



General Assembly

Amendment

January Session, 2011

LCO No. 5826

SB0123905826SR0

Offered by:
SEN. SUZIO, 13th Dist.

To: Senate Bill No. 1239

File No.

Cal. No.

**"AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM
ENDING JUNE 30, 2013."**

1 Strike sections 76, 79, 83 to 87, inclusive, 93, 94, 97, 98 to 102,
2 inclusive, 104, 106, 110, 126 and 127 in their entirety and renumber the
3 remaining sections and internal references accordingly

4 Strike section 107 in its entirety and insert the following in lieu
5 thereof:

6 "Sec. 107. Subdivision (7) of subsection (a) of section 12-700 of the
7 general statutes is repealed and the following is substituted in lieu
8 thereof (*Effective July 1, 2011, and applicable to taxable years commencing*
9 *on or after January 1, 2011*):

10 (7) For taxable years commencing on or after January 1, 2009, in
11 accordance with the following schedule:

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

T1	Connecticut Taxable Income	Rate of Tax
T2	Not over \$10,000	3.0%
T3	Over \$10,000 but not	\$300.00, plus 5.0% of the
T4	over \$500,000	excess over \$10,000
T5	Over \$500,000	\$24,800, plus 6.5% of the
T6		excess over \$500,000

14 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
 15 subdivision, for each taxpayer whose Connecticut adjusted gross
 16 income exceeds fifty-six thousand five hundred dollars, the amount of
 17 the taxpayer's Connecticut taxable income to which the three-per-cent
 18 tax rate applies shall be reduced by one thousand dollars for each five
 19 thousand dollars, or fraction thereof, by which the taxpayer's
 20 Connecticut adjusted gross income exceeds said amount. Any such
 21 amount of Connecticut taxable income to which, as provided in the
 22 preceding sentence, the three-per-cent tax rate does not apply shall be
 23 an amount to which the five-per-cent tax rate shall apply.

24 (B) (i) For any person who files a return under the federal income
 25 tax for such taxable year as a head of household, as defined in Section
 26 2(b) of the Internal Revenue Code:

T7	Connecticut Taxable Income	Rate of Tax
T8	Not over \$16,000	3.0%
T9	Over \$16,000 but not	\$480.00, plus 5.0% of the
T10	over \$800,000	excess over \$16,000
T11	Over \$800,000	\$39,680, plus 6.5% of the
T12		excess over \$800,000

27 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this

28 subdivision, for each taxpayer whose Connecticut adjusted gross
 29 income exceeds seventy-eight thousand five hundred dollars, the
 30 amount of the taxpayer's Connecticut taxable income to which the
 31 three-per-cent tax rate applies shall be reduced by one thousand six
 32 hundred dollars for each four thousand dollars, or fraction thereof, by
 33 which the taxpayer's Connecticut adjusted gross income exceeds said
 34 amount. Any such amount of Connecticut taxable income to which, as
 35 provided in the preceding sentence, the three-per-cent tax rate does
 36 not apply shall be an amount to which the five-per-cent tax rate shall
 37 apply.

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

T13	Connecticut Taxable Income	Rate of Tax
T14	Not over \$20,000	3.0%
T15	Over \$20,000 but not	\$600.00, plus 5.0% of the
T16	over \$1,000,000	excess over \$20,000
T17	Over \$1,000,000	\$49,600, plus 6.5% of the excess
T18		over \$1,000,000

43 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
 44 subdivision, for each taxpayer whose Connecticut adjusted gross
 45 income exceeds one hundred thousand five hundred dollars, the
 46 amount of the taxpayer's Connecticut taxable income to which the
 47 three-per-cent tax rate applies shall be reduced by two thousand
 48 dollars for each five thousand dollars, or fraction thereof, by which the
 49 taxpayer's Connecticut adjusted gross income exceeds said amount.
 50 Any such amount of Connecticut taxable income to which, as provided
 51 in the preceding sentence, the three-per-cent tax rate does not apply
 52 shall be an amount to which the five-per-cent tax rate shall apply.

