



General Assembly

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Amendment

LCO No. 8748

SB0105208748SD0

Offered by:

SEN. FONFARA, 1st Dist.

REP. WIDLITZ, 98th Dist.

To: Subst. Senate Bill No. 1052

File No. 655

Cal. No. 475

"AN ACT CONCERNING IMPROVED TAX COLLECTION."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (b) of section 12-268c of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July*
5 *1, 2013, and applicable to refunds issued on or after said date*):

6 (b) (1) To any refunds granted as a result of overpayments of any
7 taxes under chapter 210, 211 or 212, except refunds due because of any
8 intentional overpayment, there shall be added interest at the rate of
9 two-thirds of one per cent for each month or fraction of a month,
10 [which elapses between (1) the later of (A) the due date of such taxes or
11 (B) the date of making such overpayment and (2) the date of notice by
12 the Commissioner of Revenue Services that such refunds are due] as
13 provided in subdivisions (2) and (3) of this subsection.

14 (2) In case of such overpayment pursuant to a tax return, no interest

15 shall be allowed or paid under this subsection on such overpayment
16 for any month or fraction thereof prior to (A) the ninety-first day after
17 the last day prescribed for filing the tax return associated with such
18 overpayment, or (B) the ninety-first day after the date such return was
19 filed, whichever is later.

20 (3) In case of such overpayment pursuant to an amended tax return,
21 no interest shall be allowed or paid under this subsection on such
22 overpayment for any month or fraction thereof prior to the ninety-first
23 day after the date such amended tax return was filed.

24 Sec. 2. Subdivision (3) of subsection (a) of section 12-392 of the
25 general statutes is repealed and the following is substituted in lieu
26 thereof (*Effective July 1, 2013, and applicable to refunds issued on or after*
27 *said date*):

28 (3) (A) Whenever there is an overpayment of the tax imposed by
29 this chapter, the Commissioner of Revenue Services shall return to the
30 fiduciary or transferee the overpayment which shall bear interest at the
31 rate of two-thirds of one per cent per month or fraction thereof, said
32 interest commencing, for the estates of decedents dying prior to July 1,
33 2009, from the expiration of nine months after the death of the
34 transferor or date of payment, whichever is later, or, for the estates of
35 decedents dying on or after July 1, 2009, from the expiration of six
36 months after the death of the transferor or date of payment, whichever
37 is later, as provided in subparagraphs (B) and (C) of this subdivision.

38 (B) In case of such overpayment pursuant to a tax return, no interest
39 shall be allowed or paid under this subdivision on such overpayment
40 for any month or fraction thereof prior to (i) the ninety-first day after
41 the last day prescribed for filing the tax return associated with such
42 overpayment, determined without regard to any extension of time for
43 filing, or (ii) the ninety-first day after the date such return was filed,
44 whichever is later.

45 (C) In case of such overpayment pursuant to an amended tax return,

46 no interest shall be allowed or paid under this subdivision on such
47 overpayment for any month or fraction thereof prior to the ninety-first
48 day after the date such amended tax return was filed.

49 Sec. 3. Subdivision (2) of subsection (b) of section 12-587 of the
50 general statutes is repealed and the following is substituted in lieu
51 thereof (*Effective July 1, 2013*):

