



**House Bill No. 7061**

**Public Act No. 15-244**

**AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2017, AND MAKING APPROPRIATIONS THEREFOR, AND OTHER PROVISIONS RELATED TO REVENUE, DEFICIENCY APPROPRIATIONS AND TAX FAIRNESS AND ECONOMIC DEVELOPMENT.**

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

Section 1. (*Effective July 1, 2015*) The following sums are appropriated from the GENERAL FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
LEGISLATIVE		
LEGISLATIVE MANAGEMENT		
Personal Services	48,856,926	50,744,676
Other Expenses	17,008,514	18,445,596
Equipment	375,100	475,100
Flag Restoration	70,312	71,250
Minor Capital Improvements	380,000	225,000
Interim Salary/Caucus Offices	641,942	493,898
Old State House	569,724	589,589
Interstate Conference Fund	394,288	410,058
New England Board of Higher Education	179,788	185,179
AGENCY TOTAL	68,476,594	71,640,346

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AUDITORS OF PUBLIC ACCOUNTS		
Personal Services	12,225,412	12,250,473
Other Expenses	400,115	404,950
Equipment	10,000	10,000
AGENCY TOTAL	12,635,527	12,665,423
COMMISSION ON AGING		
Personal Services	416,393	416,393
Other Expenses	38,236	38,236
AGENCY TOTAL	454,629	454,629
PERMANENT COMMISSION ON THE STATUS OF WOMEN		
Personal Services	541,016	541,016
Other Expenses	83,864	75,864
Equipment	1,000	1,000
AGENCY TOTAL	625,880	617,880
COMMISSION ON CHILDREN		
Personal Services	668,389	668,389
Other Expenses	100,932	100,932
AGENCY TOTAL	769,321	769,321
LATINO AND PUERTO RICAN AFFAIRS COMMISSION		
Personal Services	418,191	418,191
Other Expenses	27,290	27,290
AGENCY TOTAL	445,481	445,481
AFRICAN-AMERICAN AFFAIRS COMMISSION		
Personal Services	272,829	272,829
Other Expenses	28,128	28,128
AGENCY TOTAL	300,957	300,957

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ASIAN PACIFIC AMERICAN AFFAIRS COMMISSION		
Personal Services	209,155	209,155
Other Expenses	14,330	14,330
AGENCY TOTAL	223,485	223,485
GENERAL GOVERNMENT		
GOVERNOR'S OFFICE		
Personal Services	2,372,643	2,407,998
Other Expenses	200,590	203,265
New England Governors' Conference	106,209	107,625
National Governors' Association	126,469	128,155
AGENCY TOTAL	2,805,911	2,847,043
SECRETARY OF THE STATE		
Personal Services	2,923,939	2,941,115
Other Expenses	1,820,472	1,842,745
Commercial Recording Division	5,658,728	5,686,861
Board of Accountancy	297,114	301,941
AGENCY TOTAL	10,700,253	10,772,662
LIEUTENANT GOVERNOR'S OFFICE		
Personal Services	639,983	649,519
Other Expenses	68,640	69,555
AGENCY TOTAL	708,623	719,074
STATE TREASURER		
Personal Services	3,255,469	3,313,919
Other Expenses	153,942	155,995
AGENCY TOTAL	3,409,411	3,469,914
STATE COMPTROLLER		
Personal Services	25,190,835	25,394,018
Other Expenses	5,801,377	5,179,660
AGENCY TOTAL	30,992,212	30,573,678

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DEPARTMENT OF REVENUE SERVICES		
Personal Services	61,648,494	62,091,282
Other Expenses	8,395,265	7,722,172
AGENCY TOTAL	70,043,759	69,813,454
OFFICE OF GOVERNMENTAL ACCOUNTABILITY		
Personal Services	826,468	837,351
Other Expenses	57,220	59,720
Child Fatality Review Panel	107,668	107,915
Information Technology Initiatives	31,588	31,588
Elections Enforcement Commission	3,624,215	3,675,456
Office of State Ethics	1,580,644	1,600,405
Freedom of Information Commission	1,726,320	1,735,450
Contracting Standards Board	314,368	302,932
Judicial Review Council	146,265	148,294
Judicial Selection Commission	93,100	93,279
Office of the Child Advocate	714,642	712,546
Office of the Victim Advocate	462,544	460,972
Board of Firearms Permit Examiners	127,959	128,422
AGENCY TOTAL	9,813,001	9,894,330
OFFICE OF POLICY AND MANAGEMENT		
Personal Services	12,986,179	13,038,950
Other Expenses	1,190,216	1,216,413
Automated Budget System and Data Base Link	46,600	47,221
Justice Assistance Grants	1,008,740	1,022,232
Criminal Justice Information System		984,008
Project Longevity	1,000,000	1,000,000
Tax Relief For Elderly Renters	26,700,000	28,900,000
Private Providers		8,500,000
Reimbursement to Towns for Loss of Taxes on State Property	83,641,646	83,641,646
Reimbursements to Towns for Private Tax-Exempt Property	125,431,737	125,431,737

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Reimbursement Property Tax - Disability Exemption	400,000	400,000
Distressed Municipalities	5,800,000	5,800,000
Property Tax Relief Elderly Circuit Breaker	20,505,900	20,505,900
Property Tax Relief Elderly Freeze Program	120,000	120,000
Property Tax Relief for Veterans	2,970,098	2,970,098
AGENCY TOTAL	281,801,116	293,578,205
DEPARTMENT OF VETERANS' AFFAIRS		
Personal Services	23,152,920	23,338,814
Other Expenses	5,059,380	5,059,380
Support Services for Veterans	180,500	180,500
SSMF Administration	593,310	593,310
Burial Expenses	7,200	7,200
Headstones	332,500	332,500
AGENCY TOTAL	29,325,810	29,511,704
DEPARTMENT OF ADMINISTRATIVE SERVICES		
Personal Services	53,985,369	54,425,425
Other Expenses	32,717,944	32,807,679
Tuition Reimbursement - Training and Travel	382,000	
Labor - Management Fund	75,000	
Management Services	4,623,259	4,428,787
Loss Control Risk Management	114,854	114,854
Employees' Review Board	20,822	21,100
Surety Bonds for State Officials and Employees	141,800	73,600
Quality of Work-Life	350,000	
Refunds Of Collections	25,723	25,723
Rents and Moving	13,069,421	11,447,039
W. C. Administrator	5,000,000	5,000,000
Connecticut Education Network	2,941,857	2,941,857
State Insurance and Risk Mgmt Operations	13,683,019	13,995,707
IT Services	14,315,087	14,454,305
AGENCY TOTAL	141,446,155	139,736,076

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ATTORNEY GENERAL		
Personal Services	33,038,471	33,154,538
Other Expenses	1,062,361	1,078,926
AGENCY TOTAL	34,100,832	34,233,464
DIVISION OF CRIMINAL JUSTICE		
Personal Services	48,985,592	49,475,371
Other Expenses	2,561,355	2,561,355
Witness Protection	180,000	180,000
Training And Education	56,499	56,499
Expert Witnesses	330,000	330,000
Medicaid Fraud Control	1,323,438	1,325,095
Criminal Justice Commission	481	481
Cold Case Unit	277,119	282,511
Shooting Taskforce	1,115,406	1,125,663
AGENCY TOTAL	54,829,890	55,336,975
REGULATION AND PROTECTION		
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION		
Personal Services	149,608,808	149,909,977
Other Expenses	29,099,716	29,033,588
Equipment	93,990	93,990
Stress Reduction	25,354	25,354
Fleet Purchase	6,183,375	6,877,690
Workers' Compensation Claims	4,562,247	4,562,247
Fire Training School - Willimantic	98,079	100,000
Maintenance of County Base Fire Radio Network	23,918	23,918
Maintenance of State-Wide Fire Radio Network	15,919	15,919
Police Association of Connecticut	190,000	190,000
Connecticut State Firefighter's Association	194,711	194,711
Fire Training School - Torrington	59,034	60,000
Fire Training School - New Haven	39,426	40,000
Fire Training School - Derby	29,559	30,000

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Fire Training School - Wolcott	68,810	70,000
Fire Training School - Fairfield	49,164	50,000
Fire Training School - Hartford	97,989	100,000
Fire Training School - Middletown	29,299	30,000
Fire Training School - Stamford	29,342	30,000
AGENCY TOTAL	190,498,740	191,437,394
MILITARY DEPARTMENT		
Personal Services	3,146,928	3,179,977
Other Expenses	2,595,180	2,603,340
Honor Guards	350,000	350,000
Veteran's Service Bonuses	72,000	50,000
AGENCY TOTAL	6,164,108	6,183,317
DEPARTMENT OF CONSUMER PROTECTION		
Personal Services	15,935,765	16,070,008
Other Expenses	1,346,243	1,464,066
AGENCY TOTAL	17,282,008	17,534,074
LABOR DEPARTMENT		
Personal Services	9,434,317	9,515,435
Other Expenses	1,268,588	1,128,588
CETC Workforce	686,938	707,244
Workforce Investment Act	32,104,008	32,104,008
Job Funnels Projects	224,700	230,510
Connecticut's Youth Employment Program	5,156,250	5,225,000
Jobs First Employment Services	18,036,623	18,039,903
STRIDE	518,094	532,475
Apprenticeship Program	583,896	584,977
Spanish-American Merchants Association	500,531	514,425
Connecticut Career Resource Network	166,061	166,909
Incumbent Worker Training	725,688	725,688
STRIVE	237,094	243,675
Customized Services	439,062	451,250
Opportunities for Long Term Unemployed	3,161,250	3,249,000

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Veterans' Opportunity Pilot	526,875	541,500
Second Chance Initiatives	1,425,000	1,425,000
Cradle To Career	200,000	200,000
2Gen - TANF	1,500,000	1,500,000
ConnectiCorps	100,000	200,000
New Haven Jobs Funnel	525,000	540,000
AGENCY TOTAL	77,519,975	77,825,587
COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES		
Personal Services	6,664,520	6,721,805
Other Expenses	369,255	369,255
Martin Luther King, Jr. Commission	6,318	6,318
AGENCY TOTAL	7,040,093	7,097,378
PROTECTION AND ADVOCACY FOR PERSONS WITH DISABILITIES		
Personal Services	2,339,429	2,354,131
Other Expenses	194,654	194,654
AGENCY TOTAL	2,534,083	2,548,785
CONSERVATION AND DEVELOPMENT		
DEPARTMENT OF AGRICULTURE		
Personal Services	4,023,923	4,074,226
Other Expenses	783,103	783,103
Senior Food Vouchers	364,857	364,928
Tuberculosis and Brucellosis Indemnity	100	100
WIC Coupon Program for Fresh Produce	174,886	174,886
AGENCY TOTAL	5,346,869	5,397,243
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION		
Personal Services	31,059,897	31,266,085
Other Expenses	2,999,978	2,999,978
Mosquito Control	272,597	272,841
State Superfund Site Maintenance	481,918	488,344

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Laboratory Fees	151,683	153,705
Dam Maintenance	142,981	143,144
Emergency Spill Response	7,278,320	7,326,885
Solid Waste Management	3,384,724	3,448,128
Underground Storage Tank	1,040,293	1,047,927
Clean Air	4,455,103	4,543,783
Environmental Conservation	9,083,811	9,122,571
Environmental Quality	10,047,411	10,115,610
Greenways Account	2	2
Conservation Districts & Soil and Water Councils	266,250	270,000
Interstate Environmental Commission	48,783	48,783
New England Interstate Water Pollution Commission	28,827	28,827
Northeast Interstate Forest Fire Compact	3,295	3,295
Connecticut River Valley Flood Control Commission	32,395	32,395
Thames River Valley Flood Control Commission	48,281	48,281
AGENCY TOTAL	70,826,549	71,360,584
COUNCIL ON ENVIRONMENTAL QUALITY		
Personal Services	181,253	182,657
Other Expenses	1,789	1,789
AGENCY TOTAL	183,042	184,446
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		
Personal Services	8,410,102	8,476,385
Other Expenses	1,072,065	1,052,065
Statewide Marketing	9,500,000	9,500,000
Small Business Incubator Program	339,916	349,352
Hartford Urban Arts Grant	395,000	400,000
New Britain Arts Council	63,187	64,941
Main Street Initiatives	152,297	154,328
Office of Military Affairs	216,598	219,962
Hydrogen/Fuel Cell Economy	153,671	157,937