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

T19	Connecticut Taxable Income	Rate of Tax
T20	Not over \$10,000	3.0%
T21	Over \$10,000 but not	\$300.00, plus 5.0% of the
T22	over \$500,000	excess over \$10,000
T23	Over \$500,000	\$24,800, plus 6.5% of the excess
T24		over \$500,000

55 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
56 subdivision, for each taxpayer whose Connecticut adjusted gross
57 income exceeds fifty thousand two hundred fifty dollars, the amount
58 of the taxpayer's Connecticut taxable income to which the three-per-
59 cent tax rate applies shall be reduced by one thousand dollars for each
60 two thousand five hundred dollars, or fraction thereof, by which the
61 taxpayer's Connecticut adjusted gross income exceeds said amount.
62 Any such amount of Connecticut taxable income to which, as provided
63 in the preceding sentence, the three-per-cent tax rate does not apply
64 shall be an amount to which the five-per-cent tax rate shall apply.

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

67 After the last section, add the following and renumber sections and
68 internal references accordingly:

69 "Sec. 501. Subdivision (1) of section 12-408 of the general statutes is
70 repealed and the following is substituted in lieu thereof (*Effective July*
71 *1, 2011, and applicable to sales occurring on or after said date*):

72 (1) For the privilege of making any sales, as defined in subdivision
73 (2) of subsection (a) of section 12-407, at retail, in this state for a
74 consideration, a tax is hereby imposed on all retailers at the rate of six

75 per cent of the gross receipts of any retailer from the sale of all tangible
76 personal property sold at retail or from the rendering of any services
77 constituting a sale in accordance with subdivision (2) of subsection (a)
78 of section 12-407, except, in lieu of said rate of six per cent, (A) at a rate
79 of [twelve] fifteen per cent with respect to each transfer of occupancy,
80 from the total amount of rent received for such occupancy of any room
81 or rooms in a hotel or lodging house for the first period not exceeding
82 thirty consecutive calendar days, (B) with respect to the sale of a motor
83 vehicle to any individual who is a member of the armed forces of the
84 United States and is on full-time active duty in Connecticut and who is
85 considered, under 50 App USC 574, a resident of another state, or to
86 any such individual and the spouse thereof, at a rate of four and
87 one-half per cent of the gross receipts of any retailer from such sales,
88 provided such retailer requires and maintains a declaration by such
89 individual, prescribed as to form by the commissioner and bearing
90 notice to the effect that false statements made in such declaration are
91 punishable, or other evidence, satisfactory to the commissioner,
92 concerning the purchaser's state of residence under 50 App USC 574,
93 (C) (i) with respect to the sales of computer and data processing
94 services occurring on or after July 1, 1997, and prior to July 1, 1998, at
95 the rate of five per cent, on or after July 1, 1998, and prior to July 1,
96 1999, at the rate of four per cent, on or after July 1, 1999, and prior to
97 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and
98 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,
99 at the rate of one per cent, (ii) with respect to sales of Internet access
100 services, on and after July 1, 2001, such services shall be exempt from
101 such tax, (D) with respect to the sales of labor that is otherwise taxable
102 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of
103 section 12-407 on existing vessels and repair or maintenance services
104 on vessels occurring on and after July 1, 1999, such services shall be
105 exempt from such tax, (E) with respect to patient care services for
106 which payment is received by the hospital on or after July 1, 1999, and
107 prior to July 1, 2001, at the rate of five and three-fourths per cent and
108 on and after July 1, 2001, such services shall be exempt from such tax.
109 The rate of tax imposed by this chapter shall be applicable to all retail

110 sales upon the effective date of such rate, except that a new rate which
111 represents an increase in the rate applicable to the sale shall not apply
112 to any sales transaction wherein a binding sales contract without an
113 escalator clause has been entered into prior to the effective date of the
114 new rate and delivery is made within ninety days after the effective
115 date of the new rate. For the purposes of payment of the tax imposed
116 under this section, any retailer of services taxable under subparagraph
117 (I) of subdivision (2) of subsection (a) of section 12-407, who computes
118 taxable income, for purposes of taxation under the Internal Revenue
119 Code of 1986, or any subsequent corresponding internal revenue code
120 of the United States, as from time to time amended, on an accounting
121 basis which recognizes only cash or other valuable consideration
122 actually received as income and who is liable for such tax only due to
123 the rendering of such services may make payments related to such tax
124 for the period during which such income is received, without penalty
125 or interest, without regard to when such service is rendered.