52 (2) Gross earnings derived from the first sale of the following
53 petroleum products within this state shall be exempt from tax: (A) Any
54 petroleum products sold for exportation from this state for sale or use
55 outside this state; (B) the product designated by the American Society
56 for Testing and Materials as "Specification for Heating Oil D396-69",
57 commonly known as number 2 heating oil, to be used exclusively for
58 heating purposes or to be used in a commercial fishing vessel, which
59 vessel qualifies for an exemption pursuant to section 12-412; (C)
60 kerosene, commonly known as number 1 oil, to be used exclusively for
61 heating purposes, provided delivery is of both number 1 and number 2
62 oil, and via a truck with a metered delivery ticket to a residential
63 dwelling or to a centrally metered system serving a group of
64 residential dwellings; (D) the product identified as propane gas, to be
65 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
66 fuel, marine diesel oil and marine gas oil to be used in any vessel
67 having a displacement exceeding four thousand dead weight tons; (F)
68 for any first sale occurring prior to July 1, 2008, propane gas to be used
69 as a fuel for a motor vehicle; (G) for any first sale occurring on or after
70 July 1, 2002, grade number 6 fuel oil, as defined in regulations adopted
71 pursuant to section 16a-22c, to be used exclusively by a company
72 which, in accordance with census data contained in the Standard
73 Industrial Classification Manual, United States Office of Management
74 and Budget, 1987 edition, is included in code classifications 2000 to
75 3999, inclusive, or in Sector 31, 32 or 33 in the North American
76 Industrial Classification System United States Manual, United States
77 Office of Management and Budget, 1997 edition; (H) for any first sale
78 occurring on or after July 1, 2002, number 2 heating oil to be used

79 exclusively in a vessel primarily engaged in interstate commerce,
80 which vessel qualifies for an exemption under section 12-412; (I) for
81 any first sale occurring on or after July 1, 2000, paraffin or
82 microcrystalline waxes; (J) for any first sale occurring prior to July 1,
83 2008, petroleum products to be used as a fuel for a fuel cell, as defined
84 in subdivision (113) of section 12-412; (K) a commercial heating oil
85 blend containing not less than ten per cent of alternative fuels derived
86 from agricultural produce, food waste, waste vegetable oil or
87 municipal solid waste, including, but not limited to, biodiesel or low
88 sulfur dyed diesel fuel; [or] (L) for any first sale occurring on or after
89 July 1, 2007, diesel fuel other than diesel fuel to be used in an electric
90 generating facility to generate electricity; or (M) for any first sale
91 occurring on or after July 1, 2013, cosmetic grade mineral oil.

92 Sec. 4. Section 12-587a of the general statutes is repealed and the
93 following is substituted in lieu thereof (*Effective July 1, 2015, and*
94 *applicable to quarterly periods commencing on or after said date*):

95 (a) (1) Any company, as such term is used in section 12-587, as
96 amended by this act, liable for the tax imposed under subsection (b) of
97 said section 12-587, as amended by this act, on gross earnings from the
98 first sale of petroleum products within this state, which products the
99 purchaser thereof subsequently sells for exportation and sale or use
100 outside this state, shall be allowed a credit against any tax for which
101 such company is liable in accordance with subsection (b) of said
102 section 12-587, in the amount of tax paid to the state with respect to the
103 sale of such products, provided (A) such purchaser has submitted
104 certification to such company, in such form as prescribed by the
105 Commissioner of Revenue Services, that such products were sold or
106 used outside this state, (B) such certification and any additional
107 information related to such sale or use by such purchaser, which said
108 commissioner may request, have been submitted to said commissioner,
109 and (C) such company makes a payment to such purchaser, related to
110 such products sold or used outside this state, in the amount equal to
111 the tax imposed under said section 12-587 on gross earnings from the

112 first sale to such purchaser within the state.

113 (2) The credit allowed pursuant to subdivision (1) of this subsection
114 may also be claimed, in the same manner as provided in said
115 subdivision (1), by any such company when the petroleum products
116 sold in a first sale within this state by such company are incorporated
117 by the purchaser thereof into a material that is included in U.S.
118 industry group 3255 in the North American Industrial Classification
119 System United States Manual, United States Office of Management and
120 Budget, 2007 edition, and such products are subsequently exported for
121 sale or use outside this state. Such company shall be allowed said
122 credit in the amount of tax paid to the state with respect to the sale of
123 such products.

124 [(2)] (3) In addition, such company shall be allowed such credit
125 when there has been any sale of such products subsequent to the sale
126 by such company but prior to sale or use outside this state, provided
127 (A) each purchaser receives payment, related to such products sold or
128 used outside this state, equal to the tax imposed under said section 12-
129 587, on gross earnings from the first sale of such products within this
130 state, and (B) the purchaser selling or using such products outside this
131 state complies with the requirements in this section related to a
132 purchaser of such products from the company liable for such tax.