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CCAT-CT Manufacturing Supply Chain	843,013	860,862
Capital Region Development Authority	7,864,370	7,864,370
Neighborhood Music School	126,375	128,250
Nutmeg Games	64,075	65,000
Discovery Museum	315,930	324,699
National Theatre of the Deaf	126,371	129,879
CONNSTEP	495,712	503,067
Development Research and Economic Assistance	121,095	124,457
Connecticut Science Center	542,512	550,000
CT Flagship Producing Theaters Grant	417,108	428,687
Women's Business Center	393,750	400,000
Performing Arts Centers	1,263,714	1,298,792
Performing Theaters Grant	492,915	505,904
Arts Commission	1,578,720	1,622,542
Art Museum Consortium	461,014	473,812
CT Invention Convention	19,687	20,000
Litchfield Jazz Festival	46,875	47,500
Connecticut River Museum	25,000	25,000
Arte Inc.	25,000	25,000
CT Virtuosi Orchestra	25,000	25,000
Barnum Museum	25,000	25,000
Greater Hartford Arts Council	88,982	91,174
Stepping Stones Museum for Children	36,951	37,977
Maritime Center Authority	487,315	500,842
Tourism Districts	1,260,788	1,295,785
Amistad Committee for the Freedom Trail	39,514	40,612
Amistad Vessel	315,929	324,698
New Haven Festival of Arts and Ideas	665,111	683,574
New Haven Arts Council	78,982	81,174
Beardsley Zoo	327,136	336,217
Mystic Aquarium	517,308	531,668
Quinebaug Tourism	34,649	35,611
Northwestern Tourism	34,649	35,611
Eastern Tourism	34,649	35,611
Central Tourism	34,649	35,611

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Twain/Stowe Homes	98,864	100,000
Cultural Alliance of Fairfield	78,982	81,174
AGENCY TOTAL	39,710,530	40,070,130
DEPARTMENT OF HOUSING		
Personal Services	2,234,652	2,242,842
Other Expenses	173,266	194,266
Elderly Rental Registry and Counselors	1,196,144	1,196,144
Subsidized Assisted Living Demonstration	2,255,625	2,332,250
Congregate Facilities Operation Costs	7,783,636	8,054,279
Housing Assistance and Counseling Program	411,094	416,575
Elderly Congregate Rent Subsidy	2,162,504	2,162,504
Housing/Homeless Services	69,107,806	75,227,013
Tax Abatement	1,118,580	1,153,793
Housing/Homeless Services - Municipality	640,398	640,398
AGENCY TOTAL	87,083,705	93,620,064
AGRICULTURAL EXPERIMENT STATION		
Personal Services	6,385,305	6,496,579
Other Expenses	1,134,017	1,134,017
Equipment	10,000	10,000
Mosquito Control	503,987	507,516
Wildlife Disease Prevention	98,515	100,158
AGENCY TOTAL	8,131,824	8,248,270
HEALTH AND HOSPITALS		
DEPARTMENT OF PUBLIC HEALTH		
Personal Services	38,464,503	38,812,372
Other Expenses	7,162,820	7,478,436
Children's Health Initiatives	1,942,969	1,972,746
Childhood Lead Poisoning	67,839	68,744
AIDS Services	85,000	85,000
Children with Special Health Care Needs	1,022,173	1,037,429
Maternal Mortality Review		1,000
Community Health Services	1,930,842	2,008,515

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Rape Crisis	617,008	617,008
Genetic Diseases Programs	237,895	237,895
Local and District Departments of Health	4,458,648	4,692,648
School Based Health Clinics	11,747,498	11,898,107
AGENCY TOTAL	67,737,195	68,909,900
OFFICE OF THE CHIEF MEDICAL EXAMINER		
Personal Services	4,825,259	4,857,946
Other Expenses	1,340,167	1,340,167
Equipment	19,226	19,226
Medicolegal Investigations	25,704	26,047
AGENCY TOTAL	6,210,356	6,243,386
DEPARTMENT OF DEVELOPMENTAL SERVICES		
Personal Services	262,989,799	265,087,937
Other Expenses	20,619,455	20,894,381
Family Support Grants	3,738,222	3,738,222
Cooperative Placements Program	24,544,841	24,477,566
Clinical Services	3,440,085	3,493,844
Workers' Compensation Claims	14,994,475	14,994,475
Autism Services	2,802,272	3,098,961
Behavioral Services Program	29,731,164	30,818,643
Supplemental Payments for Medical Services	4,908,116	4,908,116
Rent Subsidy Program	5,130,212	5,130,212
Employment Opportunities and Day Services	227,626,162	237,650,362
Community Residential Services	483,871,682	502,596,014
AGENCY TOTAL	1,084,396,485	1,116,888,733
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES		
Personal Services	205,578,670	208,141,328
Other Expenses	28,716,563	28,752,852
Housing Supports and Services	23,221,576	24,221,576
Managed Service System	62,596,523	62,743,207
Legal Services	995,819	995,819

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Connecticut Mental Health Center	8,398,341	8,509,163
Professional Services	11,488,898	11,488,898
General Assistance Managed Care	41,991,862	43,075,573
Workers' Compensation Claims	11,792,289	11,792,289
Nursing Home Screening	591,645	591,645
Young Adult Services	80,206,667	85,961,827
TBI Community Services	10,400,667	10,412,737
Jail Diversion	4,595,351	4,617,881
Behavioral Health Medications	5,783,527	5,860,641
Prison Overcrowding	6,330,189	6,352,255
Medicaid Adult Rehabilitation Option	4,816,334	4,803,175
Discharge and Diversion Services	24,447,924	27,347,924
Home and Community Based Services	19,612,854	25,947,617
Persistent Violent Felony Offenders Act	675,235	675,235
Nursing Home Contract	485,000	485,000
Pre-Trial Account	689,750	699,437
Grants for Substance Abuse Services	22,667,934	22,667,934
Grants for Mental Health Services	72,280,480	73,780,480
Employment Opportunities	10,417,204	10,417,204
AGENCY TOTAL	658,781,302	680,341,697
PSYCHIATRIC SECURITY REVIEW BOARD		
Personal Services	261,587	262,916
Other Expenses	29,136	29,525
AGENCY TOTAL	290,723	292,441
HUMAN SERVICES		
DEPARTMENT OF SOCIAL SERVICES		
Personal Services	134,527,508	133,178,052
Other Expenses	148,435,174	155,619,366
HUSKY Performance Monitoring	182,043	187,245
Genetic Tests in Paternity Actions	120,236	122,506
State-Funded Supplemental Nutrition Assistance Program	483,100	460,800
HUSKY B Program	6,550,000	4,350,000

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Medicaid	2,469,915,500	2,544,288,000
Old Age Assistance	37,944,440	38,347,320
Aid To The Blind	750,550	755,289
Aid To The Disabled	61,115,585	61,475,440
Temporary Assistance to Families - TANF	99,425,380	98,858,030
Emergency Assistance	1	1
Food Stamp Training Expenses	11,250	11,400
Healthy Start	1,251,522	1,287,280
DMHAS-Disproportionate Share	108,935,000	108,935,000
Connecticut Home Care Program	43,430,000	40,590,000
Human Resource Development-Hispanic Programs	886,630	898,452
Protective Services To The Elderly	476,599	478,300
Safety Net Services	2,462,943	2,533,313
Refunds Of Collections	110,625	112,500
Services for Persons With Disabilities	526,762	541,812
Nutrition Assistance	449,687	455,683
Domestic Violence Shelters	5,210,676	5,210,676
State Administered General Assistance	23,154,540	24,818,050
Connecticut Children's Medical Center	14,605,500	14,800,240
Community Services	1,100,730	1,128,860
Human Service Infrastructure Community Action Program	3,021,660	3,107,994
Teen Pregnancy Prevention	1,607,707	1,653,641
Family Programs - TANF	541,600	415,166
Human Resource Development-Hispanic Programs - Municipality	5,029	5,096
Teen Pregnancy Prevention - Municipality	120,598	124,044
Community Services - Municipality	78,526	79,573
AGENCY TOTAL	3,167,437,101	3,244,829,129
STATE DEPARTMENT ON AGING		
Personal Services	2,427,209	2,450,501
Other Expenses	219,286	222,210
Programs for Senior Citizens	6,150,914	6,150,914
AGENCY TOTAL	8,797,409	8,823,625

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DEPARTMENT OF REHABILITATION SERVICES		
Personal Services	5,191,611	5,231,501
Other Expenses	1,576,205	1,576,205
Part-Time Interpreters	1,522	1,522
Educational Aid for Blind and Visually Handicapped Children	4,514,363	4,553,755
Employment Opportunities - Blind & Disabled	1,340,729	1,340,729
Vocational Rehabilitation - Disabled	6,994,586	7,087,847
Supplementary Relief and Services	93,515	94,762
Vocational Rehabilitation - Blind	843,189	854,432
Special Training for the Deaf Blind	286,581	286,581
Connecticut Radio Information Service	78,055	79,096
Independent Living Centers	495,637	502,246
AGENCY TOTAL	21,415,993	21,608,676
EDUCATION, MUSEUMS, LIBRARIES		
DEPARTMENT OF EDUCATION		
Personal Services	20,397,903	20,615,925
Other Expenses	3,926,142	3,916,142
Development of Mastery Exams Grades 4, 6, and 8	15,149,111	15,610,253
Primary Mental Health	427,209	427,209
Leadership, Education, Athletics in Partnership (LEAP)	681,329	690,413
Adult Education Action	240,687	240,687
Connecticut Pre-Engineering Program	246,094	249,375
Connecticut Writing Project	69,375	70,000
Resource Equity Assessments	157,560	159,661
Neighborhood Youth Centers	1,129,425	1,157,817
Longitudinal Data Systems	1,190,700	1,208,477
School Accountability	1,500,000	1,500,000
Sheff Settlement	11,861,044	12,192,038
CommPACT Schools	350,000	350,000
Parent Trust Fund Program	468,750	475,000
Regional Vocational-Technical School System	167,029,468	171,152,813

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Wrap Around Services	19,375	25,000
Commissioner's Network	12,800,000	12,800,000
New or Replicated Schools	339,000	420,000
Bridges to Success	242,479	250,000
K-3 Reading Assessment Pilot	2,869,949	2,947,947
Talent Development	9,302,199	9,309,701
Common Core	5,906,250	5,985,000
Alternative High School and Adult Reading Incentive Program	185,000	200,000
Special Master	1,483,909	1,010,361
School-Based Diversion Initiative	1,000,000	1,000,000
American School For The Deaf	9,992,840	10,126,078
Regional Education Services	1,093,150	1,107,725
Family Resource Centers	8,161,914	8,161,914
Youth Service Bureau Enhancement	715,300	715,300
Child Nutrition State Match	2,354,000	2,354,000
Health Foods Initiative	4,326,300	4,326,300
Vocational Agriculture	11,017,600	11,017,600
Transportation of School Children	23,329,451	23,329,451
Adult Education	21,035,200	21,037,392
Health and Welfare Services Pupils Private Schools	3,867,750	3,867,750
Education Equalization Grants	2,155,833,601	2,172,454,969
Bilingual Education	2,991,130	3,491,130
Priority School Districts	43,747,208	44,837,171
Young Parents Program	229,330	229,330
Interdistrict Cooperation	7,164,885	7,164,966
School Breakfast Program	2,379,962	2,379,962
Excess Cost - Student Based	139,805,731	139,805,731
Non-Public School Transportation	3,451,500	3,451,500
Youth Service Bureaus	2,839,805	2,839,805
Open Choice Program	38,296,250	43,214,700
Magnet Schools	328,419,980	324,950,485
After School Program	5,363,286	5,363,286
AGENCY TOTAL	3,075,389,131	3,100,190,364
OFFICE OF EARLY CHILDHOOD		

