General Assembly  

Amendment  

January Session, 2011  

LCO No. 5826  

Offered by:  
SEN. SUZIO, 13th Dist.  

To: Senate Bill No. 1239  

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

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

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

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 Subdivision (7) of subsection (a) of section 12-700 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2011, and applicable to taxable years commencing on or after January 1, 2011):

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

(A) (i) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:
<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not</td>
<td>$300.00, plus 5.0% of the</td>
</tr>
<tr>
<td>over $500,000</td>
<td>excess over $10,000</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$24,800, plus 6.5% of the</td>
</tr>
<tr>
<td></td>
<td>excess over $500,000</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $16,000 but not</td>
<td>$480.00, plus 5.0% of the</td>
</tr>
<tr>
<td>over $800,000</td>
<td>excess over $16,000</td>
</tr>
<tr>
<td>Over $800,000</td>
<td>$39,680, plus 6.5% of the</td>
</tr>
<tr>
<td></td>
<td>excess over $800,000</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $20,000 but not over $1,000,000</td>
<td>$600.00, plus 5.0% of the excess over $20,000</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$49,600, plus 6.5% of the excess over $1,000,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (C)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds one hundred thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by two thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.
(D) (i) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>over $500,000</td>
<td>excess over $10,000</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$24,800, plus 6.5% of the excess over $500,000</td>
</tr>
</tbody>
</table>

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

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

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

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

(1) For the privilege of making any sales, as defined in subdivision (2) of subsection (a) of section 12-407, at retail, in this state for a consideration, a tax is hereby imposed on all retailers at the rate of six
per cent of the gross receipts of any retailer from the sale of all tangible
personal property sold at retail or from the rendering of any services
constituting a sale in accordance with subdivision (2) of subsection (a)
of section 12-407, except, in lieu of said rate of six per cent, (A) at a rate
of [twelve] fifteen per cent with respect to each transfer of occupancy,
from the total amount of rent received for such occupancy of any room
or rooms in a hotel or lodging house for the first period not exceeding
thirty consecutive calendar days, (B) with respect to the sale of a motor
vehicle to any individual who is a member of the armed forces of the
United States and is on full-time active duty in Connecticut and who is
considered, under 50 App USC 574, a resident of another state, or to
any such individual and the spouse thereof, at a rate of four and
one-half per cent of the gross receipts of any retailer from such sales,
provided such retailer requires and maintains a declaration by such
individual, prescribed as to form by the commissioner and bearing
notice to the effect that false statements made in such declaration are
punishable, or other evidence, satisfactory to the commissioner,
concerning the purchaser's state of residence under 50 App USC 574,
(C) (i) with respect to the sales of computer and data processing
services occurring on or after July 1, 1997, and prior to July 1, 1998, at
the rate of five per cent, on or after July 1, 1998, and prior to July 1,
1999, at the rate of four per cent, on or after July 1, 1999, and prior to
July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and
prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,
at the rate of one per cent, (ii) with respect to sales of Internet access
services, on and after July 1, 2001, such services shall be exempt from
such tax, (D) with respect to the sales of labor that is otherwise taxable
under subparagraph (C) or (G) of subdivision (2) of subsection (a) of
section 12-407 on existing vessels and repair or maintenance services
on vessels occurring on and after July 1, 1999, such services shall be
exempt from such tax, (E) with respect to patient care services for
which payment is received by the hospital on or after July 1, 1999, and
prior to July 1, 2001, at the rate of five and three-fourths per cent and
on and after July 1, 2001, such services shall be exempt from such tax.
The rate of tax imposed by this chapter shall be applicable to all retail
sales upon the effective date of such rate, except that a new rate which
represents an increase in the rate applicable to the sale shall not apply
to any sales transaction wherein a binding sales contract without an
escalator clause has been entered into prior to the effective date of the
new rate and delivery is made within ninety days after the effective
date of the new rate. For the purposes of payment of the tax imposed
under this section, any retailer of services taxable under subparagraph
(I) of subdivision (2) of subsection (a) of section 12-407, who computes
taxable income, for purposes of taxation under the Internal Revenue
Code of 1986, or any subsequent corresponding internal revenue code
of the United States, as from time to time amended, on an accounting
basis which recognizes only cash or other valuable consideration
actually received as income and who is liable for such tax only due to
the rendering of such services may make payments related to such tax
for the period during which such income is received, without penalty
or interest, without regard to when such service is rendered.