133 (b) (1) Any company liable for the tax imposed under subsection (c)
134 of section 12-587 on the consideration given or contracted to be given
135 for petroleum products which it imports or causes to be imported into
136 this state for sale, use or consumption in this state, shall be allowed a
137 credit against tax under subsection (c) of section 12-587 if the company
138 subsequently exports such petroleum products for sale or use outside
139 this state, in the amount of tax paid to the state with respect to the sale,
140 use or consumption in this state of such products.

141 (2) The credit allowed pursuant to subdivision (1) of this subsection
142 may also be claimed, in the same manner as provided in said
143 subdivision (1), by any such company when the petroleum products

144 which such company imports or causes to be imported into this state
145 are incorporated by such company into a material that is included in
146 U.S. industry group 3255 in the North American Industrial
147 Classification System United States Manual, United States Office of
148 Management and Budget, 2007 edition, and such company
149 subsequently exports such products for sale or use outside this state.
150 Such company shall be allowed said credit in the amount of tax paid to
151 the state with respect to the sale, use or consumption in this state of
152 such products.

153 Sec. 5. Subsection (b) of section 12-589 of the general statutes is
154 repealed and the following is substituted in lieu thereof (*Effective July*
155 *1, 2013, and applicable to refunds issued on or after said date*):

156 (b) (1) To any refund granted as a result of overpayments of any
157 taxes imposed under section 12-587, as amended by this act, except
158 refunds due because of any intentional overpayment, there shall be
159 added interest at the rate of two-thirds of one per cent for each month
160 or fraction of a month, [which elapses between (1) the later of the due
161 date of such taxes or the date of making such overpayment and (2) the
162 date of notice by the Commissioner of Revenue Services that any such
163 refund is due] as provided in subdivisions (2) and (3) of this
164 subsection.

165 (2) In case of such overpayment pursuant to a tax return, no interest
166 shall be allowed or paid under this subsection on such overpayment
167 for any month or fraction thereof prior to (A) the ninety-first day after
168 the last day prescribed for filing the tax return associated with such
169 overpayment, or (B) the ninety-first day after the date such return was
170 filed, whichever is later.

171 (3) In case of such overpayment pursuant to an amended tax return,
172 no interest shall be allowed or paid under this subsection on such
173 overpayment for any month or fraction thereof prior to the ninety-first
174 day after the date such amended tax return was filed.

175 Sec. 6. Subsection (d) of section 12-647 of the general statutes is
176 repealed and the following is substituted in lieu thereof (*Effective July*
177 *1, 2013, and applicable to refunds issued on or after said date*):

178 (d) (1) Whenever there is an overpayment of the tax imposed by this
179 chapter, the commissioner shall return to the taxpayer the
180 overpayment, which shall bear interest at the rate of two-thirds of one
181 per cent per month or fraction thereof, [said interest commencing from
182 the due date of the return required under this chapter, or the date of
183 payment, whichever is later] as provided in subdivisions (2) and (3) of
184 this subsection.

185 (2) In case of such overpayment pursuant to a tax return, no interest
186 shall be allowed or paid under this subsection on such overpayment
187 for any month or fraction thereof prior to (A) the ninety-first day after
188 the last day prescribed for filing the tax return associated with such
189 overpayment, determined without regard to any extension of time for
190 filing, or (B) the ninety-first day after the date such return was filed,
191 whichever is later.

192 (3) In case of such overpayment pursuant to an amended tax return,
193 no interest shall be allowed or paid under this subsection on such
194 overpayment for any month or fraction thereof prior to the ninety-first
195 day after the date such amended tax return was filed.