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Personal Services	8,785,880	8,876,246
Other Expenses	349,943	349,943
Children's Trust Fund	11,206,751	11,206,751
Early Childhood Program	10,840,145	10,840,145
Early Intervention	24,686,804	24,686,804
Community Plans for Early Childhood	703,125	712,500
Improving Early Literacy	140,625	142,500
Child Care Services	18,701,942	19,081,942
Evenstart	445,312	451,250
Head Start Services	5,630,593	5,630,593
Child Care Services-TANF/CCDBG	120,930,084	122,130,084
Child Care Quality Enhancements	3,107,472	3,148,212
Head Start - Early Childhood Link	693,875	720,000
Early Head Start-Child Care Partnership	1,300,000	1,300,000
School Readiness Quality Enhancement	4,111,135	4,676,081
School Readiness	83,399,834	83,399,834
AGENCY TOTAL	295,033,520	297,352,885
STATE LIBRARY		
Personal Services	5,374,203	5,444,676
Other Expenses	644,128	652,716
State-Wide Digital Library	1,865,494	1,890,367
Interlibrary Loan Delivery Service	282,393	286,621
Legal/Legislative Library Materials	737,431	747,263
Computer Access	169,219	171,475
Support Cooperating Library Service Units	185,844	190,000
Grants To Public Libraries	190,846	193,391
Connecticard Payments	900,000	900,000
Connecticut Humanities Council	1,921,643	1,947,265
AGENCY TOTAL	12,271,201	12,423,774
OFFICE OF HIGHER EDUCATION		
Personal Services	1,800,433	1,800,433
Other Expenses	173,987	100,307
Minority Advancement Program	2,188,526	2,188,526
Alternate Route to Certification	97,720	97,720

**House Bill No. 7061**

National Service Act	295,904	299,969
Minority Teacher Incentive Program	447,806	447,806
Governor's Scholarship	39,638,381	41,023,498
AGENCY TOTAL	44,642,757	45,958,259
UNIVERSITY OF CONNECTICUT		
Operating Expenses	220,582,283	225,082,283
Workers' Compensation Claims	3,092,062	3,092,062
Next Generation Connecticut	19,144,737	20,394,737
Kirklyn M. Kerr Grant Program	400,000	400,000
AGENCY TOTAL	243,219,082	248,969,082
UNIVERSITY OF CONNECTICUT HEALTH CENTER		
Operating Expenses	124,347,180	125,519,573
AHEC	427,576	433,581
Workers' Compensation Claims	7,016,044	7,016,044
Bioscience	12,500,000	12,000,000
AGENCY TOTAL	144,290,800	144,969,198
TEACHERS' RETIREMENT BOARD		
Personal Services	1,784,268	1,801,590
Other Expenses	532,707	539,810
Retirement Contributions	975,578,000	1,012,162,000
Retirees Health Service Cost	14,714,000	14,714,000
Municipal Retiree Health Insurance Costs	5,447,370	5,447,370
AGENCY TOTAL	998,056,345	1,034,664,770
BOARD OF REGENTS FOR HIGHER EDUCATION		
Workers' Compensation Claims	3,877,440	3,877,440
Charter Oak State College	2,733,385	2,769,156
Community Tech College System	163,191,028	164,480,874
Connecticut State University	163,728,122	164,206,317
Board of Regents	566,038	566,038
Transform CSCU	19,406,103	22,102,291
AGENCY TOTAL	353,502,116	358,002,116

**House Bill No. 7061**

CORRECTIONS		
DEPARTMENT OF CORRECTION		
Personal Services	448,395,804	445,690,859
Other Expenses	77,736,830	76,433,227
Workers' Compensation Claims	25,704,971	25,704,971
Inmate Medical Services	91,742,350	92,877,416
Board of Pardons and Paroles	7,123,925	7,204,143
Program Evaluation	289,781	297,825
Aid to Paroled and Discharged Inmates	8,462	8,575
Legal Services To Prisoners	827,065	827,065
Volunteer Services	154,410	154,410
Community Support Services	41,440,777	41,440,777
AGENCY TOTAL	693,424,375	690,639,268
DEPARTMENT OF CHILDREN AND FAMILIES		
Personal Services	291,047,234	293,905,124
Other Expenses	35,383,854	34,241,651
Workers' Compensation Claims	10,540,045	10,540,045
Family Support Services	974,752	987,082
Homeless Youth	2,515,707	2,515,707
Differential Response System	8,286,191	8,286,191
Regional Behavioral Health Consultation	1,696,875	1,719,500
Health Assessment and Consultation	1,015,002	1,015,002
Grants for Psychiatric Clinics for Children	15,865,893	15,993,393
Day Treatment Centers for Children	6,995,792	7,208,292
Juvenile Justice Outreach Services	12,464,608	13,476,217
Child Abuse and Neglect Intervention	9,426,096	9,837,377
Community Based Prevention Programs	7,996,992	8,100,752
Family Violence Outreach and Counseling	2,113,938	2,477,591
Supportive Housing	16,955,158	19,930,158
No Nexus Special Education	1,933,340	2,016,642
Family Preservation Services	6,052,611	6,211,278
Substance Abuse Treatment	10,092,881	10,368,460

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Child Welfare Support Services	2,501,872	2,501,872
Board and Care for Children - Adoption	94,611,756	95,921,397
Board and Care for Children - Foster	125,158,543	128,098,283
Board and Care for Children - Short Term and Residential	107,830,694	107,090,959
Individualized Family Supports	9,413,324	9,413,324
Community Kidcare	40,126,470	41,261,220
Covenant to Care	159,814	159,814
Neighborhood Center	250,414	250,414
AGENCY TOTAL	821,409,856	833,527,745
JUDICIAL		
JUDICIAL DEPARTMENT		
Personal Services	364,955,535	385,338,480
Other Expenses	67,291,910	68,813,731
Forensic Sex Evidence Exams	1,441,460	1,441,460
Alternative Incarceration Program	56,504,295	56,504,295
Justice Education Center, Inc.	511,714	518,537
Juvenile Alternative Incarceration	28,442,478	28,442,478
Juvenile Justice Centers	2,940,338	2,979,543
Workers' Compensation Claims	6,559,361	6,559,361
Youthful Offender Services	18,177,084	18,177,084
Victim Security Account	9,402	9,402
Children of Incarcerated Parents	582,250	582,250
Legal Aid	1,660,000	1,660,000
Youth Violence Initiative	2,109,375	2,137,500
Youth Services Prevention	3,600,000	3,600,000
Children's Law Center	109,838	109,838
Juvenile Planning	250,000	250,000
AGENCY TOTAL	555,145,040	577,123,959
PUBLIC DEFENDER SERVICES COMMISSION		
Personal Services	43,612,188	43,912,259
Other Expenses	1,491,837	1,491,837
Assigned Counsel - Criminal	21,891,500	21,891,500

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Expert Witnesses	3,022,090	3,022,090
Training And Education	130,000	130,000
Contracted Attorneys Related Expenses	125,000	125,000
AGENCY TOTAL	70,272,615	70,572,686
NON-FUNCTIONAL		
DEBT SERVICE - STATE TREASURER		
Debt Service	1,650,954,823	1,765,932,976
UConn 2000 - Debt Service	148,382,944	162,057,219
CHEFA Day Care Security	5,500,000	5,500,000
Pension Obligation Bonds - TRB	132,732,646	119,597,971
AGENCY TOTAL	1,937,570,413	2,053,088,166
STATE COMPTROLLER - MISCELLANEOUS		
Adjudicated Claims	24,800,000	8,822,000
Nonfunctional - Change to Accruals	44,784,293	22,392,147
AGENCY TOTAL	69,584,293	31,214,147
STATE COMPTROLLER - FRINGE BENEFITS		
Unemployment Compensation	7,330,139	6,427,401
State Employees Retirement Contributions	1,096,800,201	1,124,661,963
Higher Education Alternative Retirement System	7,159,234	7,924,234
Pensions and Retirements - Other Statutory	1,709,519	1,760,804
Judges and Compensation Commissioners Retirement	18,258,707	19,163,487
Insurance - Group Life	8,492,914	8,637,871
Employers Social Security Tax	238,994,871	250,674,466
State Employees Health Service Cost	674,388,450	722,588,803
Retired State Employees Health Service Cost	681,397,000	746,109,000
Tuition Reimbursement - Training and Travel	3,127,500	
AGENCY TOTAL	2,737,658,535	2,887,948,029
RESERVE FOR SALARY ADJUSTMENTS		

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Reserve For Salary Adjustments	22,240,302	99,024,913
WORKERS' COMPENSATION CLAIMS - ADMINISTRATIVE SERVICES		
Workers' Compensation Claims	8,662,068	8,662,068
TOTAL - GENERAL FUND	18,363,669,386	18,931,380,389
LESS:		
Unallocated Lapse	-93,076,192	-94,476,192
Unallocated Lapse - Legislative	-5,028,105	-3,028,105
Unallocated Lapse - Judicial	-7,400,672	-7,400,672
General Employee Lapse	-7,110,616	-12,816,745
General Lapse - Legislative	-39,492	-39,492
General Lapse - Judicial	-282,192	-282,192
General Lapse - Executive	-9,678,316	-9,678,316
Municipal Opportunities and Regional Efficiencies Program	-20,000,000	-20,000,000
Overtime Savings	-10,500,000	-10,500,000
Statewide Hiring Reduction - Executive	-30,920,000	-30,920,000
Statewide Hiring Reduction - Judicial	-3,310,000	-3,310,000
Statewide Hiring Reduction - Legislative	-770,000	-770,000
NET - GENERAL FUND	18,175,553,801	18,738,158,675

Sec. 2. (Effective July 1, 2015) The following sums are appropriated from the SPECIAL TRANSPORTATION FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
GENERAL GOVERNMENT		
DEPARTMENT OF ADMINISTRATIVE SERVICES		
State Insurance and Risk Mgmt Operations	8,728,170	8,960,575

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REGULATION AND PROTECTION		
DEPARTMENT OF MOTOR VEHICLES		
Personal Services	49,333,344	49,794,202
Other Expenses	16,229,814	16,221,814
Equipment	520,840	520,840
Commercial Vehicle Information Systems and Networks Project	212,109	214,676
AGENCY TOTAL	66,296,107	66,751,532
CONSERVATION AND DEVELOPMENT		
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION		
Personal Services	1,993,313	2,031,640
Other Expenses	750,000	750,000
AGENCY TOTAL	2,743,313	2,781,640
TRANSPORTATION		
DEPARTMENT OF TRANSPORTATION		
Personal Services	177,942,169	181,396,243
Other Expenses	56,169,517	56,169,517
Equipment	1,629,076	1,423,161
Minor Capital Projects	449,639	449,639
Highway Planning And Research	3,246,823	3,246,823
Rail Operations	181,071,446	167,262,955
Bus Operations	150,802,948	155,410,904
Tweed-New Haven Airport Grant	1,500,000	1,500,000
ADA Para-transit Program	34,928,044	37,041,190
Non-ADA Dial-A-Ride Program	576,361	576,361
Pay-As-You-Go Transportation Projects	29,572,153	29,589,106
CAA Related Funds	3,272,322	3,000,000
Port Authority	119,506	239,011
AGENCY TOTAL	641,280,004	637,304,910
HUMAN SERVICES		

