impose an additional tax on
1353 each deed, instrument or writing, whereby any lands, tenements or
1354 other realty is granted, assigned, transferred or otherwise conveyed to,
1355 or vested in, the purchaser, or any other person by his direction, when
1356 the consideration for the interest or property conveyed equals or
1357 exceeds two thousand dollars, which additional tax shall be at a rate of
1358 up to one-fourth of one per cent of the consideration for the interest in
1359 real property conveyed by such deed, instrument or writing. The
1360 revenue from such additional tax shall become part of the general
1361 revenue of the municipality in accordance with section 12-499.

1362 (2) In addition to the tax imposed under subsection (a) of this
1363 section, any municipality may, on or after July 1, 2011, impose an

1364 additional tax on each deed, instrument or writing, whereby any lands,
1365 tenements or other realty is granted, assigned, transferred or otherwise
1366 conveyed to, or vested in, the purchaser or any other person by his
1367 direction, when the consideration for the interest or property conveyed
1368 equals or exceeds two thousand dollars, which additional tax shall be
1369 at a rate of up to one-fourth of one per cent of the consideration for the
1370 interest in real property conveyed by such deed, instrument or writing.
1371 The revenue from such additional tax shall become part of the general
1372 revenue of the municipality in accordance with section 12-499.

1373 Sec. 37. (NEW) (*Effective July 1, 2011*) (a) As used in this section:

1374 (1) "Person" has the same meaning as provided in section 12-1 of the
1375 general statutes;

1376 (2) "Electric generation services" has the same meaning as provided
1377 in section 16-1 of the general statutes;

1378 (3) "Electric generation facility" means electric generation facility, as
1379 the term is used in section 12-94d of the general statutes;

1380 (4) "Regional bulk power grid" means regional bulk power grid, as
1381 the term is used in section 16a-7b of the general statutes;

1382 (5) "Alternative energy system" has the same meaning as provided
1383 in subdivision (21) of subsection (a) of section 12-213 of the general
1384 statutes;

1385 (6) "Fuel cells" has the same meaning as provided in subdivision
1386 (113) of section 12-412 of the general statutes;

1387 (7) "Commissioner" means the Commissioner of Revenue Services;

1388 (8) "Department" means the Department of Revenue Services; and

1389 (9) "Person subject to tax" means a person providing electric
1390 generation services and uploading electricity generated at such
1391 person's electric generation facility in this state to the regional bulk

1392 power grid.

1393 (b) (1) For each calendar quarter commencing on or after July 1,
1394 2011, there is hereby imposed a tax on each person subject to tax,
1395 which tax shall be the product of two-tenths of one cent, multiplied by
1396 the net kilowatt hours of electricity generated by such person at such
1397 person's electric generation facility in this state and uploaded to the
1398 regional bulk power grid.

1399 (2) Each person subject to tax shall, on or before the last day of
1400 January, April, July and October of each year, render to the
1401 commissioner a return, on forms prescribed or furnished by the
1402 commissioner, reporting the kilowatt hours of electricity generated by
1403 such person at such person's electric generation facility in this state
1404 and uploaded to the regional bulk power grid during the calendar
1405 quarter ending on the last day of the preceding month and reporting
1406 such other information as the commissioner deems necessary for the
1407 proper administration of this section. The tax imposed under this
1408 section shall be due and payable on the due date of such return. Each
1409 person subject to tax shall be required to file such return electronically
1410 with the department and to make payment of such tax by electronic
1411 funds transfer in the manner provided by chapter 228g of the general
1412 statutes, irrespective of whether the person subject to tax would have
1413 otherwise been required to file such return electronically or to make
1414 such tax payment by electronic funds transfer under the provisions of
1415 chapter 228g of the general statutes.

1416 (c) Whenever the tax imposed under this section is not paid when
1417 due, a penalty of ten per cent of the amount due and unpaid or fifty
1418 dollars, whichever is greater, shall be imposed and interest at the rate
1419 of one per cent per month or fraction thereof shall accrue on such tax
1420 from the due date of such tax until the date of payment.

1421 (d) The provisions of section 12-548 of the general statutes, sections
1422 12-550 to 12-554, inclusive, of the general statutes and section 12-555a
1423 of the general statutes shall apply to the provisions of this section in

1424 the same manner and with the same force and effect as if the language
1425 of said sections had been incorporated in full into this section and had
1426 expressly referred to the tax imposed under this section, except to the
1427 extent that any provision is inconsistent with a provision in this
1428 section.

1429 (e) The tax imposed by this section shall not apply to any net
1430 kilowatt hours of electricity generated at an electric generation facility
1431 in this state exclusively through the use of fuel cells or an alternative
1432 energy system.

1433 (f) At the end of each fiscal year commencing with the fiscal year
1434 ending June 30, 2012, the Comptroller is authorized to record as
1435 revenue for such fiscal year the amount of tax imposed under the
1436 provisions of this section on electricity generated prior to the end of
1437 such fiscal year and which tax is received by the Commissioner of
1438 Revenue Services not later than five business days after the last day of
1439 July immediately following the end of such fiscal year.

1440 Sec. 38. Subsection (a) of section 12-541 of the general statutes is
1441 repealed and the following is substituted in lieu thereof (*Effective July*
1442 *1, 2011, and applicable to admission charges imposed on or after said date*):

1443 (a) There is hereby imposed a tax of ten per cent of the admission
1444 charge to any place of amusement, entertainment or recreation, except
1445 that no tax shall be imposed with respect to any admission charge (1)
1446 when the admission charge is less than one dollar or, in the case of any
1447 motion picture show, when the admission charge is not more than five
1448 dollars, (2) when a daily admission charge is imposed which entitles
1449 the patron to participate in an athletic or sporting activity, (3) to any
1450 event, other than events held at the stadium facility, as defined in
1451 section 32-651, if all of the proceeds from the event inure exclusively to
1452 an entity which is exempt from federal income tax under the Internal
1453 Revenue Code, provided such entity actively engages in and assumes
1454 the financial risk associated with the presentation of such event, (4) to
1455 any event, other than events held at the stadium facility, as defined in