196 Sec. 7. (NEW) (*Effective from passage and applicable to calendar years*
197 *commencing on and after January 1, 2013*) (a) Whenever a company
198 subject to tax under the provisions of chapter 207 of the general
199 statutes is eligible to claim more than one tax credit, the credits shall be
200 claimed for the calendar year in the following order:

201 (1) Any credit that may be carried backward to a preceding calendar
202 year or years shall first be claimed (A) with any credit carry-back that
203 will expire first being claimed prior to any credit carry-back that will
204 expire later or will not expire at all, and (B) if the credit carry-backs
205 will expire at the same time, in the order in which the company may

206 receive the maximum benefit;

207 (2) Any credit that may not be carried backward to a preceding
208 calendar year or years and that may not be carried forward to a
209 succeeding calendar year or years shall next be claimed, in the order in
210 which the company may receive the maximum benefit; and

211 (3) Any credit that may be carried forward to a succeeding calendar
212 year or years shall next be claimed (A) with any credit carry-forward
213 that will expire first being claimed prior to any credit carry-forward
214 that will expire later or will not expire at all, and (B) if the credit carry-
215 forwards will expire at the same time, in the order in which the
216 company may receive the maximum benefit.

217 (b) In no event shall any credit be claimed more than once.

218 Sec. 8. Section 12-217dd of the general statutes is repealed and the
219 following is substituted in lieu thereof (*Effective July 1, 2013, and*
220 *applicable to income years commencing on or after January 1, 2013*):

221 (a) For purposes of this section: [, "donation]

222 (1) "Donation of open space land" means the value of any land or
223 interest in land conveyed without financial consideration, or the value
224 of any discount of the sale price in any sale of land or interest in land,
225 to the state, a political subdivision of the state, a water company, as
226 defined in section 25-32a, or to any nonprofit land conservation
227 organization where such land is to be permanently preserved as
228 protected open space or used as a public water supply source.

229 (2) "Donation of land for educational use" means the value of any
230 land or interest in land conveyed without financial consideration, or
231 the value of any discount of the sale price in any sale of land or interest
232 in land, to any town, city or borough, whether consolidated or
233 unconsolidated, or any school district or regional school district for
234 educational use, as defined in section 16-43b.

235 (b) There shall be allowed a credit for all taxpayers against the tax
236 imposed under [section 12-217] this chapter, in an amount equal to
237 fifty per cent of any donation of open space land [or as a public water
238 supply source] and fifty per cent of any donation of land for
239 educational use. For purposes of calculating the credit under this
240 section, the amount of donation shall be based on the use value of the
241 donated [open space] land and the amount received for such land. For
242 purposes of this subsection, "use value" means the fair market value of
243 land at its highest and best use, as determined by a certified real estate
244 appraiser.

245 (c) A credit for the donation of open space land that is allowed
246 under this section [,] with respect to any taxable year commencing on
247 or after January 1, 2000, but is not used by a taxpayer, may be carried
248 forward to each of the successive income years until such credit is fully
249 taken, [. In] but in no case shall a credit that is not used be carried
250 forward for a period of more than twenty-five years. A credit for the
251 donation of land for educational use that is allowed under this section
252 with respect to any taxable year commencing on or after January 1,
253 2013, but is not used by a taxpayer, may be carried forward to each of
254 the successive income years until such credit is fully taken, but in no
255 case shall a credit that is not used be carried forward for a period of
256 more than twenty-five years.

257 Sec. 9. Section 12-217ff of the general statutes is repealed and the
258 following is substituted in lieu thereof (*Effective July 1, 2013, and*
259 *applicable to income years commencing on or after January 1, 2013*):

260 (a) For purposes of this section, "donation of land for educational
261 use" means the value of any land or interest in land conveyed without
262 financial consideration, or the value of any discount of the sale price in
263 any sale of land or interest in land, to any municipality or political
264 subdivision of the state for educational use, as defined in section 16-
265 43b.

266 (b) There shall be allowed a credit for all taxpayers against the tax

267 imposed under section 12-217, in an amount equal to fifty per cent of
268 any donation of land for educational use. For purposes of calculating
269 the credit under this section the amount of donation shall be based on
270 the difference between the use value of the donated land and the
271 amount received for such land. For the purposes of this subsection,
272 "use value" means a fair market value of land at its highest and best
273 use, as determined by a certified real estate appraiser.