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DEPARTMENT OF SOCIAL SERVICES		
Family Programs - TANF	2,244,195	2,370,629
NON-FUNCTIONAL		
DEBT SERVICE - STATE TREASURER		
Debt Service	501,950,536	562,993,251
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	3,258,893	1,629,447
STATE COMPTROLLER - FRINGE BENEFITS		
Unemployment Compensation	509,232	305,000
State Employees Retirement Contributions	122,166,623	129,227,978
Insurance - Group Life	276,987	285,063
Employers Social Security Tax	17,656,269	18,178,987
State Employees Health Service Cost	51,843,476	56,825,438
AGENCY TOTAL	192,452,587	204,822,466
RESERVE FOR SALARY ADJUSTMENTS		
Reserve For Salary Adjustments	1,896,280	13,301,186
WORKERS' COMPENSATION CLAIMS - ADMINISTRATIVE SERVICES		
Workers' Compensation Claims	7,223,297	7,223,297
TOTAL - SPECIAL TRANSPORTATION FUND	1,428,073,382	1,508,138,933
LESS:		
Unallocated Lapse	-12,000,000	-12,000,000
NET - SPECIAL TRANSPORTATION FUND	1,416,073,382	1,496,138,933

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Sec. 3. (Effective July 1, 2015) The following sums are appropriated from the MASHANTUCKET PEQUOT AND MOHEGAN FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
GENERAL GOVERNMENT		
OFFICE OF POLICY AND MANAGEMENT		
Grants To Towns	61,779,907	61,779,907

Sec. 4. (Effective July 1, 2015) The following sums are appropriated from the REGIONAL MARKET OPERATION FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
CONSERVATION AND DEVELOPMENT		
DEPARTMENT OF AGRICULTURE		
Personal Services	425,294	430,138
Other Expenses	273,007	273,007
Fringe Benefits	357,247	361,316
AGENCY TOTAL	1,055,548	1,064,461
NON-FUNCTIONAL		
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	5,689	2,845
TOTAL - REGIONAL MARKET OPERATION FUND	1,061,237	1,067,306

Sec. 5. (Effective July 1, 2015) The following sums are appropriated from the BANKING FUND for the annual periods indicated for the purposes described.

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	2015-2016	2016-2017
REGULATION AND PROTECTION		
DEPARTMENT OF BANKING		
Personal Services	10,828,191	10,891,111
Other Expenses	1,611,490	1,461,490
Equipment	35,000	35,000
Fringe Benefits	8,554,271	8,603,978
Indirect Overhead	167,151	167,151
AGENCY TOTAL	21,196,103	21,158,730
LABOR DEPARTMENT		
Opportunity Industrial Centers	475,000	475,000
Individual Development Accounts	190,000	190,000
Customized Services	950,000	950,000
AGENCY TOTAL	1,615,000	1,615,000
CONSERVATION AND DEVELOPMENT		
DEPARTMENT OF HOUSING		
Fair Housing	670,000	670,000
JUDICIAL		
JUDICIAL DEPARTMENT		
Foreclosure Mediation Program	5,964,788	6,350,389
NON-FUNCTIONAL		
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	190,355	95,178
TOTAL - BANKING FUND	29,636,246	29,889,297

Sec. 6. (Effective July 1, 2015) The following sums are appropriated

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from the INSURANCE FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
GENERAL GOVERNMENT		
OFFICE OF POLICY AND MANAGEMENT		
Personal Services	312,051	313,882
Other Expenses	5,750	6,012
Fringe Benefits	199,491	200,882
AGENCY TOTAL	517,292	520,776
REGULATION AND PROTECTION		
INSURANCE DEPARTMENT		
Personal Services	15,037,381	15,145,396
Other Expenses	1,949,807	1,949,807
Equipment	95,000	92,500
Fringe Benefits	11,729,157	11,813,409
Indirect Overhead	248,930	248,930
AGENCY TOTAL	29,060,275	29,250,042
OFFICE OF THE HEALTHCARE ADVOCATE		
Personal Services	2,500,809	2,565,193
Other Expenses	2,700,767	2,700,767
Equipment	15,000	15,000
Fringe Benefits	2,317,643	2,317,458
Indirect Overhead	142,055	142,055
AGENCY TOTAL	7,676,274	7,740,473
HEALTH AND HOSPITALS		
DEPARTMENT OF PUBLIC HEALTH		
Needle and Syringe Exchange Program	459,416	459,416
AIDS Services	4,890,686	4,890,686

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Breast and Cervical Cancer Detection and Treatment	2,145,586	2,150,565
Immunization Services	32,728,052	34,000,718
X-Ray Screening and Tuberculosis Care	1,115,148	1,115,148
Venereal Disease Control	197,171	197,171
AGENCY TOTAL	41,536,059	42,813,704
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES		
Managed Service System	435,000	435,000
HUMAN SERVICES		
STATE DEPARTMENT ON AGING		
Fall Prevention	475,000	475,000
NON-FUNCTIONAL		
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	233,889	116,945
TOTAL - INSURANCE FUND	79,933,789	81,351,940

Sec. 7. (Effective July 1, 2015) The following sums are appropriated from the CONSUMER COUNSEL AND PUBLIC UTILITY CONTROL FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
REGULATION AND PROTECTION		
OFFICE OF CONSUMER COUNSEL		
Personal Services	1,497,103	1,508,306
Other Expenses	552,907	452,907
Equipment	12,200	2,200
Fringe Benefits	1,271,038	1,280,560
Indirect Overhead	97,613	97,613

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AGENCY TOTAL	3,430,861	3,341,586
CONSERVATION AND DEVELOPMENT		
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION		
Personal Services	12,030,389	12,110,378
Other Expenses	1,479,367	1,479,367
Equipment	19,500	19,500
Fringe Benefits	9,383,703	9,446,095
Indirect Overhead	467,009	467,009
AGENCY TOTAL	23,379,968	23,522,349
NON-FUNCTIONAL		
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	179,317	89,658
TOTAL - CONSUMER COUNSEL AND PUBLIC UTILITY CONTROL FUND	26,990,146	26,953,593

Sec. 8. (Effective July 1, 2015) The following sums are appropriated from the WORKERS' COMPENSATION FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
GENERAL GOVERNMENT		
DIVISION OF CRIMINAL JUSTICE		
Personal Services	402,519	405,969
Other Expenses	10,000	10,428
Fringe Benefits	336,390	339,273
AGENCY TOTAL	748,909	755,670
REGULATION AND PROTECTION		

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LABOR DEPARTMENT		
Occupational Health Clinics	686,418	687,148
WORKERS' COMPENSATION COMMISSION		
Personal Services	10,044,172	10,240,361
Other Expenses	4,828,747	4,269,747
Equipment	107,500	41,000
Fringe Benefits	8,035,338	8,192,289
Indirect Overhead	464,028	464,028
AGENCY TOTAL	23,479,785	23,207,425
HUMAN SERVICES		
DEPARTMENT OF REHABILITATION SERVICES		
Personal Services	529,629	534,113
Other Expenses	53,822	53,822
Rehabilitative Services	1,261,913	1,261,913
Fringe Benefits	407,053	410,485
AGENCY TOTAL	2,252,417	2,260,333
NON-FUNCTIONAL		
STATE COMPTROLLER - MISCELLANEOUS		
Nonfunctional - Change to Accruals	144,597	72,298
TOTAL - WORKERS' COMPENSATION FUND	27,312,126	26,982,874

Sec. 9. (Effective July 1, 2015) The following sums are appropriated from the CRIMINAL INJURIES COMPENSATION FUND for the annual periods indicated for the purposes described.

	2015-2016	2016-2017
JUDICIAL		

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JUDICIAL DEPARTMENT

Criminal Injuries Compensation	2,851,675	2,934,088
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Sec. 10. (*Effective July 1, 2015*) (a) The Secretary of the Office of Policy and Management shall recommend reductions in executive branch expenditures for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures in the General Fund by \$9,678,316 during each such fiscal year.

(b) The Secretary of the Office of Policy and Management shall recommend reductions in legislative branch expenditures for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures in the General Fund by \$39,492 during each such fiscal year.

(c) The Secretary of the Office of Policy and Management shall recommend reductions in judicial branch expenditures for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures in the General Fund by \$282,192 during each such fiscal year.

Sec. 11. (*Effective July 1, 2015*) (a) The Secretary of the Office of Policy and Management shall recommend reductions in executive branch expenditures for Personal Services, for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures by \$30,920,000 during each such fiscal year. The provisions of this subsection shall not apply to the constituent units of the state system of higher education, as defined in section 10a-1 of the general statutes.

(b) The Secretary of the Office of Policy and Management shall recommend reductions in legislative branch expenditures for Personal Services, for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures by \$770,000 during each such fiscal

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year.

(c) The Secretary of the Office of Policy and Management shall recommend reductions in judicial branch expenditures for Personal Services, for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures by \$3,310,000 during each such fiscal year.

Sec. 12. (*Effective July 1, 2015*) The Secretary of the Office of Policy and Management shall recommend reductions in municipal aid for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures in the General Fund by \$20,000,000 during each such fiscal year.

Sec. 13. (*Effective July 1, 2015*) Notwithstanding the provisions of section 4-85 of the general statutes, as amended by this act, the Secretary of the Office of Policy and Management shall not allot funds appropriated in sections 1 to 9, inclusive, of this act for Nonfunctional - Change to Accruals.

Sec. 14. (*Effective July 1, 2015*) For the fiscal years ending June 30, 2016, and June 30, 2017, the Department of Social Services may, with the approval of the Office of Policy and Management, and in compliance with any advanced planning document approved by the federal Department of Health and Human Services, establish receivables for the reimbursement anticipated from approved projects.

Sec. 15. (*Effective July 1, 2015*) Notwithstanding subsection (b) of section 19a-55a of the general statutes, for the fiscal years ending June 30, 2016, and June 30, 2017, \$3,109,177 of the amount collected pursuant to said section shall be credited to the newborn screening account for use by the Department of Public Health as follows: (1) \$1,910,000 shall be available for expenditure by said department for the purchase of upgrades to newborn screening technology and for the

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expenses of the testing required by sections 19a-55 and 19a-59 of the general statutes; (2) \$600,000 shall be credited to said department's Personal Services account to offset personnel costs associated with the newborn screening program; and (3) \$599,177 shall be available for expenditure by said department to support grants to newborn screening regional and sickle cell disease treatment centers.

Sec. 16. (*Effective July 1, 2015*) Notwithstanding the provisions of section 17a-17 of the general statutes, for the fiscal years ending June 30, 2016, and June 30, 2017, the provisions of said section shall not be considered in any increases or decreases to residential rates or allowable per diem payments to private residential treatment centers licensed pursuant to section 17a-145 of the general statutes.

Sec. 17. (*Effective July 1, 2015*) (a) The Secretary of the Office of Policy and Management may transfer amounts appropriated for Personal Services in sections 1 to 9, inclusive, of this act from agencies to the Reserve for Salary Adjustments account to reflect a more accurate impact of collective bargaining and related costs.

(b) The Secretary of the Office of Policy and Management may transfer funds appropriated in section 1 of this act, for Reserve for Salary Adjustments, to any agency in any appropriated fund to give effect to salary increases, other employee benefits, agency costs related to staff reductions including accrual payments, achievement of agency personal services reductions, or other personal services adjustments authorized by this act, any other act or other applicable statute.

Sec. 18. (*Effective July 1, 2015*) (a) That portion of unexpended funds, as determined by the Secretary of the Office of Policy and Management, appropriated in public act 13-184, as amended by public act 13-247 and public act 14-47, which relate to collective bargaining agreements and related costs, shall not lapse on June 30, 2015, and such funds shall continue to be available for such purpose during the fiscal

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years ending June 30, 2016, and June 30, 2017.

(b) That portion of unexpended funds, as determined by the Secretary of the Office of Policy and Management, appropriated in sections 1 and 2 of this act, which relate to collective bargaining agreements and related costs for the fiscal year ending June 30, 2016, shall not lapse on June 30, 2016, and such funds shall continue to be available for such purpose during the fiscal year ending June 30, 2017.

