



General Assembly

Substitute Bill No. 367

February Session, 2014



AN ACT CONCERNING THE GIFT AND ESTATE TAX.

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

1 Section 1. Subsections (c) and (d) of section 12-391 of the 2014
2 supplement to the general statutes are repealed and the following is
3 substituted in lieu thereof (*Effective from passage*):

4 (c) For purposes of this section:

5 (1) (A) "Connecticut taxable estate" means, with respect to the
6 estates of decedents dying on or after January 1, 2005, but prior to
7 January 1, 2010, (i) the gross estate less allowable deductions, as
8 determined under Chapter 11 of the Internal Revenue Code, plus (ii)
9 the aggregate amount of all Connecticut taxable gifts, as defined in
10 section 12-643, made by the decedent for all calendar years beginning
11 on or after January 1, 2005, but prior to January 1, 2010. The deduction
12 for state death taxes paid under Section 2058 of said code shall be
13 disregarded.

14 (B) "Connecticut taxable estate" means, with respect to the estates of
15 decedents dying on or after January 1, 2010, but prior to January 1,
16 2015, (i) the gross estate less allowable deductions, as determined
17 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
18 amount of all Connecticut taxable gifts, as defined in section 12-643,

19 made by the decedent for all calendar years beginning on or after
20 January 1, 2005. The deduction for state death taxes paid under Section
21 2058 of said code shall be disregarded.

22 (C) "Connecticut taxable estate" means, with respect to the estates of
23 decedents dying on or after January 1, 2015, (i) the gross estate less
24 allowable deductions, as determined under Chapter 11 of the Internal
25 Revenue Code, plus (ii) the aggregate amount of all Connecticut
26 taxable gifts, as defined in section 12-643, made by the decedent for all
27 calendar years beginning on or after January 1, 2005, other than
28 Connecticut taxable gifts that are includable in the gross estate for
29 federal income tax purposes of the decedent, plus (iii) the amount of
30 any tax paid to this state pursuant to section 12-642 by the decedent or
31 the decedent's estate on any gift made by the decedent or the
32 decedent's spouse during the three-year period preceding the date of
33 the decedent's death. The deduction for state death taxes paid under
34 Section 2058 of the Internal Revenue Code shall be disregarded.

35 (2) "Internal Revenue Code" means the Internal Revenue Code of
36 1986, or any subsequent corresponding internal revenue code of the
37 United States, as from time to time amended, except in the event of
38 repeal of the federal estate tax, then all references to the Internal
39 Revenue Code in this section shall mean the Internal Revenue Code as
40 in force on the day prior to the effective date of such repeal.

41 (3) "Gross estate" means the gross estate, for federal estate tax
42 purposes.

43 (d) (1) (A) With respect to the estates of decedents who die on or
44 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
45 upon the transfer of the estate of each person who at the time of death
46 was a resident of this state. The amount of the tax shall be determined
47 using the schedule in subsection (g) of this section. A credit shall be
48 allowed against such tax for any taxes paid to this state pursuant to
49 section 12-642 for Connecticut taxable gifts made on or after January 1,
50 2005, but prior to January 1, 2010.

51 (B) With respect to the estates of decedents who die on or after
52 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the
53 transfer of the estate of each person who at the time of death was a
54 resident of this state. The amount of the tax shall be determined using
55 the schedule in subsection (g) of this section. A credit shall be allowed
56 against such tax for any taxes paid to this state pursuant to section 12-
57 642 for Connecticut taxable gifts made on or after January 1, 2005,
58 provided such credit shall not exceed the amount of tax imposed by
59 this section.

60 (C) With respect to the estates of decedents who die on or after
61 January 1, 2015, a tax is imposed upon the transfer of the estate of each
62 person who at the time of death was a resident of this state. The
63 amount of the tax shall be determined using the schedule in subsection
64 (g) of this section. A credit shall be allowed against such tax for (i) any
65 taxes paid to this state pursuant to section 12-642 for Connecticut
66 taxable gifts made on or after January 1, 2005, and (ii) any taxes paid
67 by the decedent's spouse to this state pursuant to section 12-642 for
68 Connecticut taxable gifts made by the decedent on or after January 1,
69 2005, that are includable in the gross estate of the decedent, provided
70 such credit shall not exceed the amount of tax imposed by this section.

71 (2) If real or tangible personal property of such decedent is located
72 outside of this state, the amount of tax due under this section shall be
73 reduced by an amount computed by multiplying the tax otherwise due
74 pursuant to subdivision (1) of this subsection, without regard to the
75 credit allowed for any taxes paid to this state pursuant to section 12-
76 642, by a fraction, [(i)] (A) the numerator of which is the value of that
77 part of the decedent's gross estate attributable to real or tangible
78 personal property located outside of the state, and [(ii)] (B) the
79 denominator of which is the value of the decedent's gross estate.

80 (3) For a resident estate, the state shall have the power to levy the
81 estate tax upon real property situated in this state, tangible personal
82 property having an actual situs in this state and intangible personal
83 property included in the gross estate of the decedent, regardless of

84 where it is located. The state is permitted to calculate the estate tax and
85 levy said tax to the fullest extent permitted by the Constitution of the
86 United States.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	12-391(c) and (d)
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FIN *Joint Favorable Subst.*