126 Sec. 502. Subdivision (1) of section 12-411 of the general statutes is
127 repealed and the following is substituted in lieu thereof (*Effective July*
128 *1, 2011, and applicable to sales occurring on or after said date*):

129 (1) An excise tax is hereby imposed on the storage, acceptance,
130 consumption or any other use in this state of tangible personal
131 property purchased from any retailer for storage, acceptance,
132 consumption or any other use in this state, the acceptance or receipt of
133 any services constituting a sale in accordance with subdivision (2) of
134 subsection (a) of section 12-407, purchased from any retailer for
135 consumption or use in this state, or the storage, acceptance,
136 consumption or any other use in this state of tangible personal
137 property which has been manufactured, fabricated, assembled or
138 processed from materials by a person, either within or without this
139 state, for storage, acceptance, consumption or any other use by such
140 person in this state, to be measured by the sales price of materials, at
141 the rate of six per cent of the sales price of such property or services,
142 except, in lieu of said rate of six per cent, (A) at a rate of [twelve]
143 fifteen per cent of the rent paid for occupancy of any room or rooms in

144 a hotel or lodging house for the first period of not exceeding thirty
145 consecutive calendar days, (B) with respect to the storage, acceptance,
146 consumption or use in this state of a motor vehicle purchased from any
147 retailer for storage, acceptance, consumption or use in this state by any
148 individual who is a member of the armed forces of the United States
149 and is on full-time active duty in Connecticut and who is considered,
150 under 50 App USC 574, a resident of another state, or to any such
151 individual and the spouse of such individual at a rate of four and
152 one-half per cent of the sales price of such vehicle, provided such
153 retailer requires and maintains a declaration by such individual,
154 prescribed as to form by the commissioner and bearing notice to the
155 effect that false statements made in such declaration are punishable, or
156 other evidence, satisfactory to the commissioner, concerning the
157 purchaser's state of residence under 50 App USC 574, (C) with respect
158 to the acceptance or receipt in this state of labor that is otherwise
159 taxable under subparagraph (C) or (G) of subdivision (2) of subsection
160 (a) of section 12-407 on existing vessels and repair or maintenance
161 services on vessels occurring on and after July 1, 1999, such services
162 shall be exempt from such tax, (D) (i) with respect to the acceptance or
163 receipt in this state of computer and data processing services
164 purchased from any retailer for consumption or use in this state
165 occurring on or after July 1, 1997, and prior to July 1, 1998, at the rate
166 of five per cent of such services, on or after July 1, 1998, and prior to
167 July 1, 1999, at the rate of four per cent of such services, on or after July
168 1, 1999, and prior to July 1, 2000, at the rate of three per cent of such
169 services, on or after July 1, 2000, and prior to July 1, 2001, at the rate of
170 two per cent of such services, on and after July 1, 2001, at the rate of
171 one per cent of such services, and (ii) with respect to the acceptance or
172 receipt in this state of Internet access services, on or after July 1, 2001,
173 such services shall be exempt from tax, (E) with respect to the
174 acceptance or receipt in this state of patient care services purchased
175 from any retailer for consumption or use in this state for which
176 payment is received by the hospital on or after July 1, 1999, and prior
177 to July 1, 2001, at the rate of five and three-fourths per cent and on and
178 after July 1, 2001, such services shall be exempt from such tax.