Sec. 19. (*Effective July 1, 2015*) Notwithstanding the provisions of section 10-183t of the general statutes, for the fiscal years ending June 30, 2016, and June 30, 2017, the state shall make an appropriation pursuant to subsections (a) and (c) of said section only in the amount specified in section 1 of public act 13-247, as amended by public act 14-47, for the fiscal year ending June 30, 2015. The retired teachers' health insurance premium account within the Teachers' Retirement Fund, established in accordance with the provisions of subsection (d) of said section, shall pay any remaining costs associated with (1) the basic plan's premium equivalent under subsection (a) of said section to ensure that the retiree share of such premium equivalent remains at one-third, and (2) the subsidy under subsection (c) of said section.

Sec. 20. (*Effective July 1, 2015*) Any appropriation, or portion thereof, made to any agency, from the General Fund, under section 1 of this act, may be transferred at the request of such agency to any other agency by the Governor, with the approval of the Finance Advisory Committee, to take full advantage of federal matching funds, provided both agencies shall certify that the expenditure of such transferred funds by the receiving agency will be for the same purpose as that of the original appropriation or portion thereof so transferred. Any federal funds generated through the transfer of appropriations between agencies may be used for reimbursing General Fund expenditures or for expanding program services or a combination of both as determined by the Governor, with the approval of the Finance

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Advisory Committee.

Sec. 21. (*Effective July 1, 2015*) (a) Any appropriation, or portion thereof, made to any agency from the General Fund under section 1 of this act, may be adjusted by the Governor, with approval of the Finance Advisory Committee, in order to maximize federal funding available to the state, consistent with the relevant federal provisions of law.

(b) The Governor shall report on any such adjustment permitted under subsection (a) of this section, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and finance.

Sec. 22. (*Effective July 1, 2015*) Any appropriation, or portion thereof, made to The University of Connecticut Health Center in section 1 of this act may be transferred by the Secretary of the Office of Policy and Management to the Medicaid account in the Department of Social Services for the purpose of maximizing federal reimbursement.

Sec. 23. (*Effective July 1, 2015*) All funds appropriated to the Department of Social Services for DMHAS - Disproportionate Share shall be expended by the Department of Social Services in such amounts and at such times as prescribed by the Office of Policy and Management. The Department of Social Services shall make disproportionate share payments to hospitals in the Department of Mental Health and Addiction Services for operating expenses and for related fringe benefit expenses. Funds received by the hospitals in the Department of Mental Health and Addiction Services, for fringe benefits, shall be used to reimburse the Comptroller. All other funds received by the hospitals in the Department of Mental Health and Addiction Services shall be deposited to grants - other than federal accounts. All disproportionate share payments not expended in grants

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- other than federal accounts shall lapse at the end of the fiscal year.

Sec. 24. (*Effective July 1, 2015*) Any appropriation, or portion thereof, made to the Department of Veterans' Affairs in section 1 of this act may be transferred by the Secretary of the Office of Policy and Management to the Medicaid account in the Department of Social Services for the purpose of maximizing federal reimbursement.

Sec. 25. (*Effective July 1, 2015*) During the fiscal years ending June 30, 2016, and June 30, 2017, \$1,000,000 of the federal funds received by the Department of Education, from Part B of the Individuals with Disabilities Education Act (IDEA), shall be transferred to the Office of Early Childhood in each such fiscal year, for the Birth-to-Three program, in order to carry out Part B responsibilities consistent with the IDEA.

Sec. 26. (*Effective July 1, 2015*) Up to \$828,975 in the Pre-Trial Education Program account shall be made available to the Department of Mental Health and Addiction Services as follows: (1) \$353,025 for Regional Action Councils, and (2) \$475,950 for the Governor's Prevention Partnership during each of the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 27. (*Effective July 1, 2015*) The unexpended balance of funds appropriated in section 1 of public act 13-247, as amended by public act 14-47, to the Office of Policy and Management, for the Criminal Justice Information System, shall not lapse on June 30, 2015, and shall continue to be available for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 28. (*Effective July 1, 2015*) (a) For all allowable expenditures made pursuant to a contract subject to cost settlement with the Department of Developmental Services by an organization in compliance with performance requirements of such contract, one

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hundred per cent, or an alternative amount as identified by the Commissioner of Developmental Services and approved by the Secretary of the Office of Policy and Management, of the difference between actual expenditures incurred and the amount received by the organization from the Department of Developmental Services pursuant to such contract shall be reimbursed to the Department of Developmental Services during each of the fiscal years ending June 30, 2016, and June 30, 2017.

(b) For expenditures incurred by nonprofit providers with purchase of service contracts with the Department of Mental Health and Addiction Services for which year-end cost reconciliation currently occurs, and where such providers are in compliance with performance requirements of such contract, one hundred per cent, or an alternative amount as identified by the Commissioner of Mental Health and Addiction Services and approved by the Secretary of the Office of Policy and Management and as allowed by applicable state and federal laws and regulations, of the difference between actual expenditures incurred and the amount received by the organization from the Department of Mental Health and Addiction Services pursuant to such contract shall be reimbursed to the Department of Mental Health and Addiction Services for the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 29. (*Effective July 1, 2015*) The unexpended balance of funds transferred from the Reserve for Salary Adjustment account in the Special Transportation Fund, to the Department of Motor Vehicles, in section 39 of special act 00-13, and carried forward in subsection (a) of section 34 of special act 01-1 of the June special session, and subsection (a) of section 41 of public act 03-1 of the June 30 special session, and section 43 of public act 05-251, and section 42 of public act 07-1 of the June special session, and section 26 of public act 09-3 of the June special session, and section 17 of public act 11-6, and section 36 of

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public act 13-184, for the Commercial Vehicle Information Systems and Networks Project, shall not lapse on June 30, 2015, and such funds shall continue to be available for expenditure for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 30. (*Effective July 1, 2015*) (a) The unexpended balance of funds appropriated to the Department of Motor Vehicles in section 49 of special act 99-10, and carried forward in subsection (b) of section 34 of special act 01-1 of the June special session, and subsection (b) of section 41 of public act 03-1 of the June 30 special session, and subsection (a) of section 45 of public act 05-251, and subsection (a) of section 43 of public act 07-1 of the June special session, and subsection (a) of section 27 of public act 09-3 of the June special session, and subsection (a) of section 18 of public act 11-6, and subsection (a) of section 37 of public act 13-184 for the purpose of upgrading the Department of Motor Vehicles' registration and driver license data processing systems, shall not lapse on June 30, 2015, and such funds shall continue to be available for expenditure for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

(b) Up to \$7,000,000 of the unexpended balance appropriated to the Department of Transportation, for Personal Services, in section 12 of public act 03-1 of the June 30 special session, and carried forward and transferred to the Department of Motor Vehicles' Reflective License Plates account by section 33 of public act 04-216, and carried forward by section 72 of public act 04-2 of the May special session, and subsection (b) of section 45 of public act 05-251, and subsection (b) of section 43 of public act 07-1 of the June special session, and subsection (b) of section 27 of public act 09-3 of the June special session, and subsection (b) of section 18 of public act 11-6, and subsection (b) of section 37 of public act 13-184 shall not lapse on June 30, 2015, and such funds shall continue to be available for expenditure for the purpose of upgrading the Department of Motor Vehicles' registration

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and driver license data processing systems for the fiscal years ending June 30, 2016, and June 30, 2017.

(c) Up to \$8,500,000 of the unexpended balance appropriated to the State Treasurer, for Debt Service, in section 12 of public act 03-1 of the June 30 special session, and carried forward and transferred to the Department of Motor Vehicles' Reflective License Plates account by section 33 of public act 04-216, and carried forward by section 72 of public act 04-2 of the May special session, and subsection (c) of section 45 of public act 05-251, and subsection (c) of section 43 of public act 07-1 of the June special session, and subsection (c) of section 27 of public act 09-3 of the June special session, and subsection (c) of section 18 of public act 11-6, and subsection (c) of section 37 of public act 13-184 shall not lapse on June 30, 2015, and such funds shall continue to be available for expenditure for the purpose of upgrading the Department of Motor Vehicles' registration and driver license data processing systems for the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 31. (*Effective July 1, 2015*) Up to \$50,000 appropriated in section 1 of this act to the Board of Regents for Higher Education, for Connecticut State University, for the fiscal years ending June 30, 2016, and June 30, 2017, shall be used to maintain the National Iwo Jima Memorial and Park in Newington, Connecticut.

Sec. 32. (*Effective July 1, 2015*) Notwithstanding the provisions of section 10a-22u of the general statutes, the amount of funds available to the Office of Higher Education, for expenditure from the private occupational school student protection account, shall be up to \$525,000 for the fiscal year ending June 30, 2016, and up to \$575,000 for the fiscal year ending June 30, 2017.

Sec. 33. Section 10-262h of the general statutes is amended by adding subsection (c) as follows (*Effective July 1, 2015*):

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(NEW) (c) (1) For the fiscal years ending June 30, 2016, and June 30, 2017, each town shall receive an equalization aid grant in an amount equal to the sum of any amounts paid to such town pursuant to subsection (c) and subdivision (1) of subsection (d) of section 10-66ee, and the amount provided for in subdivision (2) of this subsection.

(2) Equalization aid grant amounts.

Town	Grant for Fiscal Year 2016	Grant for Fiscal Year 2017
Andover	2,380,614	2,380,599
Ansonia	16,641,477	16,641,477
Ashford	3,933,350	3,933,350
Avon	1,233,415	1,233,415
Barkhamsted	1,678,323	1,678,295
Beacon Falls	4,155,524	4,155,471
Berlin	6,381,659	6,381,544
Bethany	2,063,112	2,063,088
Bethel	8,316,869	8,316,768
Bethlehem	1,319,337	1,319,337
Bloomfield	6,319,698	6,319,698
Bolton	3,052,646	3,052,630
Bozrah	1,255,401	1,255,387
Branford	2,119,926	2,426,993
Bridgeport	182,266,724	182,266,724
Bridgewater	137,292	137,292
Bristol	45,705,925	45,705,925
Brookfield	1,564,515	1,564,493
Brooklyn	7,110,490	7,110,430
Burlington	4,439,634	4,439,537
Canaan	209,258	209,258
Canterbury	4,754,383	4,754,383
Canton	3,488,569	3,488,492
Chaplin	1,893,763	1,893,763
Cheshire	9,664,954	9,664,625
Chester	691,462	691,432

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Clinton	6,502,667	6,502,667
Colchester	13,772,585	13,772,530
Colebrook	508,008	508,008
Columbia	2,589,653	2,589,623
Cornwall	85,322	85,322
Coventry	8,942,234	8,942,206
Cromwell	4,663,336	4,754,798
Danbury	30,705,677	31,698,975
Darien	1,616,006	1,616,006
Deep River	1,727,412	1,727,394
Derby	8,001,514	8,001,514
Durham	3,993,506	3,993,506
East Granby	1,435,957	1,481,760
East Haddam	3,791,594	3,791,563
East Hampton	7,715,347	7,715,291
East Hartford	49,563,484	49,563,484
East Haven	20,004,233	20,004,233
East Lyme	7,138,163	7,138,163
East Windsor	5,810,543	5,810,543
Eastford	1,116,844	1,116,844
Easton	593,868	593,868
Ellington	9,822,206	9,822,009
Enfield	29,196,275	29,195,835
Essex	389,697	389,697
Fairfield	3,590,008	3,590,008
Farmington	1,611,013	1,611,013
Franklin	948,235	948,235
Glastonbury	6,773,356	6,921,094
Goshen	218,188	218,188
Granby	5,603,808	5,603,665
Greenwich	3,418,642	3,418,642
Griswold	10,977,669	10,977,557
Groton	25,625,179	25,625,179
Guilford	3,058,981	3,058,981
Haddam	1,925,611	2,034,708
Hamden	27,131,137	27,131,137
Hampton	1,339,928	1,339,928
Hartford	201,777,130	201,777,130
Hartland	1,358,660	1,358,660