274 (c) A credit that is allowed under this section, with respect to any
275 taxable year commencing on or after January 1, 2004, but is not used by
276 a taxpayer may be carried forward to each of the successive income
277 years until such credit is fully taken. In no case shall a credit that is not
278 used be carried forward for a period of more than fifteen years.

279 (d) No tax credit shall be allowed under this section with respect to
280 any donation of land for educational use made on or after January 1,
281 2013.

282 Sec. 10. Subdivision (3) of subsection (b) of section 12-217kk of the
283 general statutes is repealed and the following is substituted in lieu
284 thereof (*Effective from passage*):

285 (3) Any credit allowed pursuant to this section may be sold,
286 assigned or otherwise transferred, in whole or in part, to one or more
287 taxpayers, and such taxpayers may sell, assign or otherwise transfer, in
288 whole or in part, such credit. [Any taxpayer holding such credit may
289 claim such credit only for the income year in which expenditures were
290 made by the taxpayer for the infrastructure project.]

291 Sec. 11. Subsections (e) and (f) of section 12-217pp of the general
292 statutes are repealed and the following is substituted in lieu thereof
293 (*Effective July 1, 2013*):

294 (e) (1) To be eligible to claim the credit, a taxpayer shall apply to the
295 commissioner in accordance with the provisions of this section. The
296 application shall be on a form provided by the commissioner and shall
297 contain sufficient information as required by the commissioner,

298 including, but not limited to, the activities that the taxpayer primarily
299 engages in, the North American Industrial Classification System code
300 of the taxpayer, the current number of employees employed by the
301 taxpayer as of the application date, and if applicable, the name and
302 position or job title of the new, qualifying or veteran employee. The
303 commissioner shall consult with the Labor Commissioner, the
304 Commissioner of Rehabilitation Services or the Commissioner of
305 Veterans' Affairs, Mental Health and Addiction Services or
306 Developmental Services, as applicable, for any verification the
307 commissioner deems necessary of unemployment compensation or
308 vocational rehabilitation services received by a qualifying employee, or
309 of service in the armed forces of the United States by a veteran
310 employee. The commissioner may impose a fee for such application as
311 the commissioner deems appropriate.

312 (2) (A) Upon receipt of an application, the commissioner shall
313 render a decision, in writing, on each completed application not later
314 than thirty days after the date of its receipt by the commissioner. If the
315 commissioner approves such application, the commissioner shall issue
316 a certification letter to the taxpayer indicating that the credit will be
317 available to be claimed by the taxpayer if the taxpayer and new,
318 qualifying or veteran employee otherwise meets the requirements of
319 this section.

320 (B) On and after January 1, 2014, the commissioner shall render a
321 decision upon such completed applications and, if approved, issue
322 such certification letters, as provided in subparagraph (A) of this
323 subdivision, that pertain to qualifying or veteran employees who meet
324 the requirements of this section, and with respect to whom credits
325 pursuant to this section have previously been granted. The
326 commissioner may, in his or her discretion, render a decision upon
327 applications that pertain to new employees, with respect to whom
328 credits pursuant to this section have previously been granted, when
329 such applications are consistent with the economic development
330 priorities of the state.

331 (f) (1) The total amount of credits granted under this section and
332 sections 12-217ii, 12-217nn and 12-217oo shall not exceed twenty
333 million dollars in any one fiscal year or forty million dollars over the
334 duration of the job expansion tax credit program, including the two
335 immediately succeeding income years after such credits are granted.

336 (2) If a taxpayer was issued an eligibility certificate by the
337 commissioner prior to January 1, 2012, to receive a jobs creation tax
338 credit pursuant to section 12-217ii, the provisions of the tax credit
339 program pursuant to said section 12-217ii shall apply to such taxpayer
340 for the duration of the eligibility certificate.

341 (3) If a taxpayer is issued a certification letter by the commissioner
342 prior to January 1, 2013, to receive a qualified small business job
343 creation tax credit pursuant to section 12-217nn, the provisions of the
344 tax credit program pursuant to said section 12-217nn shall apply to
345 such taxpayer for the duration of such certification.

