



General Assembly

**Amendment**

January Session, 2011

LCO No. 5819

**\*SB0123905819SR0\***

Offered by:  
SEN. SUZIO, 13<sup>th</sup> 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7 general statutes is repealed and the following is substituted in lieu  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 debt service payable in the fiscal year ending June 30,  
182 2012, and one billion dollars of debt service payable in the fiscal year  
183 ending June 30, 2013."