1456 section 32-651, which, in the opinion of the commissioner, is conducted
1457 primarily to raise funds for an entity which is exempt from federal
1458 income tax under the Internal Revenue Code, provided the
1459 commissioner is satisfied that the net profit which inures to such entity
1460 from such event will exceed the amount of the admissions tax which,
1461 but for this subdivision, would be imposed upon the person making
1462 such charge to such event, (5) [to (A) any event at the Hartford Civic
1463 Center, the New Haven Coliseum, New Britain Beehive Stadium, New
1464 Britain Stadium, effective for events occurring on or after the date such
1465 stadium was placed in service, New Britain Veterans Memorial
1466 Stadium, Bridgeport Harbor Yard Stadium, Stafford Motor Speedway,
1467 Lime Rock Park, Thompson Speedway and Waterford Speedbowl,
1468 facilities owned or managed by the Tennis Foundation of Connecticut
1469 or any successor organization, the William A. O'Neill Convocation
1470 Center, the Connecticut Exposition Center, Nature's Art, the
1471 Connecticut Convention Center, or, commencing on or after November
1472 1, 2006, Dodd Stadium or the Arena at Harbor Yard, and (B) games of
1473 the New Britain Rock Cats, New Haven Ravens or the Waterbury
1474 Spirit, (6)] other than for events held at the stadium facility, as defined
1475 in section 32-651, paid by centers of service for elderly persons, as
1476 described in subdivision (d) of section 17b-425, [(7)] (6) to any
1477 production featuring live performances by actors or musicians
1478 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or
1479 any nonprofit theater or playhouse in the state, provided such theater
1480 or playhouse possesses evidence confirming exemption from federal
1481 tax under Section 501 of the Internal Revenue Code, [(8)] (7) to any
1482 carnival or amusement ride, [(9)] (8) to any interscholastic athletic
1483 event held at the stadium facility, as defined in section 32-651, or [(10)]
1484 (9) if the admission charge would have been subject to tax under the
1485 provisions of section 12-542 of the general statutes, revision of 1958,
1486 revised to January 1, 1999. On and after July 1, 2000, the tax imposed
1487 under this section on any motion picture show shall be eight per cent
1488 of the admission charge and, on and after July 1, 2001, the tax imposed
1489 on any such motion picture show shall be six per cent of such charge.

1490 Sec. 39. (NEW) (*Effective July 1, 2011, and applicable to sales occurring*
1491 *on or after said date*) (a) For purposes of this section:

1492 (1) "Person" means and includes any individual, firm,
1493 copartnership, joint venture, association of persons however formed,
1494 social club, fraternal organization, corporation, limited liability
1495 company, estate, trust, fiduciary, receiver, trustee, syndicate or any
1496 group or combination acting as a unit;

1497 (2) "Taxpayer" means any person as defined in subdivision (1) of
1498 this subsection who is subject to the tax imposed by this section; and

1499 (3) "Cabaret or similar place" means any room in a hotel, restaurant,
1500 hall or other public place where music, dancing privileges or any other
1501 entertainment, except mechanical music alone or the music of a single
1502 performer alone, are afforded the patrons in connection with the
1503 serving or selling of alcoholic beverages, even though the charge made
1504 for admission, refreshment, service or merchandise is not increased by
1505 reason of the furnishing of such entertainment.

1506 (b) A tax is hereby imposed equivalent to three per cent of all
1507 amounts charged for admissions, food and drink, service or
1508 merchandise at any cabaret or similar place furnishing music, dancing
1509 privileges or any other entertainment for profit during the time or
1510 times that such music, dancing privileges or any other entertainment is
1511 furnished. In such cases cabaret status begins at the earlier of (1) the
1512 time the music and dancing or other entertainment starts; or (2) the
1513 time any admission, cover, minimum, entertainment or similar charge
1514 is imposed. If any portion of an establishment is subject to the cabaret
1515 tax, the tax also applies to any other portion from which the
1516 entertainment can be viewed, or from which there is free access to the
1517 entertainment or dancing area. The tax imposed by this section is
1518 imposed upon the person making the charge for admission, food,
1519 drink, service or merchandise. Reimbursement for this tax shall be
1520 collected by such person from the purchaser. Such reimbursement,
1521 termed "tax", shall be paid by the purchaser to the person charging

1522 such amounts. Such tax, when added to the amounts charged, shall be
1523 a debt from the purchaser to the person making the charges and shall
1524 be recoverable at law. The amount of tax reimbursement, when so
1525 collected, shall be deemed to be a special fund in trust for the state of
1526 Connecticut.

1527 (c) Each person subject to the tax imposed under this section shall
1528 file a return on or before the last day of each month setting forth the
1529 amount of tax due for the preceding month and such additional
1530 information as the commissioner may require. Each return shall be
1531 signed by the person required to file the return or such person's
1532 authorized agent, but need not be verified by oath. Any return
1533 required to be filed by a corporation shall be signed by an officer of
1534 such corporation or such officer's authorized agent. Payment of the tax
1535 shall accompany such return. If any person fails to pay the amount of
1536 tax reported to be due on the return within the time specified under
1537 the provisions of this section, there shall be imposed a penalty equal to
1538 ten per cent of such amount due and unpaid or fifty dollars, whichever
1539 is greater. The tax shall bear interest at the rate of one per cent per
1540 month or fraction thereof, from the due date.

1541 (d) The taxes collected by the state under this subsection shall be
1542 disbursed by the state to the municipality where the transactions
1543 giving rise to the taxes occurred.

1544 (e) The provisions of sections 12-544, 12-546, 12-547a to 12-554,
1545 inclusive, of the general statutes and sections 12-555a and 12-555b of
1546 the general statutes shall apply to the provisions of this section in the
1547 same manner and with the same force and effect as if the language of
1548 sections 12-544, 12-546, 12-547a to 12-554, inclusive, of the general
1549 statutes and sections 12-555a and 12-555b of the general statutes had
1550 been incorporated in full into this section and had expressly referred to
1551 the tax imposed under this section, except to the extent that any such
1552 provision is inconsistent with a provision of this section.