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Harwinton	2,779,898	2,779,876
Hebron	7,021,279	7,021,219
Kent	167,342	167,342
Killingly	15,871,254	15,871,254
Killingworth	2,245,206	2,245,206
Lebanon	5,524,550	5,524,550
Ledyard	12,217,314	12,217,227
Lisbon	3,927,193	3,927,193
Litchfield	1,525,262	1,525,242
Lyme	145,556	145,556
Madison	1,576,061	1,576,061
Manchester	34,864,748	34,864,748
Mansfield	10,187,542	10,187,506
Marlborough	3,234,990	3,234,918
Meriden	60,812,457	60,812,457
Middlebury	814,636	914,010
Middlefield	2,153,551	2,153,527
Middletown	19,861,550	19,861,550
Milford	11,381,824	11,381,824
Monroe	6,616,696	6,616,669
Montville	12,858,302	12,858,140
Morris	657,975	657,975
Naugatuck	30,831,003	30,831,003
New Britain	86,678,662	86,678,662
New Canaan	1,495,604	1,495,604
New Fairfield	4,492,869	4,492,822
New Hartford	3,197,865	3,197,830
New Haven	155,328,620	155,328,620
New London	26,058,803	26,058,803
New Milford	12,170,243	12,170,141
Newington	13,226,771	13,226,394
Newtown	4,760,009	5,105,657
Norfolk	381,414	381,414
North Branford	8,270,161	8,270,110
North Canaan	2,091,790	2,091,790
North Haven	3,677,315	4,023,706
North Stonington	2,906,538	2,906,538
Norwalk	11,551,095	11,551,095
Norwich	36,577,969	36,577,969

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Old Lyme	605,586	605,586
Old Saybrook	652,677	652,677
Orange	1,350,098	1,623,431
Oxford	4,677,464	4,677,464
Plainfield	15,642,779	15,642,685
Plainville	10,507,328	10,507,145
Plymouth	9,952,004	9,951,918
Pomfret	3,136,587	3,136,587
Portland	4,440,331	4,440,226
Preston	3,079,403	3,079,401
Prospect	5,425,749	5,425,694
Putnam	8,498,260	8,498,260
Redding	687,733	687,733
Ridgefield	2,063,814	2,063,814
Rocky Hill	3,946,076	4,396,918
Roxbury	158,114	158,114
Salem	3,114,216	3,114,216
Salisbury	187,266	187,266
Scotland	1,450,663	1,450,663
Seymour	10,179,589	10,179,389
Sharon	145,798	145,798
Shelton	5,706,910	6,199,810
Sherman	244,327	244,327
Simsbury	5,954,768	6,264,852
Somers	6,068,653	6,068,546
South Windsor	13,159,658	13,159,496
Southbury	3,034,452	3,606,189
Southington	20,621,655	20,621,165
Sprague	2,661,506	2,661,473
Stafford	9,981,310	9,981,252
Stamford	10,885,284	11,109,306
Sterling	3,257,690	3,257,637
Stonington	2,079,926	2,079,926
Stratford	21,821,740	21,820,886
Suffield	6,345,468	6,345,284
Thomaston	5,740,782	5,740,750
Thompson	7,682,218	7,682,218
Tolland	10,929,052	10,928,981
Torrington	24,780,972	24,780,540

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Trumbull	3,481,940	3,703,712
Union	243,880	243,877
Vernon	19,650,126	19,650,126
Voluntown	2,550,166	2,550,166
Wallingford	21,866,589	21,866,413
Warren	99,777	99,777
Washington	240,147	240,147
Waterbury	134,528,710	134,528,710
Waterford	1,485,842	1,485,842
Watertown	12,035,017	12,034,849
West Hartford	19,872,200	21,469,839
West Haven	45,996,566	45,996,566
Westbrook	427,677	427,677
Weston	948,564	948,564
Westport	1,988,255	1,988,255
Wethersfield	9,022,122	9,548,677
Willington	3,718,418	3,718,418
Wilton	1,557,195	1,557,195
Winchester	8,187,980	8,187,980
Windham	26,816,024	26,816,024
Windsor	12,476,044	12,476,044
Windsor Locks	5,274,785	5,274,785
Wolcott	13,696,541	13,696,541
Woodbridge	732,889	732,889
Woodbury	1,106,713	1,347,989
Woodstock	5,473,998	5,473,975

Sec. 34. (*Effective July 1, 2015*) (a) Notwithstanding section 9-701 of the general statutes, for the fiscal year ending June 30, 2016, the sum of \$182,000 shall be transferred from the Citizens' Election Fund to the Secretary of the State, for Other Expenses, as follows: \$42,000 for the purpose of paying annual dues to the Electronic Registration Information Center; \$40,000 for the purpose of providing training for registrars of voters and deputy registrars of voters in the state and \$100,000 for grants to regional councils of government for costs associated with election preparations and post-election activities, during said fiscal year.

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(b) Notwithstanding section 9-701 of the general statutes, for the fiscal year ending June 30, 2017, the sum of \$332,000 shall be transferred from the Citizens' Election Fund to the Secretary of the State, for Other Expenses, as follows: \$50,000 for the purpose of providing election monitoring for the city of Hartford; \$142,000 for the purpose of paying dues to the Electronic Registration Information Center and the cost of mailings to likely eligible but not registered voters; \$40,000 for the purpose of providing training for registrars of voters and deputy registrars of voters in the state and \$100,000 for grants to regional councils of government for costs associated with election preparations and post-election activities, during said fiscal year.

Sec. 35. (*Effective from passage*) (a) For the purpose of determining the increase in general budget expenditures that may be authorized for the fiscal years ending June 30, 2015, to June 30, 2017, inclusive, the increase in personal income means the average of the annual increase in personal income in the state for each of the preceding five calendar years, according to the United States Bureau of Economic Analysis data.

(b) For the purpose of determining the increase in general budget expenditures that may be authorized for the fiscal years ending June 30, 2015, through June 30, 2017, evidences of indebtedness for the fiscal years ending June 30, 2014, through June 30, 2017, shall include the portion of the annual required contribution representing the unfunded liability of (1) any retirement system or alternative retirement program administered by the State Employees Retirement Commission, or (2) the teachers' retirement system.

Sec. 36. (*Effective July 1, 2015*) (a) Up to \$297,000 of the amount appropriated in section 1 of public act 13-247, as amended by public act 14-47, to the Secretary of the State, for Other Expenses, for the Connecticut Data Collaborative, for the fiscal year ending June 30,

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2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

(b) Up to \$150,000 of the amount appropriated in section 1 of public act 13-247, as amended by public act 14-47, to the Secretary of the State, for Other Expenses, for electronic voting systems, for the fiscal years ending June 30, 2014, and June 30, 2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 37. (*Effective July 1, 2015*) (a) Up to \$70,000 appropriated in section 1 of public act 13-247, as amended by public act 14-47, to the Department of Revenue Services, for Other Expenses, for the fiscal year ending June 30, 2015, for the purpose of conducting a tax study, and transferred in section 231 of public act 14-217 to the Office of Legislative Management, for Other Expenses, for such purpose during the fiscal year ending June 30, 2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

(b) Up to \$299,400 appropriated in section 1 of public act 13-247, as amended by public act 14-47, to Legislative Management, for Connecticut Academy of Science and Engineering, for the fiscal years ending June 30, 2014, and June 30, 2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for the purpose of conducting a disparity study during the fiscal years ending June 30, 2016, and June 30, 2017.

(c) Up to \$96,000 appropriated in section 1 of public act 13-247, as amended by public act 14-47, to Legislative Management, for Other Expenses, for the fiscal years ending June 30, 2014, and June 30, 2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for the purpose of a contract with National Center for Higher

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Education Management Systems during the fiscal years ending June 30, 2016, and June 30, 2017.

(d) Up to \$47,500 appropriated in section 1 of public act 13-247, as amended by public act 14-47, to Legislative Management, for Other Expenses, for the fiscal years ending June 30, 2014, and June 30, 2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for consulting services by the Charter Oak Group for the Appropriations Committee Accountability Initiative during the fiscal years ending June 30, 2016, and June 30, 2017.

(e) Up to \$55,000 appropriated in section 1 of public act 13-247, as amended by public act 14-47, to Legislative Management, for Connecticut Academy of Science and Engineering, for the fiscal years ending June 30, 2014, and June 30, 2015, for the purpose of conducting a Family Violence Study, shall not lapse on June 30, 2015, and such funds shall continue to be available for such purpose during the fiscal years ending June 30, 2016, and June 30, 2017.

Sec. 38. (*Effective July 1, 2015*) Notwithstanding subsection (c) of section 2-35 of the general statutes, as amended by this act, the Secretary of the Office of Policy and Management shall recommend savings in order to reduce expenditures in the General Fund by \$7,110,616 for the fiscal year ending June 30, 2016, and \$12,816,745 for the fiscal year ending June 30, 2017. Such savings shall be made in an appropriate and proportionate manner among branches and agencies and shall apply only to state employees.

Sec. 39. (*Effective July 1, 2015*) (a) Notwithstanding the provisions of section 4-28e of the general statutes, as amended by this act, for the fiscal years ending June 30, 2016, and June 30, 2017, the sum of \$550,000 in each fiscal year shall be transferred from the Tobacco and Health Trust Fund to the Department of Public Health, for (1) grants for the Easy Breathing Program, as follows: (A) For an adult asthma

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program within the Easy Breathing Program - \$150,000, and (B) for a children's asthma program within the Easy Breathing Program - \$250,000; and (2) a grant to the Connecticut Coalition for Environmental Justice for the Asthma Outreach and Education Program - \$150,000.

(b) Notwithstanding the provisions of section 4-28e of the general statutes, as amended by this act, the sum of \$750,000 for the fiscal year ending June 30, 2016, and the sum of \$750,000 for the fiscal year ending June 30, 2017, shall be transferred from the Tobacco and Health Trust Fund to the Department of Developmental Services to implement recommendations resulting from a study conducted pursuant to section 27 of public act 11-6 to enhance and improve the services and supports for individuals with autism and their families.

Sec. 40. (*Effective July 1, 2015*) Notwithstanding the provisions of subsection (e) of section 22-380g of the general statutes, the town of Bethlehem may receive a one-time grant, not to exceed fifty thousand dollars, from the resources of the Department of Agriculture's animal population control account, to fund expenses incurred by the town for animal control purposes for the fiscal year ending June 30, 2016.

Sec. 41. (*Effective July 1, 2015*) The Secretary of the Office of Policy and Management shall recommend reductions in overtime expenditures for the fiscal years ending June 30, 2016, and June 30, 2017, in order to reduce such expenditures in the General Fund by \$10,500,000 during each such fiscal year.

Sec. 42. (*Effective July 1, 2015*) (a) Up to \$412,150 of the unexpended balance of funds appropriated to the Department of Banking, for Fringe Benefits, in section 6 of public act 13-184, as amended by public act 14-47, shall not lapse on June 30, 2015, and such funds shall be transferred as follows: (1) \$221,102 for Personal Services, (2) \$10,000 for Other Expenses, (3) \$10,800 for Equipment, and (4) \$170,248 for Fringe

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Benefits in order to support the hiring of four additional staff during the fiscal year ending June 30, 2016.

(b) Up to \$420,920 of the unexpended balance of funds appropriated to the Department of Banking, for Fringe Benefits, in section 6 of public act 13-184, as amended by public act 14-47, shall not lapse on June 30, 2015, and such funds shall be transferred as follows: (1) \$232,157 for Personal Services, (2) \$10,000 for Other Expenses, and (3) \$178,763 for Fringe Benefits during the fiscal year ending June 30, 2017.

