



General Assembly

February Session, 2014

Proposed Bill No. 5095

LCO No. 420

Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
REP. CANDELORA, 86th Dist.

AN ACT CONCERNING A DEDICATED SOURCE TO BE USED FOR THE BUDGET RESERVE FUND, EXCESS DEBT PAYMENTS AND EXCESS PENSION PAYMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 That chapter 229 of the general statutes be amended to provide that
2 the amount of personal income taxes paid on that portion of
3 Connecticut adjusted gross income equal to the taxpayer's unearned
4 income includable in gross income for federal tax purposes shall be
5 analyzed by the Department of Revenue Services to calculate a base
6 amount of revenue representing the personal income tax paid on
7 unearned income. Effective January 1, 2017, any personal income tax
8 paid on unearned income that is greater than the calculated base
9 amount shall be segregated from the General Fund, and shall be used
10 to (1) increase the amount in the Budget Reserve Fund, (2) provide
11 debt service payments that are in excess of the amounts currently due,
12 or (3) provide pension payments that are in excess of annual required
13 contribution. In each year following 2017, the amount to be segregated
14 shall be based on the amount of personal income tax paid on unearned
15 income that is greater than the amount collected the previous year.

Statement of Purpose:

To provide for additional state revenue through segregating an amount representing income taxes paid on unearned income.