1553 Sec. 40. Subsection (a) of section 12-700 of the general statutes is

1554 repealed and the following is substituted in lieu thereof (*Effective from*
 1555 *passage and applicable to taxable years commencing on or after January 1,*
 1556 *2011*):

1557 (a) There is hereby imposed on the Connecticut taxable income of
 1558 each resident of this state a tax:

1559 (1) At the rate of four and one-half per cent of such Connecticut
 1560 taxable income for taxable years commencing on or after January 1,
 1561 1992, and prior to January 1, 1996.

1562 (2) For taxable years commencing on or after January 1, 1996, but
 1563 prior to January 1, 1997, in accordance with the following schedule:

1564 (A) For any person who files a return under the federal income tax
 1565 for such taxable year as an unmarried individual or as a married
 1566 individual filing separately:

T159 Connecticut Taxable Income	Rate of Tax
T160 Not over \$2,250	3.0%
T161 Over \$2,250	\$67.50, plus 4.5% of the
T162	excess over \$2,250

1567 (B) For any person who files a return under the federal income tax
 1568 for such taxable year as a head of household, as defined in Section 2(b)
 1569 of the Internal Revenue Code:

T163 Connecticut Taxable Income	Rate of Tax
T164 Not over \$3,500	3.0%
T165 Over \$3,500	\$105.00, plus 4.5% of the
T166	excess over \$3,500

1570 (C) For any husband and wife who file a return under the federal
 1571 income tax for such taxable year as married individuals filing jointly or

1572 a person who files a return under the federal income tax as a surviving
 1573 spouse, as defined in Section 2(a) of the Internal Revenue Code:

T167	Connecticut Taxable Income	Rate of Tax
T168	Not over \$4,500	3.0%
T169	Over \$4,500	\$135.00, plus 4.5% of the
T170		excess over \$4,500

1574 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 1575 Connecticut taxable income.

1576 (3) For taxable years commencing on or after January 1, 1997, but
 1577 prior to January 1, 1998, in accordance with the following schedule:

1578 (A) For any person who files a return under the federal income tax
 1579 for such taxable year as an unmarried individual or as a married
 1580 individual filing separately:

T171	Connecticut Taxable Income	Rate of Tax
T172	Not over \$6,250	3.0%
T173	Over \$6,250	\$187.50, plus 4.5% of the
T174		excess over \$6,250

1581 (B) For any person who files a return under the federal income tax
 1582 for such taxable year as a head of household, as defined in Section 2(b)
 1583 of the Internal Revenue Code:

T175	Connecticut Taxable Income	Rate of Tax
T176	Not over \$10,000	3.0%
T177	Over \$10,000	\$300.00, plus 4.5% of the
T178		excess over \$10,000

1584 (C) For any husband and wife who file a return under the federal
 1585 income tax for such taxable year as married individuals filing jointly or

1586 any person who files a return under the federal income tax for such
1587 taxable year as a surviving spouse, as defined in Section 2(a) of the
1588 Internal Revenue Code:

T179	Connecticut Taxable Income	Rate of Tax
T180	Not over \$12,500	3.0%
T181	Over \$12,500	\$375.00, plus 4.5% of the
T182		excess over \$12,500

1589 (D) For trusts or estates, the rate of tax shall be 4.5% of their
1590 Connecticut taxable income.

1591 (4) For taxable years commencing on or after January 1, 1998, but
1592 prior to January 1, 1999, in accordance with the following schedule:

1593 (A) For any person who files a return under the federal income tax
1594 for such taxable year as an unmarried individual or as a married
1595 individual filing separately:

T183	Connecticut Taxable Income	Rate of Tax
T184	Not over \$7,500	3.0%
T185	Over \$7,500	\$225.00, plus 4.5% of the
T186		excess over \$7,500

1596 (B) For any person who files a return under the federal income tax
1597 for such taxable year as a head of household, as defined in Section 2(b)
1598 of the Internal Revenue Code:

T187	Connecticut Taxable Income	Rate of Tax
T188	Not over \$12,000	3.0%
T189	Over \$12,000	\$360.00, plus 4.5% of the
T190		excess over \$12,000

1599 (C) For any husband and wife who file a return under the federal

1600 income tax for such taxable year as married individuals filing jointly or
 1601 any person who files a return under the federal income tax for such
 1602 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1603 Internal Revenue Code:

T191	Connecticut Taxable Income	Rate of Tax
T192	Not over \$15,000	3.0%
T193	Over \$15,000	\$450.00, plus 4.5% of the
T194		excess over \$15,000

1604 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 1605 Connecticut taxable income.

1606 (5) For taxable years commencing on or after January 1, 1999, but
 1607 prior to January 1, 2003, in accordance with the following schedule:

1608 (A) For any person who files a return under the federal income tax
 1609 for such taxable year as an unmarried individual or as a married
 1610 individual filing separately:

T195	Connecticut Taxable Income	Rate of Tax
T196	Not over \$10,000	3.0%
T197	Over \$10,000	\$300.00, plus 4.5% of the
T198		excess over \$10,000

1611 (B) For any person who files a return under the federal income tax
 1612 for such taxable year as a head of household, as defined in Section 2(b)
 1613 of the Internal Revenue Code:

T199	Connecticut Taxable Income	Rate of Tax
T200	Not over \$16,000	3.0%
T201	Over \$16,000	\$480.00, plus 4.5% of the
T202		excess over \$16,000

1614 (C) For any husband and wife who file a return under the federal
 1615 income tax for such taxable year as married individuals filing jointly or
 1616 any person who files a return under the federal income tax for such
 1617 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1618 Internal Revenue Code:

T203	Connecticut Taxable Income	Rate of Tax
T204	Not over \$20,000	3.0%
T205	Over \$20,000	\$600.00, plus 4.5% of the
T206		excess over \$20,000

1619 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 1620 Connecticut taxable income.