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

(1) An excise tax is hereby imposed on the storage, acceptance,
consumption or any other use in this state of tangible personal
property purchased from any retailer for storage, acceptance,
consumption or any other use in this state, the acceptance or receipt of
any services constituting a sale in accordance with subdivision (2) of
subsection (a) of section 12-407, purchased from any retailer for
consumption or use in this state, or the storage, acceptance,
consumption or any other use in this state of tangible personal
property which has been manufactured, fabricated, assembled or
processed from materials by a person, either within or without this
state, for storage, acceptance, consumption or any other use by such
person in this state, to be measured by the sales price of materials, at
the rate of six per cent of the sales price of such property or services,
except, in lieu of said rate of six per cent, (A) at a rate of [twelve]
fifteen per cent of the rent paid for occupancy of any room or rooms in
a hotel or lodging house for the first period of not exceeding thirty
consecutive calendar days, (B) with respect to the storage, acceptance,
consumption or use in this state of a motor vehicle purchased from any
retailer for storage, acceptance, consumption or use in this state by any
individual who is a member of the armed forces of the United States
and is on full-time active duty in Connecticut and who is considered,
under 50 App USC 574, a resident of another state, or to any such
individual and the spouse of such individual at a rate of four and
one-half per cent of the sales price of such vehicle, provided such
retailer requires and maintains a declaration by such individual,
prescribed as to form by the commissioner and bearing notice to the
effect that false statements made in such declaration are punishable, or
other evidence, satisfactory to the commissioner, concerning the
purchaser's state of residence under 50 App USC 574, (C) with respect
to the acceptance or receipt in this state of labor that is otherwise
taxable under subparagraph (C) or (G) of subdivision (2) of subsection
(a) of section 12-407 on existing vessels and repair or maintenance
services on vessels occurring on and after July 1, 1999, such services
shall be exempt from such tax, (D) (i) with respect to the acceptance or
receipt in this state of computer and data processing services
purchased from any retailer for consumption or use in this state
occurring on or after July 1, 1997, and prior to July 1, 1998, at the rate
of five per cent of such services, on or after July 1, 1998, and prior to
July 1, 1999, at the rate of four per cent of such services, on or after July
1, 1999, and prior to July 1, 2000, at the rate of three per cent of such
services, on or after July 1, 2000, and prior to July 1, 2001, at the rate of
two per cent of such services, on and after July 1, 2001, at the rate of
one per cent of such services, and (ii) with respect to the acceptance or
receipt in this state of Internet access services, on or after July 1, 2001,
such services shall be exempt from tax, (E) with respect to the
acceptance or receipt in this state of patient care services purchased
from any retailer for consumption or use in this state for which
payment is received by the hospital on or after July 1, 1999, and prior
to July 1, 2001, at the rate of five and three-fourths per cent and on and
after July 1, 2001, such services shall be exempt from such tax.
Sec. 503. (Effective from passage) Notwithstanding subsection (i) of section 3-20 of the general statutes, the Treasurer shall restructure one billion dollars of general obligation bonds to reduce debt service payable in the fiscal year ending June 30, 2012, and one billion dollars of general obligation bonds to reduce debt service payable in the fiscal year ending June 30, 2013.

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

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

[(b) The rate of tax imposed under subdivision (1) of subsection (a) of this section shall, in lieu of the rate under said subdivision (1), be imposed on certain conveyances as follows: (1) In the case of any conveyance of real property which at the time of such conveyance is used for any purpose other than residential use, except unimproved...
land, the tax under said subdivision (1) shall be imposed at the rate of one per cent of the consideration for the interest in real property conveyed; (2) in the case of any conveyance in which the real property conveyed is a residential estate, including a primary dwelling and any auxiliary housing or structures, regardless of the number of deeds, instruments or writings used to convey such residential real estate, for which the consideration or aggregate consideration, as the case may be, in such conveyance is eight hundred thousand dollars or more, the tax under said subdivision (1) shall be imposed (A) at the rate of one-half of one per cent on that portion of such consideration up to and including the amount of eight hundred thousand dollars, and (B) at the rate of one per cent on that portion of such consideration in excess of eight hundred thousand dollars; and (3) in the case of any conveyance in which real property on which mortgage payments have been delinquent for not less than six months is conveyed to a financial institution or its subsidiary which holds such a delinquent mortgage on such property, the tax under said subdivision (1) shall be imposed at the rate of one-half of one per cent of the consideration for the interest in real property conveyed. For the purposes of subdivision (1) of this subsection, "unimproved land" includes land designated as farm, forest or open space land.]

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