346 (4) If a taxpayer was issued a certification letter by the commissioner
347 prior to January 1, 2012, to receive a vocational rehabilitation job
348 creation tax credit pursuant to section 12-217oo, the provisions of the
349 tax credit program pursuant to said section 12-217oo shall apply to
350 such taxpayer for the duration of such certification.

351 Sec. 12. (*Effective from passage*) (a) The Commissioner of Revenue
352 Services shall conduct a study of the personal income tax structure to
353 consider the impact upon taxpayers, by state tax filing status, of the
354 various tax rates and credits established pursuant to chapter 229 of the
355 general statutes. Such study shall include (1) an analysis of the taxes
356 and credits based on adjusted gross income imposed on each group of
357 taxpayers at the same or equivalent income level, and whether such
358 taxes and credits are the same or equivalent, (2) a comparison of the
359 effect of basing the state personal income tax on federal adjusted gross
360 income versus federal taxable income, and (3) consideration of how
361 such tax rates and credits might be restructured to ensure that tax
362 liability is shared equitably among all taxpayers, while maintaining the

363 current state revenue levels.

364 (b) On or before January 15, 2014, the commissioner shall report, in
365 accordance with the provisions of section 11-4a of the general statutes,
366 to the joint standing committee of the General Assembly having
367 cognizance of matters relating to finance, revenue and bonding on the
368 results of the study required pursuant to subsection (a) of this section.
369 Such report shall include suggestions for legislative changes, if such
370 are found to be necessary to ensure an equitable personal income tax
371 structure.

372 Sec. 13. Subsection (h) of section 12-217n of the general statutes is
373 repealed and the following is substituted in lieu thereof (*Effective July*
374 *1, 2013*):

375 (h) Any taxpayer, or in the case of a combined return, any combined
376 group of taxpayers, that claims a credit under section 12-217j for any
377 income year shall reduce the amount of research and development
378 expenses that otherwise may be taken into account in computing the
379 allowable credit under subsection (c) of this section for such income
380 year by the amount of excess research and experimental expenditures,
381 as computed under said section 12-217j, for which the credit
382 thereunder is given. [Any taxpayer, or in the case of a combined
383 return, any combined group of taxpayers, that claims a credit under
384 section 12-217l for any income year shall reduce the amount of
385 research and development expenses that otherwise may be taken into
386 account in computing the allowable credit under subsection (c) of this
387 section for such income year by the amount of excess grants to
388 institutions of higher education in Connecticut, as computed under
389 said section 12-217l, for which the credit thereunder is given.]

390 Sec. 14. Subsection (a) of section 16-245l of the general statutes is
391 repealed and the following is substituted in lieu thereof (*Effective July*
392 *1, 2013*):

393 (a) The Public Utilities Regulatory Authority shall establish and

394 each electric distribution company shall collect a systems benefits
395 charge to be imposed against all end use customers of each electric
396 distribution company beginning January 1, 2000. The authority shall
397 hold a hearing that shall be conducted as a contested case in
398 accordance with chapter 54 to establish the amount of the systems
399 benefits charge. The authority may revise the systems benefits charge
400 or any element of said charge as the need arises. The systems benefits
401 charge shall be used to fund (1) the expenses of the public education
402 outreach program developed under subsections (a), (f) and (g) of
403 section 16-244d other than expenses for authority staff, (2) the
404 reasonable and proper expenses of the education outreach consultant
405 pursuant to subsection (d) of section 16-244d, (3) the cost of hardship
406 protection measures under sections 16-262c and 16-262d and other
407 hardship protections, including, but not limited to, electric service bill
408 payment programs, funding and technical support for energy
409 assistance, fuel bank and weatherization programs and weatherization
410 services, (4) the payment program to offset tax losses described in
411 section 12-94d, (5) any sums paid to a resource recovery authority
412 pursuant to subsection (b) of section 16-243e, (6) low income
413 conservation programs approved by the Public Utilities Regulatory
414 Authority, (7) displaced worker protection costs, (8) unfunded storage
415 and disposal costs for spent nuclear fuel generated before January 1,
416 2000, approved by the appropriate regulatory agencies, (9)
417 postretirement safe shutdown and site protection costs that are
418 incurred in preparation for decommissioning, (10) decommissioning
419 fund contributions, (11) the costs of temporary electric generation
420 facilities incurred pursuant to section 16-19ss, (12) operating expenses
421 for the Connecticut Energy Advisory Board, (13) costs associated with
422 the Connecticut electric efficiency partner program established
423 pursuant to section 16-243v, (14) reinvestments and investments in
424 energy efficiency programs and technologies pursuant to section 16a-
425 38l, costs associated with the electricity conservation incentive
426 program established pursuant to section 119 of public act 07-242, and
427 (15) legal, appraisal and purchase costs of a conservation or land use
428 restriction and other related costs as the authority in its discretion