179 Sec. 503. (*Effective from passage*) Notwithstanding subsection (i) of
180 section 3-20 of the general statutes, the Treasurer shall restructure one
181 billion dollars of general obligation bonds to reduce debt service
182 payable in the fiscal year ending June 30, 2012, and one billion dollars
183 of general obligation bonds to reduce debt service payable in the fiscal
184 year ending June 30, 2013.

185 Sec. 504. Section 12-494 of the general statutes is repealed and the
186 following is substituted in lieu thereof (*Effective July 1, 2011*):

187 (a) There is imposed a tax on each deed, instrument or writing,
188 whereby any lands, tenements or other realty is granted, assigned,
189 transferred or otherwise conveyed to, or vested in, the purchaser, or
190 any other person by such purchaser's direction, when the
191 consideration for the interest or property conveyed equals or exceeds
192 two thousand dollars, [(1) subject to the provisions of subsection (b) of
193 this section, at the rate of five-tenths of one per cent of the
194 consideration for the interest in real property conveyed by such deed,
195 instrument or writing, the revenue from which shall be remitted by the
196 town clerk of the municipality in which such tax is paid, not later than
197 ten days following receipt thereof, to the Commissioner of Revenue
198 Services for deposit to the credit of the state General Fund, and (2)] at
199 the rate of one-fourth of one per cent of the consideration for the
200 interest in real property conveyed by such deed, instrument or writing.
201 [, and on and after July 1, 2011, at the rate of eleven one-hundredths of
202 one per cent of the consideration for the interest in real property
203 conveyed by such deed, instrument or writing, provided the amount]
204 The tax imposed under this [subdivision] section shall become part of
205 the general revenue of the municipality in accordance with section 12-
206 499.

207 [(b) The rate of tax imposed under subdivision (1) of subsection (a)
208 of this section shall, in lieu of the rate under said subdivision (1), be
209 imposed on certain conveyances as follows: (1) In the case of any
210 conveyance of real property which at the time of such conveyance is
211 used for any purpose other than residential use, except unimproved

212 land, the tax under said subdivision (1) shall be imposed at the rate of
213 one per cent of the consideration for the interest in real property
214 conveyed; (2) in the case of any conveyance in which the real property
215 conveyed is a residential estate, including a primary dwelling and any
216 auxiliary housing or structures, regardless of the number of deeds,
217 instruments or writings used to convey such residential real estate, for
218 which the consideration or aggregate consideration, as the case may
219 be, in such conveyance is eight hundred thousand dollars or more, the
220 tax under said subdivision (1) shall be imposed (A) at the rate of one-
221 half of one per cent on that portion of such consideration up to and
222 including the amount of eight hundred thousand dollars, and (B) at the
223 rate of one per cent on that portion of such consideration in excess of
224 eight hundred thousand dollars; and (3) in the case of any conveyance
225 in which real property on which mortgage payments have been
226 delinquent for not less than six months is conveyed to a financial
227 institution or its subsidiary which holds such a delinquent mortgage
228 on such property, the tax under said subdivision (1) shall be imposed
229 at the rate of one-half of one per cent of the consideration for the
230 interest in real property conveyed. For the purposes of subdivision (1)
231 of this subsection, "unimproved land" includes land designated as
232 farm, forest or open space land.]

233 [(c)] (b) In addition to the tax imposed under subsection (a) of this
234 section, any targeted investment community, as defined in section 32-
235 222, or any municipality in which properties designated as
236 manufacturing plants under section 32-75c are located, may, on or after
237 March 15, 2003, impose an additional tax on each deed, instrument or
238 writing, whereby any lands, tenements or other realty is granted,
239 assigned, transferred or otherwise conveyed to, or vested in, the
240 purchaser, or any other person by his direction, when the
241 consideration for the interest or property conveyed equals or exceeds
242 two thousand dollars, which additional tax shall be at a rate of up to
243 one-fourth of one per cent of the consideration for the interest in real
244 property conveyed by such deed, instrument or writing. The revenue
245 from such additional tax shall become part of the general revenue of

246 the municipality in accordance with section 12-499."