Sec. 43. (*Effective July 1, 2015*) Up to \$152,000 of the unexpended balance of funds appropriated to the Department of Energy and Environmental Protection, for Solid Waste, in section 1 of public act 13-247, as amended by public act 14-47, shall not lapse on June 30, 2015, and such funds shall be transferred to Other Expenses, and made available to purchase pheasants during the fiscal year ending June 30, 2016.

Sec. 44. (*Effective July 1, 2015*) Notwithstanding the provisions of section 4-28e of the general statutes, as amended by this act, up to \$150,000 of the funds disbursed from the Tobacco Settlement Fund to the smart start competitive grant account, established by section 10-507 of the general statutes, for the fiscal year ending June 30, 2016, shall be transferred to the State Comptroller, for Other Expenses, for the purpose of providing a grant to The University of Connecticut to conduct an Early Childhood Regression Discontinuity Study during said fiscal year.

Sec. 45. (*Effective July 1, 2015*) (a) Up to \$100,000 appropriated to the Department of Education in section 1 of public act 13-247, as amended by section 1 of public act 14-47, for Other Expenses, for the fiscal year ending June 30, 2015, shall not lapse on June 30, 2015, and such funds shall continue to be available for completion of a multi-year comprehensive analysis of the state of African American, Latino and

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poor children in Connecticut during the fiscal years ending June 30, 2016, and June 30, 2017. \$50,000 of such funds shall be made available in each fiscal year for a grant to the Metropolitan Center for Research on Equity and the Transformation of Schools at New York University for data on and analysis of the achievement gap for such children.

(b) The Metropolitan Center for Research on Equity and the Transformation of Schools at New York University shall annually report on the analysis conducted pursuant to subsection (a) of this section, including any policy recommendations based on such analysis, to the achievement gap task force, established pursuant to section 10-16mm of the general statutes, the Interagency Council for Ending the Achievement Gap, established pursuant to section 10-16nn of the general statutes, the Commissioner of Education and, in accordance with section 11-4a of the general statutes, the joint standing committees of the General Assembly having cognizance of matters relating to education and appropriations and the budgets of state agencies.

Sec. 46. (*Effective July 1, 2015*) For the fiscal years ending June 30, 2016, and June 30, 2017, the Judicial Department may, in consultation with the Office of Policy and Management, establish receivables for revenue anticipated to be collected for deposit into the Probate Court Administration Fund.

Sec. 47. (*Effective July 1, 2015*) Notwithstanding section 19a-32c of the general statutes, the sum of \$1,000,000 shall be transferred from the Biomedical Research Trust Fund established in said section to The University of Connecticut Health Center, for Other Expenses, in each of the fiscal years ending June 30, 2016, and June 30, 2017, for the purpose of supporting the Connecticut Institute for Clinical and Translational Science, and \$250,000 of such amount in each such fiscal year shall be used for breast cancer research to be conducted by said institute.

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Sec. 48. (*Effective July 1, 2015*) The office of the State Comptroller shall fund any differential between the state fringe benefit rate for John Dempsey Hospital employees and the average rate for private Connecticut hospitals in an amount not to exceed \$13,500,000, for each of the fiscal years ending June 30, 2016, and June 30, 2017, within the resources appropriated to the State Comptroller - Fringe Benefits in section 1 of this act.

Sec. 49. (*Effective July 1, 2015*) (a) For the Board of Regents for Higher Education, for the fiscal years ending June 30, 2016, and June 30, 2017, expenditures for institutional administration, defined as system office, executive management, fiscal operations and general administration, exclusive of expenditures for logistical services, administrative computing and development, shall not exceed seven and one-quarter per cent of the annual General Fund appropriation and operating fund expenditures, exclusive of capital bond and fringe benefit funds.

(b) For The University of Connecticut, for the fiscal years ending June 30, 2016, and June 30, 2017, expenditures for institutional administration, defined as system office, executive management, fiscal operations and general administration, exclusive of expenditures for logistical services, administrative computing and development, shall not exceed three and thirty-five hundredths per cent and of the annual General Fund appropriation and operating fund expenditures, exclusive of capital bond and fringe benefit funds.

Sec. 50. (*Effective July 1, 2015*) For the fiscal year ending June 30, 2016, the Commissioner of Public Health shall reduce on a pro rata basis payments to full-time municipal health departments, pursuant to section 19a-202 of the general statutes, and to health districts, pursuant to section 19a-245 of the general statutes, in an aggregate amount equal to \$234,000.

Sec. 51. (*Effective July 1, 2015*) Notwithstanding the provisions of

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section 4-28e of the general statutes, as amended by this act, up to \$2,000,000 of the funds disbursed from the Tobacco Settlement Fund to the smart start competitive grant account, established by section 10-507 of the general statutes, for the fiscal year ending June 30, 2017, shall be transferred to the Department of Education, for Other Expenses, for the purpose of providing grants to local and regional boards of education during said fiscal year to reimburse costs incurred in the implementation, on or before July 1, 2017, of a kindergarten entrance inventory developed by the Office of Early Childhood for each child enrolled in kindergarten in the state for the purpose of measuring the child's level of preparedness for kindergarten.

Sec. 52. (*Effective from passage*) The following sums are appropriated from the GENERAL FUND for the purposes herein specified for the fiscal year ending June 30, 2015:

GENERAL FUND	2014-2015
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION	
Personal Services	3,680,000
DEPARTMENT OF AGRICULTURE	
Personal Services	341,000
DEPARTMENT OF SOCIAL SERVICES	
Medicaid	82,000,000
DEPARTMENT OF CORRECTION	
Personal Services	3,830,000
PUBLIC DEFENDERS SERVICES COMMISSION	
Personal Services	4,600,000
STATE COMPTROLLER - MISCELLANEOUS	
Adjudicated Claims	10,200,000

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STATE COMPTROLLER - FRINGE BENEFITS	
Retired State Employees Health Service Cost	17,000,000
<b>TOTAL - GENERAL FUND</b>	<b>121,651,000</b>

Sec. 53. (*Effective from passage*) The amounts appropriated to the following agencies in section 1 of public act 13-247, as amended by section 1 of public act 14-47, are reduced by the following amounts for the fiscal year ending June 30, 2015:

GENERAL FUND	2014-2015
DEPARTMENT OF DEVELOPMENTAL SERVICES	
Personal Services	7,548,000
DEPARTMENT OF SOCIAL SERVICES	
Personal Services	2,000,000
UNIVERSITY OF CONNECTICUT	
Operating Expenses	7,388,000
UNIVERSITY OF CONNECTICUT HEALTH CENTER	
Operating Expenses	4,183,000
BOARD OF REGENTS FOR HIGHER EDUCATION	
Community Tech College System	1,780,000
Connecticut State University	4,391,000
Transform CSCU	1,150,000
DEBT SERVICE - STATE TREASURER	
Debt Service	88,141,000
STATE COMPTROLLER - FRINGE BENEFITS	
Unemployment Compensation	432,000
Higher Education Alternative Retirement System	906,000
Insurance - Group Life	432,000
Employers Social Security Tax	2,500,000

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WORKERS' COMPENSATION CLAIMS - ADMINISTRATIVE SERVICES	
Workers' Compensation Claims	800,000
TOTAL - GENERAL FUND	121,651,000

Sec. 54. (*Effective from passage*) The following sums are appropriated from the SPECIAL TRANSPORTATION FUND for the purposes herein specified for the fiscal year ending June 30, 2015:

SPECIAL TRANSPORTATION FUND	2014-2015
DEPARTMENT OF TRANSPORTATION	
Personal Services	13,600,000
Rail Operations	4,400,000
STATE COMPTROLLER - FRINGE BENEFITS	
State Employees Health Service Cost	2,400,000
TOTAL - SPECIAL TRANSPORTATION FUND	20,400,000

Sec. 55. (*Effective from passage*) (a) Notwithstanding any provision of the general statutes, on or before June 30, 2015, the sum of \$2,500,000 shall be transferred from the private occupational school student protection account, established under section 10a-22u of the general statutes, and credited to the resources of the General Fund for the fiscal year ending June 30, 2015.

(b) Notwithstanding any provision of the general statutes, on or before June 30, 2015, the sum of \$2,250,000 shall be transferred from the Citizens' Election Fund, established under section 9-701 of the general statutes, and credited to the resources of the General Fund for the fiscal year ending June 30, 2015.

(c) Notwithstanding any provision of the general statutes, on or

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before June 30, 2015, the sum of \$750,000 shall be transferred from the Judicial Data Processing Revolving Fund, established under section 51-5b of the general statutes, and credited to the resources of the General Fund for the fiscal year ending June 30, 2015.

(d) Notwithstanding any provision of the general statutes, on or before June 30, 2015, the sum of \$3,000,000 shall be transferred from the school bus seat belt account, established in section 14-50b of the general statutes, and credited to the resources of the General Fund for the fiscal year ending June 30, 2015.

Sec. 56. (Effective July 1, 2015) The appropriations in section 1 of this act are supported by the GENERAL FUND revenue estimates as follows:

	2015-2016	2016-2017
TAXES		
Personal Income	\$9,921,400,000	\$10,432,200,000
Sales and Use	4,144,265,000	4,118,665,000
Corporations	925,900,000	910,700,000
Public Service	308,000,000	316,500,000
Inheritance and Estate	173,400,000	174,700,000
Insurance Companies	243,800,000	246,000,000
Cigarettes	336,700,000	320,500,000
Real Estate Conveyance	194,700,000	200,800,000
Oil Companies	-	-
Alcoholic Beverages	61,700,000	62,100,000
Admissions and Dues	38,300,000	39,600,000
Health Provider Tax	676,900,000	683,900,000
Miscellaneous	20,800,000	21,300,000
TOTAL TAXES	17,045,865,000	17,526,965,000
Refunds of Taxes	(1,129,400,000)	(1,178,100,000)
Earned Income Tax Credit	(127,400,000)	(133,900,000)
R & D Credit Exchange	(7,100,000)	(7,400,000)
NET GENERAL FUND REVENUE	15,781,965,000	16,207,565,000

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OTHER REVENUE		
Transfers-Special Revenue	\$343,400,000	\$369,300,000
Indian Gaming Payments	258,800,000	252,400,000
Licenses, Permits, Fees	308,512,500	290,775,000
Sales of Commodities and Services	38,000,000	39,100,000
Rents, Fines and Escheats	126,000,000	128,000,000
Investment Income	2,500,000	5,600,000
Miscellaneous	171,300,000	173,400,000
Refunds of Payments	(74,200,000)	(75,100,000)
NET TOTAL OTHER REVENUE	1,174,312,500	1,183,475,000
OTHER SOURCES		
Federal Grants	\$1,265,229,970	\$1,252,686,722
Transfer From Tobacco Settlement	106,600,000	104,500,000
Transfers To/From Other Funds	(150,150,000)	(9,100,000)
Transfer to Resources of the STF	-	-
TOTAL OTHER SOURCES	1,221,679,970	1,348,086,722
TOTAL GENERAL FUND REVENUE	18,177,957,470	18,739,126,722

Sec. 57. (Effective July 1, 2015) The appropriations in section 2 of this act are supported by the SPECIAL TRANSPORTATION FUND revenue estimates as follows:

	2015-2016	2016-2017
TAXES		
Motor Fuels	\$499,000,000	\$502,300,000
Oil Companies	339,100,000	359,700,000
Sales Tax DMV	242,600,000	361,900,000
Refund of Taxes	(7,300,000)	(7,500,000)
TOTAL TAXES	1,073,400,000	1,216,400,000
OTHER SOURCES		
Motor Vehicle Receipts	245,800,000	246,600,000
Licenses, Permits, Fees	139,300,000	139,900,000

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Interest Income	7,700,000	8,500,000
Federal Grants	12,100,000	12,100,000
Transfers To Other Funds	(6,500,000)	(6,500,000)
Transfers from the Resources of the Special Transportation Fund	-	-
Refunds of Payments	(3,700,000)	(3,800,000)
NET TOTAL OTHER SOURCES	394,700,000	396,800,000
TOTAL SPECIAL TRANSPORTATION FUND REVENUE	1,468,100,000	1,613,200,000