1621 (6) For taxable years commencing on or after January 1, 2003, but
 1622 prior to January 1, 2009, in accordance with the following schedule:

1623 (A) For any person who files a return under the federal income tax
 1624 for such taxable year as an unmarried individual or as a married
 1625 individual filing separately:

T207	Connecticut Taxable Income	Rate of Tax
T208	Not over \$10,000	3.0%
T209	Over \$10,000	\$300.00, plus 5.0% of the
T210		excess over \$10,000

1626 (B) For any person who files a return under the federal income tax
 1627 for such taxable year as a head of household, as defined in Section 2(b)
 1628 of the Internal Revenue Code:

T211	Connecticut Taxable Income	Rate of Tax
T212	Not over \$16,000	3.0%
T213	Over \$16,000	\$480.00, plus 5.0% of the
T214		excess over \$16,000

1629 (C) For any husband and wife who file a return under the federal
 1630 income tax for such taxable year as married individuals filing jointly or
 1631 any person who files a return under the federal income tax for such
 1632 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1633 Internal Revenue Code:

T215	Connecticut Taxable Income	Rate of Tax
T216	Not over \$20,000	3.0%
T217	Over \$20,000	\$600.00, plus 5.0% of the
T218		excess over \$20,000

1634 (D) For trusts or estates, the rate of tax shall be 5.0% of the
 1635 Connecticut taxable income.

1636 (7) For taxable years commencing on or after January 1, 2009, but
 1637 prior to January 1, 2011, in accordance with the following schedule:

1638 (A) For any person who files a return under the federal income tax
 1639 for such taxable year as an unmarried individual:

T219	Connecticut Taxable Income	Rate of Tax
T220	Not over \$10,000	3.0%
T221	Over \$10,000 but not	\$300.00, plus 5.0% of the
T222	over \$500,000	excess over \$10,000
T223	Over \$500,000	\$24,800, plus 6.5% of the
T224		excess over \$500,000

1640 (B) For any person who files a return under the federal income tax
 1641 for such taxable year as a head of household, as defined in Section 2(b)
 1642 of the Internal Revenue Code:

T225	Connecticut Taxable Income	Rate of Tax
T226	Not over \$16,000	3.0%

T227	Over \$16,000 but not	\$480.00, plus 5.0% of the
T228	over \$800,000	excess over \$16,000
T229	Over \$800,000	\$39,680, plus 6.5% of the
T230		excess over \$800,000

1643 (C) For any husband and wife who file a return under the federal
 1644 income tax for such taxable year as married individuals filing jointly or
 1645 any person who files a return under the federal income tax for such
 1646 taxable year as a surviving spouse, as defined in Section 2(a) of the
 1647 Internal Revenue Code:

T231	Connecticut Taxable Income	Rate of Tax
T232	Not over \$20,000	3.0%
T233	Over \$20,000 but not	\$600.00, plus 5.0% of the
T234	over \$1,000,000	excess over \$20,000
T235	Over \$1,000,000	\$49,600, plus 6.5% of the excess
T236		over \$1,000,000

1648 (D) For any person who files a return under the federal income tax
 1649 for such taxable year as a married individual filing separately:

T237	Connecticut Taxable Income	Rate of Tax
T238	Not over \$10,000	3.0%
T239	Over \$10,000 but not	\$300.00, plus 5.0% of the
T240	over \$500,000	excess over \$10,000
T241	Over \$500,000	\$24,800, plus 6.5% of the excess
T242		over \$500,000

1650 (E) For trusts or estates, the rate of tax shall be 6.5% of the
 1651 Connecticut taxable income.

1652 (8) For taxable years commencing on or after January 1, 2011, in
 1653 accordance with the following schedule:

1654 (A) (i) For any person who files a return under the federal income
 1655 tax for such taxable year as an unmarried individual:

T243	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T244	<u>Not over \$10,000</u>	<u>3.0%</u>
T245	<u>Over \$10,000 but not</u>	<u>\$300.00, plus 5.0% of the</u>
T246	<u>over \$50,000</u>	<u>excess over \$10,000</u>
T247	<u>Over \$50,000 but not</u>	<u>\$2,300, plus 5.5% of the</u>
T248	<u>over \$100,000</u>	<u>excess over \$50,000</u>
T249	<u>Over \$100,000 but not</u>	<u>\$5,050, plus 5.75% of the</u>
T250	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T251	<u>Over \$200,000 but not</u>	<u>\$10,800, plus 6.0% of the</u>
T252	<u>over \$300,000</u>	<u>excess over \$200,000</u>
T253	<u>Over \$300,000 but not</u>	<u>\$16,800, plus 6.25% of the</u>
T254	<u>over \$400,000</u>	<u>excess over \$300,000</u>
T255	<u>Over \$400,000 but not</u>	<u>\$23,050, plus 6.5% of the</u>
T256	<u>over \$500,000</u>	<u>excess over \$400,000</u>
T257	<u>Over \$500,000</u>	<u>\$29,550, plus 6.70% of the</u>
T258		<u>excess over \$500,000</u>

1656 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
 1657 subdivision, for each taxpayer whose Connecticut adjusted gross
 1658 income exceeds fifty-six thousand five hundred dollars, the amount of
 1659 the taxpayer's Connecticut taxable income to which the three-per-cent
 1660 tax rate applies shall be reduced by one thousand dollars for each ten
 1661 thousand dollars, or fraction thereof, by which the taxpayer's
 1662 Connecticut adjusted gross income exceeds said amount. Any such
 1663 amount of Connecticut taxable income to which, as provided in the
 1664 preceding sentence, the three-per-cent tax rate does not apply shall be
 1665 an amount to which the five-per-cent tax rate shall apply.