429 deems appropriate, incurred by a municipality on or before January 1,
430 2000, to ensure the environmental, recreational and scenic preservation
431 of any reservoir located within this state created by a pump storage
432 hydroelectric generating facility. As used in this subsection, "displaced
433 worker protection costs" means the reasonable costs incurred, prior to
434 January 1, 2008, (A) by an electric supplier, exempt wholesale
435 generator, electric company, an operator of a nuclear power generating
436 facility in this state or a generation entity or affiliate arising from the
437 dislocation of any employee other than an officer, provided such
438 dislocation is a result of (i) restructuring of the electric generation
439 market and such dislocation occurs on or after July 1, 1998, or (ii) the
440 closing of a Title IV source or an exempt wholesale generator, as
441 defined in 15 USC 79z-5a, on or after January 1, 2004, as a result of
442 such source's failure to meet requirements imposed as a result of
443 sections 22a-197 and 22a-198 and this section or those Regulations of
444 Connecticut State Agencies adopted by the Department of Energy and
445 Environmental Protection, as amended from time to time, in
446 accordance with Executive Order Number 19, issued on May 17, 2000,
447 and provided further such costs result from either the execution of
448 agreements reached through collective bargaining for union
449 employees or from the company's or entity's or affiliate's programs
450 and policies for nonunion employees, and (B) by an electric
451 distribution company or an exempt wholesale generator arising from
452 the retraining of a former employee of an unaffiliated exempt
453 wholesale generator, which employee was involuntarily dislocated on
454 or after January 1, 2004, from such wholesale generator, except for
455 cause. "Displaced worker protection costs" includes costs incurred or
456 projected for severance, retraining, early retirement, outplacement,
457 coverage for surviving spouse insurance benefits and related expenses.
458 ["Displaced worker protection costs" does not include those costs
459 included in determining a tax credit pursuant to section 12-217bb.]

460 Sec. 15. Subsection (b) of section 38a-91nn of the general statutes is
461 repealed and the following is substituted in lieu thereof (*Effective July*
462 *1, 2013*):

463 (b) Each captive insurance company shall pay to the Commissioner
464 of Revenue Services, [in the month of March] on or before March first
465 of each year, a tax at the rate of (1) two hundred fourteen thousandths
466 of one per cent on the first twenty million dollars, (2) one hundred
467 forty-three thousandths of one per cent on the next twenty million
468 dollars, (3) forty-eight thousandths of one per cent on the next twenty
469 million dollars, and (4) twenty-four thousandths of one per cent on
470 each dollar thereafter, on assumed reinsurance premiums collected or
471 contracted for on policies or contracts of insurance written by the
472 captive insurance company during the year ending December thirty-
473 first next preceding, provided no tax under this subsection shall apply
474 to premiums for risks or portions of risks that are subject to taxation on
475 a direct basis pursuant to subsection (a) of this section. No tax under
476 this subsection shall be payable in connection with the receipt of assets
477 in exchange for the assumption by a captive insurance company of loss
478 reserves and other liabilities of another insurer under common
479 ownership and control, if such transaction is part of a plan to
480 discontinue the operations of such other insurer and if the intent of the
481 parties to such transaction is to renew or maintain such business with
482 the captive insurance company.