1666 (B) (i) For any person who files a return under the federal income
 1667 tax for such taxable year as a head of household, as defined in Section
 1668 2(b) of the Internal Revenue Code:

<u>T259</u>	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
T260	<u>Not over \$16,000</u>	<u>3.0%</u>
T261	<u>Over \$16,000 but not</u>	<u>\$480.00, plus 5.0% of the</u>
T262	<u>over \$80,000</u>	<u>excess over \$16,000</u>
T263	<u>Over \$80,000 but not</u>	<u>\$3,680, plus 5.5% of the</u>
T264	<u>over \$160,000</u>	<u>excess over \$80,000</u>
T265	<u>Over \$160,000 but not</u>	<u>\$8,080, plus 5.75% of the</u>
T266	<u>over \$320,000</u>	<u>excess over \$160,000</u>
T267	<u>Over \$320,000 but not</u>	<u>\$17,280, plus 6.0% of the</u>
T268	<u>over \$480,000</u>	<u>excess over \$320,000</u>
T269	<u>Over \$480,000 but not</u>	<u>\$26,880, plus 6.25% of the</u>
T270	<u>over \$640,000</u>	<u>excess over \$480,000</u>
T271	<u>Over \$640,000 but not</u>	<u>\$36,880, plus 6.5% of the</u>
T272	<u>over \$800,000</u>	<u>excess over \$640,000</u>
T273	<u>Over \$800,000</u>	<u>\$47,280, plus 6.70% of the</u>
T274		<u>excess over \$800,000</u>

1669 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this
1670 subdivision, for each taxpayer whose Connecticut adjusted gross
1671 income exceeds seventy-eight thousand five hundred dollars, the
1672 amount of the taxpayer's Connecticut taxable income to which the
1673 three-per-cent tax rate applies shall be reduced by one thousand six
1674 hundred dollars for each ten thousand dollars, or fraction thereof, by
1675 which the taxpayer's Connecticut adjusted gross income exceeds said
1676 amount. Any such amount of Connecticut taxable income to which, as
1677 provided in the preceding sentence, the three-per-cent tax rate does
1678 not apply shall be an amount to which the five-per-cent tax rate shall
1679 apply.

1680 (C) (i) For any husband and wife who file a return under the federal
1681 income tax for such taxable year as married individuals filing jointly or
1682 any person who files a return under the federal income tax for such
1683 taxable year as a surviving spouse, as defined in Section 2(a) of the
1684 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 5.75% of the</u>
T282	<u>over \$400,000</u>	<u>excess over \$200,000</u>
T283	<u>Over \$400,000 but not</u>	<u>\$21,600, plus 6.0% of the</u>
T284	<u>over \$600,000</u>	<u>excess over \$400,000</u>
T285	<u>Over \$600,000 but not</u>	<u>\$33,600, plus 6.25% of the</u>
T286	<u>over \$800,000</u>	<u>excess over \$600,000</u>
T287	<u>Over \$800,000 but not</u>	<u>\$46,100, plus 6.5% of the</u>
T288	<u>over \$1,000,000</u>	<u>excess over \$800,000</u>
T289	<u>Over \$1,000,000</u>	<u>\$59,100, plus 6.70% of the</u>
T290		<u>excess over \$1,000,000</u>

1685 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
 1686 subdivision, for each taxpayer whose Connecticut adjusted gross
 1687 income exceeds one hundred thousand five hundred dollars, the
 1688 amount of the taxpayer's Connecticut taxable income to which the
 1689 three-per-cent tax rate applies shall be reduced by two thousand
 1690 dollars for each ten thousand dollars, or fraction thereof, by which the
 1691 taxpayer's Connecticut adjusted gross income exceeds said amount.
 1692 Any such amount of Connecticut taxable income to which, as provided
 1693 in the preceding sentence, the three-per-cent tax rate does not apply
 1694 shall be an amount to which the five-per-cent tax rate shall apply.

1695 (D) (i) For any person who files a return under the federal income
 1696 tax for such taxable year as a married individual filing separately:

T291	<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
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T292	<u>Not over \$10,000</u>	<u>3.0%</u>
T293	<u>Over \$10,000 but not</u>	<u>\$300.00, plus 5.0% of the</u>
T294	<u>over \$50,000</u>	<u>excess over \$10,000</u>
T295	<u>Over \$50,000 but not</u>	<u>\$2,300, plus 5.5% of the</u>
T296	<u>over \$100,000</u>	<u>excess over \$50,000</u>
T297	<u>Over \$100,000 but not</u>	<u>\$5,050, plus 5.75% of the</u>
T298	<u>over \$200,000</u>	<u>excess over \$100,000</u>
T299	<u>Over \$200,000 but not</u>	<u>\$10,800, plus 6.0% of the</u>
T300	<u>over \$300,000</u>	<u>excess over \$200,000</u>
T301	<u>Over \$300,000 but not</u>	<u>\$16,800, plus 6.25% of the</u>
T302	<u>over \$400,000</u>	<u>excess over \$300,000</u>
T303	<u>Over \$400,000 but not</u>	<u>\$23,050, plus 6.5% of the</u>
T304	<u>over \$500,000</u>	<u>excess over \$400,000</u>
T305	<u>Over \$500,000</u>	<u>\$29,550, plus 6.70% of the</u>
T306		<u>excess over \$500,000</u>

1697 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
 1698 subdivision, for each taxpayer whose Connecticut adjusted gross
 1699 income exceeds fifty thousand two hundred fifty dollars, the amount
 1700 of the taxpayer's Connecticut taxable income to which the three-per-
 1701 cent tax rate applies shall be reduced by one thousand dollars for each
 1702 ten thousand dollars, or fraction thereof, by which the taxpayer's
 1703 Connecticut adjusted gross income exceeds said amount. Any such
 1704 amount of Connecticut taxable income to which, as provided in the
 1705 preceding sentence, the three-per-cent tax rate does not apply shall be
 1706 an amount to which the five-per-cent tax rate shall apply.

1707 (E) For trusts or estates, the rate of tax shall be 6.70% of the
 1708 Connecticut taxable income.

1709 [(8)] (9) The provisions of this subsection shall apply to resident
 1710 trusts and estates and, wherever reference is made in this subsection to

1711 residents of this state, such reference shall be construed to include
1712 resident trusts and estates, provided any reference to a resident's
1713 Connecticut adjusted gross income derived from sources without this
1714 state or to a resident's Connecticut adjusted gross income shall be
1715 construed, in the case of a resident trust or estate, to mean the resident
1716 trust or estate's Connecticut taxable income derived from sources
1717 without this state and the resident trust or estate's Connecticut taxable
1718 income, respectively.

1719 Sec. 41. (*Effective from passage*) The Commissioner of Revenue
1720 Services shall adjust the withholding tables issued for purposes of
1721 administering the income tax imposed under chapter 229 of the
1722 general statutes, to take account of any changes in such tax made by
1723 section 40 of this act, and, as soon as practicable, shall issue new
1724 withholding tables applicable to the taxable year commencing during
1725 2011.

1726 Sec. 42. (*Effective from passage*) Notwithstanding the provisions of
1727 section 12-722 of the general statutes, any taxpayer required to make
1728 an estimated payment in June, 2011, for the tax due under chapter 229
1729 of the general statutes, shall make such payment in an amount which
1730 is adjusted for any change in the rate applicable to the current taxable
1731 year, as provided in section 12-700 of the general statutes, as amended
1732 by this act.

1733 Sec. 43. (NEW) (*Effective from passage and applicable to taxable years*
1734 *commencing on or after January 1, 2011*) (a) Any resident of this state, as
1735 defined in subdivision (1) of subsection (a) of section 12-701 of the
1736 general statutes, who is subject to the tax imposed under chapter 229 of
1737 the general statutes for any taxable year shall be allowed a credit
1738 against the tax otherwise due under such chapter in an amount equal
1739 to thirty per cent of the earned income credit claimed and allowed for
1740 the same taxable year under Section 32 of the Internal Revenue Code,
1741 as defined in subsection (a) of section 12-701 of the general statutes.

1742 (b) If the amount of the credit allowed pursuant to this section

1743 exceeds the taxpayer's liability for the tax imposed under said chapter
1744 229, the Commissioner of Revenue Services shall treat such excess as
1745 an overpayment and, except as provided under section 12-739 or 12-
1746 742 of the general statutes, shall refund the amount of such excess,
1747 without interest, to the taxpayer.

1748 (c) If a married individual who is otherwise eligible for the credit
1749 allowed hereunder has filed a joint federal income tax return for the
1750 taxable year, but is required to file a separate return under said chapter
1751 229 of the general statutes for such taxable year, the credit for which
1752 such individual is eligible under this section shall be an amount equal
1753 to thirty per cent of the earned income credit claimed and allowed for
1754 such taxable year under said Section 32 of the Internal Revenue Code
1755 multiplied by a fraction, the numerator of which is such individual's
1756 federal adjusted gross income, as reported on such individual's
1757 separate return under said chapter 229, and the denominator of which
1758 is the federal adjusted gross income, as reported on the joint federal
1759 income tax return.

1760 (d) To the extent permitted under federal law, any state or federal
1761 earned income tax credit shall not be counted as income when received
1762 by an individual who is an applicant for, or recipient of, benefits or
1763 services under any state or federal program that provides such benefits
1764 or services based on need, nor shall any such earned income tax credit
1765 be counted as resources, for the purpose of determining the
1766 individual's or any other individual's eligibility for such benefits or
1767 services, or the amount of such benefits or services.

1768 Sec. 44. Subsections (b) and (c) of section 12-704c of the general
1769 statutes are repealed and the following is substituted in lieu thereof
1770 (*Effective from passage and applicable to taxable years commencing on or after*
1771 *January 1, 2011*):

1772 (b) The credit allowed under this section shall not exceed two
1773 hundred fifteen dollars for the taxable year commencing on or after
1774 January 1, 1997, and prior to January 1, 1998; for taxable years

1775 commencing on or after January 1, 1998, but prior to January 1, 1999,
1776 three hundred fifty dollars; for taxable years commencing on or after
1777 January 1, 1999, but prior to January 1, 2000, four hundred twenty-five
1778 dollars; for taxable years commencing on or after January 1, 2000, but
1779 prior to January 1, 2003, five hundred dollars; for taxable years
1780 commencing on or after January 1, 2003, three hundred fifty dollars;
1781 for taxable years commencing on or after January 1, 2005, but prior to
1782 January 1, 2006, three hundred fifty dollars; and for taxable years
1783 commencing on or after January 1, 2006, but prior to January 1, 2011,
1784 five hundred dollars. In the case of any husband and wife who file a
1785 return under the federal income tax for such taxable year as married
1786 individuals filing a joint return, the credit allowed, in the aggregate,
1787 shall not exceed such amounts for each such taxable year. No credit
1788 shall be allowed under this section for taxable years commencing on or
1789 after January 1, 2011.

1790 (c) (1) (A) For taxable years commencing prior to January 1, 2000, in
1791 the case of any such taxpayer who files under the federal income tax
1792 for such taxable year as an unmarried individual whose Connecticut
1793 adjusted gross income exceeds fifty-two thousand five hundred
1794 dollars, the amount of the credit that exceeds one hundred dollars shall
1795 be reduced by ten per cent for each ten thousand dollars, or fraction
1796 thereof, by which the taxpayer's Connecticut adjusted gross income
1797 exceeds said amount.

1798 (B) For taxable years commencing on or after January 1, 2000, but
1799 prior to January 1, 2001, in the case of any such taxpayer who files
1800 under the federal income tax for such taxable year as an unmarried
1801 individual whose Connecticut adjusted gross income exceeds fifty-
1802 three thousand five hundred dollars, the amount of the credit that
1803 exceeds one hundred dollars shall be reduced by ten per cent for each
1804 ten thousand dollars, or fraction thereof, by which the taxpayer's
1805 Connecticut adjusted gross income exceeds said amount.