483 Sec. 16. Section 12-204f of the general statutes is repealed and the
484 following is substituted in lieu thereof (*Effective July 1, 2013, and*
485 *applicable to estimated tax payments for calendar years commencing on and*
486 *after January 1, 2014*):

487 (a) If any domestic insurance company has paid as an installment of
488 estimated tax an amount in excess of the amount determined to be the
489 correct amount of such installment, such amount shall be credited
490 against any unpaid installment or against the tax. If the amount
491 already paid, whether or not on the basis of installments, exceeds the
492 amount determined to be the correct amount of the tax, such company
493 shall be paid by the State Treasurer, upon order of the Comptroller, the
494 amount of such overpayment. [The commissioner may prescribe
495 regulations providing for the crediting against the estimated tax for

496 any taxable year of the amount determined to be an overpayment of
497 the premium tax for a preceding taxable year.]

498 (b) If any domestic insurance company has filed its tax return under
499 this chapter for the calendar year on or before the due date of such
500 return or, if an extension of time to file has been requested and
501 granted, on or before the extended due date of such return, any
502 overpayment reported on such return, if the company has elected to
503 credit such overpayment against the company's estimated tax for the
504 succeeding calendar year, shall be treated as if paid on the due date of
505 the first required installment of estimated tax for such succeeding
506 calendar year. Such overpayment shall be credited against the
507 otherwise unpaid required installments in the order in which such
508 installments are required to be paid under section 12-204c.

509 Sec. 17. (NEW) (*Effective July 1, 2015, and applicable to calendar years*
510 *commencing on and after January 1, 2015*) An insurance company or
511 health care center, as defined in section 38a-175 of the general statutes,
512 may transfer any credit allowed against the tax imposed by chapter
513 207 of the general statutes to an affiliate, as defined in section 38a-1 of
514 the general statutes, of the insurance company or health care center.
515 Such credit may be taken by any such affiliate only against the
516 affiliate's tax liability imposed under chapter 207 of the general
517 statutes. The Commissioner of Revenue Services shall not allow any
518 credit to an affiliate against such tax liability unless the insurance
519 company or health care center and affiliate have filed such information
520 as may be required on forms provided by the commissioner with
521 respect to any such transfer on or before the due date of the tax return
522 on which such credit would have been taken by the insurance
523 company or health care center if no transfer had been made by such
524 insurance company or health care center.

525 Sec. 18. Sections 12-217l, 12-217y, 12-217bb and 12-217hh of the
526 general statutes are repealed. (*Effective July 1, 2013*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to refunds issued on or after said date</i>	12-268c(b)
Sec. 2	<i>July 1, 2013, and applicable to refunds issued on or after said date</i>	12-392(a)(3)
Sec. 3	<i>July 1, 2013</i>	12-587(b)(2)
Sec. 4	<i>July 1, 2015, and applicable to quarterly periods commencing on or after said date</i>	12-587a
Sec. 5	<i>July 1, 2013, and applicable to refunds issued on or after said date</i>	12-589(b)
Sec. 6	<i>July 1, 2013, and applicable to refunds issued on or after said date</i>	12-647(d)
Sec. 7	<i>from passage and applicable to calendar years commencing on and after January 1, 2013</i>	New section
Sec. 8	<i>July 1, 2013, and applicable to income years commencing on or after January 1, 2013</i>	12-217dd
Sec. 9	<i>July 1, 2013, and applicable to income years commencing on or after January 1, 2013</i>	12-217ff
Sec. 10	<i>from passage</i>	12-217kk(b)(3)
Sec. 11	<i>July 1, 2013</i>	12-217pp(e) and (f)
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>July 1, 2013</i>	12-217n(h)
Sec. 14	<i>July 1, 2013</i>	16-245l(a)
Sec. 15	<i>July 1, 2013</i>	38a-91nn(b)

Sec. 16	<i>July 1, 2013, and applicable to estimated tax payments for calendar years commencing on and after January 1, 2014</i>	12-204f
Sec. 17	<i>July 1, 2015, and applicable to calendar years commencing on and after January 1, 2015</i>	New section
Sec. 18	<i>July 1, 2013</i>	Repealer section