1806 (C) For taxable years commencing on or after January 1, 2001, but

1807 prior to January 1, 2004, in the case of any such taxpayer who files
1808 under the federal income tax for such taxable year as an unmarried
1809 individual whose Connecticut adjusted gross income exceeds fifty-four
1810 thousand five hundred dollars, the amount of the credit shall be
1811 reduced by ten per cent for each ten thousand dollars, or fraction
1812 thereof, by which the taxpayer's Connecticut adjusted gross income
1813 exceeds said amount.

1814 (D) For taxable years commencing on or after January 1, 2004, but
1815 prior to January 1, 2007, in the case of any such taxpayer who files
1816 under the federal income tax for such taxable year as an unmarried
1817 individual whose Connecticut adjusted gross income exceeds fifty-five
1818 thousand dollars, the amount of the credit shall be reduced by ten per
1819 cent for each ten thousand dollars, or fraction thereof, by which the
1820 taxpayer's Connecticut adjusted gross income exceeds said amount.

1821 (E) For taxable years commencing on or after January 1, 2007, but
1822 prior to January 1, 2008, in the case of any such taxpayer who files
1823 under the federal income tax for such taxable year as an unmarried
1824 individual whose Connecticut adjusted gross income exceeds fifty-five
1825 thousand five hundred dollars, the amount of the credit shall be
1826 reduced by ten per cent for each ten thousand dollars, or fraction
1827 thereof, by which the taxpayer's Connecticut adjusted gross income
1828 exceeds said amount.

1829 (F) For taxable years commencing on or after January 1, 2008, but
1830 prior to January 1, [2012] 2011, in the case of any such taxpayer who
1831 files under the federal income tax for such taxable year as an
1832 unmarried individual whose Connecticut adjusted gross income
1833 exceeds fifty-six thousand five hundred dollars, the amount of the
1834 credit shall be reduced by ten per cent for each ten thousand dollars, or
1835 fraction thereof, by which the taxpayer's Connecticut adjusted gross
1836 income exceeds said amount.

1837 [(G) For taxable years commencing on or after January 1, 2012, but
1838 prior to January 1, 2013, in the case of any such taxpayer who files

1839 under the federal income tax for such taxable year as an unmarried
1840 individual whose Connecticut adjusted gross income exceeds fifty-
1841 eight thousand five hundred dollars, the amount of the credit shall be
1842 reduced by ten per cent for each ten thousand dollars, or fraction
1843 thereof, by which the taxpayer's Connecticut adjusted gross income
1844 exceeds said amount.

1845 (H) For taxable years commencing on or after January 1, 2013, but
1846 prior to January 1, 2014, in the case of any such taxpayer who files
1847 under the federal income tax for such taxable year as an unmarried
1848 individual whose Connecticut adjusted gross income exceeds sixty
1849 thousand five hundred dollars, the amount of the credit shall be
1850 reduced by ten per cent for each ten thousand dollars, or fraction
1851 thereof, by which the taxpayer's Connecticut adjusted gross income
1852 exceeds said amount.

1853 (I) For taxable years commencing on or after January 1, 2014, but
1854 prior to January 1, 2015, in the case of any such taxpayer who files
1855 under the federal income tax for such taxable year as an unmarried
1856 individual whose Connecticut adjusted gross income exceeds
1857 sixty-two thousand five hundred dollars, the amount of the credit shall
1858 be reduced by ten per cent for each ten thousand dollars, or fraction
1859 thereof, by which the taxpayer's Connecticut adjusted gross income
1860 exceeds said amount.

1861 (J) For taxable years commencing on or after January 1, 2015, in the
1862 case of any such taxpayer who files under the federal income tax for
1863 such taxable year as an unmarried individual whose Connecticut
1864 adjusted gross income exceeds sixty-four thousand five hundred
1865 dollars, the amount of the credit shall be reduced by ten per cent for
1866 each ten thousand dollars, or fraction thereof, by which the taxpayer's
1867 Connecticut adjusted gross income exceeds said amount.]

1868 (2) In the case of any such taxpayer who files under the federal
1869 income tax for such taxable year as a married individual filing
1870 separately whose Connecticut adjusted gross income exceeds fifty

1871 thousand two hundred fifty dollars, the amount of the credit shall be
1872 reduced by ten per cent for each five thousand dollars, or fraction
1873 thereof, by which the taxpayer's Connecticut adjusted gross income
1874 exceeds said amount.

1875 (3) In the case of a taxpayer who files under the federal income tax
1876 for such taxable year as a head of household whose Connecticut
1877 adjusted gross income exceeds seventy-eight thousand five hundred
1878 dollars, the amount of the credit shall be reduced by ten per cent for
1879 each ten thousand dollars or fraction thereof, by which the taxpayer's
1880 Connecticut adjusted gross income exceeds said amount.

1881 (4) In the case of a taxpayer who files under federal income tax for
1882 such taxable year as married individuals filing jointly whose
1883 Connecticut adjusted gross income exceeds one hundred thousand five
1884 hundred dollars, the amount of the credit shall be reduced by ten per
1885 cent for each ten thousand dollars, or fraction thereof, by which the
1886 taxpayer's Connecticut adjusted gross income exceeds said amount.

1887 Sec. 45. Subsection (l) of section 45a-107 of the general statutes is
1888 repealed and the following is substituted in lieu thereof (*Effective from*
1889 *passage and applicable to estates of decedents dying on or after January 1,*
1890 *2011*):

1891 (l) In the case of decedents who die on or after January 1, 2011:

1892 (1) Any costs assessed under this section that are not paid within
1893 thirty days of the date of an invoice from the court of probate shall
1894 bear interest at the rate of one-half of one per cent per month or
1895 portion thereof until paid;

1896 (2) If a tax return or a copy of a tax return required under
1897 subparagraph [(C)] (D) of subdivision (3) of subsection (b) of section
1898 12-392, as amended by this act, is not filed with a court of probate by
1899 the due date for such return or copy under subdivision (1) of
1900 subsection (b) of section 12-392, as amended by this act, or by the date

1901 an extension under subdivision (4) of subsection (b) of section 12-392,
1902 as amended by this act, expires, the costs that would have been due
1903 under this section if such return or copy had been filed by such due
1904 date or expiration date shall bear interest at the rate of one-half of one
1905 per cent per month or portion thereof from the date that is thirty days
1906 after such due date or expiration date, whichever is later, until paid. If
1907 a return or copy is filed with a court of probate on or before such due
1908 date or expiration date, whichever is later, the costs assessed shall bear
1909 interest as provided in subdivision (1) of this subsection;

1910 (3) A court of probate may extend the time for payment of any costs
1911 under this section, including interest, if it appears to the court that
1912 requiring payment by such due date or expiration date would cause
1913 undue hardship. No additional interest shall accrue during the period
1914 of such extension. A court of probate may not waive interest outside of
1915 any extension period;

1916 (4) The interest requirements in subdivisions (1) and (2) of this
1917 subsection shall not apply if:

1918 (A) The basis for costs for the estate does not exceed forty thousand
1919 dollars; or

1920 (B) The basis for costs for the estate does not exceed five hundred
1921 thousand dollars and any portion of the property included in the basis
1922 for costs passes to a surviving spouse.

1923 Sec. 46. Section 14-379 of the general statutes is repealed and the
1924 following is substituted in lieu thereof (*Effective July 1, 2011*):

1925 As used in sections 14-379 to 14-390, inclusive, [subdivisions (3) and
1926 (4)] subdivision (3) of section 12-430 and sections 12-431, 14-33, 14-163
1927 and 53-205, unless the context otherwise requires:

1928 (1) "Commissioner" means the Commissioner of Motor Vehicles;

1929 (2) "Snowmobile" means any self-propelled vehicle designed for

1930 travel on snow or ice, except vehicles propelled by sail;

1931 (3) "Snowmobile dealer" means a person engaged in the business of
 1932 manufacturing and selling new snowmobiles or selling new or used
 1933 snowmobiles, or both, having an established place of business for the
 1934 sale, trade and display of such snowmobiles;

1935 (4) "All-terrain vehicle" means a self-propelled vehicle designed to
 1936 travel over unimproved terrain that has been determined by the
 1937 Commissioner of Motor Vehicles to be unsuitable for operation on the
 1938 public highways and is not eligible for registration under chapter 246;

1939 (5) "All-terrain vehicle dealer" means any person engaged in the
 1940 business of manufacturing and selling new all-terrain vehicles, or both,
 1941 having an established place of business for the manufacture, sale, trade
 1942 and display of such all-terrain vehicles; and

1943 (6) "Operate" means to control the course of or otherwise use a
 1944 snowmobile or all-terrain vehicle.

1945 Sec. 47. Section 12-407e, subdivisions (47), (48), (52), (95), (97) and
 1946 (111) of section 12-412, section 12-412b, section 12-412j, subdivision (4)
 1947 of section 12-430 and section 12-430a of the general statutes are
 1948 repealed. (*Effective July 1, 2011, and applicable to sales occurring on or after*
 1949 *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>	12-202
Sec. 2	<i>from passage and applicable to calendar years commencing on or after January 1, 2011</i>	12-202a(a)

Sec. 3	<i>from passage and applicable to calendar years commencing on or after January 1, 2011</i>	12-210(b)
Sec. 4	<i>from passage and applicable to calendar years commencing on or after January 1, 2011</i>	12-211a
Sec. 5	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-214(b)(6)
Sec. 6	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-217jj(e)
Sec. 7	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-217zz
Sec. 8	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-218(c)
Sec. 9	<i>from passage and applicable to income years commencing on or after January 1, 2011</i>	12-219(b)(6)
Sec. 10	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-296
Sec. 11	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-316
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-330c(a)

Sec. 14	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	12-391(g)
Sec. 15	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	12-392(b)(3)
Sec. 16	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	12-398(e)
Sec. 17	<i>from passage and applicable to gifts made during calendar years commencing on or after January 1, 2011</i>	12-642(a)
Sec. 18	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(2)(M)
Sec. 19	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(8) and (9)
Sec. 20	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(I)
Sec. 21	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(N)
Sec. 22	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(S)
Sec. 23	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(FF)

Sec. 24	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-407(a)(37)
Sec. 25	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-408(1)
Sec. 26	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-408
Sec. 27	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-411(1)
Sec. 28	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-411
Sec. 29	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	12-412(77)
Sec. 30	<i>from passage and applicable to sales occurring on or after July 1, 2011</i>	12-435
Sec. 31	<i>from passage</i>	New section
Sec. 32	<i>July 1, 2011</i>	12-458(a)(2)
Sec. 33	<i>July 1, 2011</i>	12-458h
Sec. 34	<i>from passage</i>	New section
Sec. 35	<i>July 1, 2011, and applicable to conveyances occurring on or after said date</i>	12-494(a)
Sec. 36	<i>July 1, 2011, and applicable to conveyances occurring on or after said date</i>	12-494(c)
Sec. 37	<i>July 1, 2011</i>	New section

Sec. 38	<i>July 1, 2011, and applicable to admission charges imposed on or after said date</i>	12-541(a)
Sec. 39	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	New section
Sec. 40	<i>from passage and applicable to taxable years commencing on or after January 1, 2011</i>	12-700(a)
Sec. 41	<i>from passage</i>	New section
Sec. 42	<i>from passage</i>	New section
Sec. 43	<i>from passage and applicable to taxable years commencing on or after January 1, 2011</i>	New section
Sec. 44	<i>from passage and applicable to taxable years commencing on or after January 1, 2011</i>	12-704c(b) and (c)
Sec. 45	<i>from passage and applicable to estates of decedents dying on or after January 1, 2011</i>	45a-107(l)
Sec. 46	<i>July 1, 2011</i>	14-379
Sec. 47	<i>July 1, 2011, and applicable to sales occurring on or after said date</i>	Repealer section

Statement of Purpose:

To implement the Governor's budget recommendations.

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