Sec. 58. (Effective July 1, 2015) The appropriations in section 3 of this act are supported by the MASHANTUCKET PEQUOT AND MOHEGAN FUND revenue estimates as follows:

	2015-2016	2016-2017
Transfers from General Fund	\$61,800,000	\$61,800,000
TOTAL MASHANTUCKET PEQUOT AND MOHEGAN FUND REVENUE	61,800,000	61,800,000

Sec. 59. (Effective July 1, 2015) The appropriations in section 4 of this act are supported by the REGIONAL MARKET OPERATION FUND revenue estimates as follows:

	2015-2016	2016-2017
Rentals and Investment Income	\$1,100,000	\$1,100,000
TOTAL REGIONAL MARKET OPERATING FUND REVENUE	1,100,000	1,100,000

Sec. 60. (Effective July 1, 2015) The appropriations in section 5 of this act are supported by the BANKING FUND revenue estimates as follows:

	2015-2016	2016-2017
Fees and Assessments	\$30,000,000	\$30,200,000
TOTAL BANKING FUND REVENUE	30,000,000	30,200,000

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Sec. 61. (Effective July 1, 2015) The appropriations in section 6 of this act are supported by the INSURANCE FUND revenue estimates as follows:

	2015-2016	2016-2017
Fees and Assessments	\$79,950,000	\$81,400,000
TOTAL INSURANCE FUND REVENUE	79,950,000	81,400,000

Sec. 62. (Effective July 1, 2015) The appropriations in section 7 of this act are supported by the CONSUMER COUNSEL AND PUBLIC UTILITY CONTROL FUND revenue estimates as follows:

	2015-2016	2016-2017
Fees and Assessments	\$27,000,000	\$27,300,000
TOTAL CONSUMER COUNSEL AND PUBLIC UTILITY CONTROL FUND REVENUE	27,000,000	27,300,000

Sec. 63. (Effective July 1, 2015) The appropriations in section 8 of this act are supported by the WORKERS' COMPENSATION FUND revenue estimates as follows:

	2015-2016	2016-2017
Fees and Assessments	\$24,867,000	\$28,122,000
Use of Fund Balance from Prior Years	14,960,000	12,516,000
TOTAL WORKERS' COMPENSATION FUND REVENUE	39,827,000	40,638,000

Sec. 64. (Effective July 1, 2015) The appropriations in section 9 of this act are supported by the CRIMINAL INJURIES COMPENSATION FUND revenue estimates as follows:

	2015-2016	2016-2017
Restitutions	\$2,900,000	\$3,000,000
TOTAL CRIMINAL INJURIES COMPENSATION FUND REVENUE	2,900,000	3,000,000

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Sec. 65. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by section 50 of public act 14-47, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015, and applicable to taxable years commencing on or after January 1, 2015*):

(B) There shall be subtracted therefrom (i) to the extent properly includable in gross income for federal income tax purposes, any income with respect to which taxation by any state is prohibited by federal law, (ii) to the extent allowable under section 12-718, exempt dividends paid by a regulated investment company, (iii) the amount of any refund or credit for overpayment of income taxes imposed by this state, or any other state of the United States or a political subdivision thereof, or the District of Columbia, to the extent properly includable in gross income for federal income tax purposes, (iv) to the extent properly includable in gross income for federal income tax purposes and not otherwise subtracted from federal adjusted gross income pursuant to clause (x) of this subparagraph in computing Connecticut adjusted gross income, any tier 1 railroad retirement benefits, (v) to the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code, as provided by Section 101 of the Job Creation and Worker Assistance Act of 2002, for property placed in service after December 31, 2001, but prior to September 10, 2004, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income for a taxable year ending after December 31, 2001, twenty-five per cent of such additional allowance for depreciation in each of the four succeeding taxable years, (vi) to the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the

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state of Connecticut, (vii) to the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized, (viii) any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual, (ix) ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual, (x) (I) for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an

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amount equal to the Social Security benefits includable for federal income tax purposes; and (II) for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code, (xi) to the extent properly includable in gross income for federal income tax purposes, any amount rebated to a taxpayer pursuant to section 12-746, (xii) to the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, any distribution to such beneficiary from any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state, (xiii) to the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state, (xiv) to the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim, (xv) to the extent properly includable in gross income for federal income tax purposes of an account holder, as defined in section 31-51ww, interest earned on

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funds deposited in the individual development account, as defined in section 31-51ww, of such account holder, (xvi) to the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive, (xvii) to the extent properly includable in gross income for federal income tax purposes, [fifty per cent of the] any income received from the United States government as retirement pay for a retired member of (I) the Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code, (xviii) to the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December 31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(x) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year, (xix) to the extent not deductible in determining federal adjusted gross income, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the taxable year that such contribution is made, and (xx) to the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, for the taxable year commencing January 1, 2016, twenty-five per cent of the income received from the state teachers' retirement system, and for the taxable year commencing January 1, 2017, and each taxable year thereafter, fifty per cent of the

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income received from the state teachers' retirement system.

Sec. 66. Subsection (a) of section 12-700 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxable years commencing on or after January 1, 2015*):

(a) There is hereby imposed on the Connecticut taxable income of each resident of this state a tax:

(1) At the rate of four and one-half per cent of such Connecticut taxable income for taxable years commencing on or after January 1, 1992, and prior to January 1, 1996.

(2) For taxable years commencing on or after January 1, 1996, but prior to January 1, 1997, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$2,250	3.0%
Over \$2,250	\$67.50, plus 4.5% of the excess over \$2,250

(B) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$3,500	3.0%
Over \$3,500	\$105.00, plus 4.5% of the excess over \$3,500

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

Connecticut Taxable Income	Rate of Tax
Not over \$4,500	3.0%
Over \$4,500	\$135.00, plus 4.5% of the excess over \$4,500

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(3) For taxable years commencing on or after January 1, 1997, but prior to January 1, 1998, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$6,250	3.0%
Over \$6,250	\$187.50, plus 4.5% of the excess over \$6,250

(B) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$10,000	3.0%
Over \$10,000	\$300.00, plus 4.5% of the excess over \$10,000

(C) For any husband and wife who file a return under the federal

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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:

Connecticut Taxable Income	Rate of Tax
Not over \$12,500	3.0%
Over \$12,500	\$375.00, plus 4.5% of the excess over \$12,500

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(4) For taxable years commencing on or after January 1, 1998, but prior to January 1, 1999, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$7,500	3.0%
Over \$7,500	\$225.00, plus 4.5% of the excess over \$7,500

(B) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$12,000	3.0%
Over \$12,000	\$360.00, plus 4.5% of the excess over \$12,000

(C) For any husband and wife who file a return under the federal

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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:

Connecticut Taxable Income	Rate of Tax
Not over \$15,000	3.0%
Over \$15,000	\$450.00, plus 4.5% of the excess over \$15,000

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(5) For taxable years commencing on or after January 1, 1999, but prior to January 1, 2003, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$10,000	3.0%
Over \$10,000	\$300.00, plus 4.5% of the excess over \$10,000

(B) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$16,000	3.0%
Over \$16,000	\$480.00, plus 4.5% of the excess over \$16,000

(C) For any husband and wife who file a return under the federal

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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:

Connecticut Taxable Income	Rate of Tax
Not over \$20,000	3.0%
Over \$20,000	\$600.00, plus 4.5% of the excess over \$20,000

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(6) For taxable years commencing on or after January 1, 2003, but prior to January 1, 2009, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$10,000	3.0%
Over \$10,000	\$300.00, plus 5.0% of the excess over \$10,000

(B) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$16,000	3.0%
Over \$16,000	\$480.00, plus 5.0% of the excess over \$16,000

(C) For any husband and wife who file a return under the federal

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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:

Connecticut Taxable Income	Rate of Tax
Not over \$20,000	3.0%
Over \$20,000	\$600.00, plus 5.0% of the excess over \$20,000

(D) For trusts or estates, the rate of tax shall be 5.0% of the Connecticut taxable income.

(7) For taxable years commencing on or after January 1, 2009, but prior to January 1, 2011, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:

Connecticut Taxable Income	Rate of Tax
Not over \$10,000	3.0%
Over \$10,000 but not over \$500,000	\$300.00, plus 5.0% of the excess over \$10,000
Over \$500,000	\$24,800, plus 6.5% of the excess over \$500,000

(B) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$16,000	3.0%
Over \$16,000 but not over \$800,000	\$480.00, plus 5.0% of the excess over \$16,000
Over \$800,000	\$39,680, plus 6.5% of the

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excess over \$800,000

(C) 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:

Connecticut Taxable Income	Rate of Tax
Not over \$20,000	3.0%
Over \$20,000 but not over \$1,000,000	\$600.00, plus 5.0% of the excess over \$20,000
Over \$1,000,000	\$49,600, plus 6.5% of the excess over \$1,000,000

(D) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$10,000	3.0%
Over \$10,000 but not over \$500,000	\$300.00, plus 5.0% of the excess over \$10,000
Over \$500,000	\$24,800, plus 6.5% of the excess over \$500,000

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

(8) For taxable years commencing on or after January 1, 2011, but prior to January 1, 2015, 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:

Connecticut Taxable Income	Rate of Tax
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Not over \$10,000	3.0%
Over \$10,000 but not over \$50,000	\$300.00, plus 5.0% of the excess over \$10,000
Over \$50,000 but not over \$100,000	\$2,300, plus 5.5% of the excess over \$50,000
Over \$100,000 but not over \$200,000	\$5,050, plus 6.0% of the excess over \$100,000
Over \$200,000 but not over \$250,000	\$11,050, plus 6.5% of the excess over \$200,000
Over \$250,000	\$14,300, plus 6.70% of the excess over \$250,000

(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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i) and (A)(ii) of this subdivision, an amount equal to seventy-five dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand two hundred fifty dollars.

(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:

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Connecticut Taxable Income	Rate of Tax
Not over \$16,000	3.0%
Over \$16,000 but not over \$80,000	\$480.00, plus 5.0% of the excess over \$16,000
Over \$80,000 but not over \$160,000	\$3,680, plus 5.5% of the excess over \$80,000
Over \$160,000 but not over \$320,000	\$8,080, plus 6.0% of the excess over \$160,000
Over \$320,000 but not over \$400,000	\$17,680, plus 6.5% of the excess over \$320,000
Over \$400,000	\$22,880, plus 6.70% of the excess over \$400,000

(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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds three hundred twenty thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i) and (B)(ii) of this subdivision, an amount equal to one hundred twenty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds three hundred twenty thousand dollars, up to a maximum payment of three thousand six hundred dollars.

(C) (i) For any husband and wife who file a return under the federal

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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:

Connecticut Taxable Income	Rate of Tax
Not over \$20,000	3.0%
Over \$20,000 but not over \$100,000	\$600.00, plus 5.0% of the excess over \$20,000
Over \$100,000 but not over \$200,000	\$4,600, plus 5.5% of the excess over \$100,000
Over \$200,000 but not over \$400,000	\$10,100, plus 6.0% of the excess over \$200,000
Over \$400,000 but not over \$500,000	\$22,100, plus 6.5% of the excess over \$400,000
Over \$500,000	\$28,600, plus 6.70% of the excess over \$500,000

(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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds four hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i) and (C)(ii) of this subdivision, an amount equal to one hundred fifty dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's

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Connecticut adjusted gross income exceeds four hundred thousand dollars, up to a maximum payment of four thousand five hundred dollars.

(D) (i) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:

Connecticut Taxable Income	Rate of Tax
Not over \$10,000	3.0%
Over \$10,000 but not over \$50,000	\$300.00, plus 5.0% of the excess over \$10,000
Over \$50,000 but not over \$100,000	\$2,300, plus 5.5% of the excess over \$50,000
Over \$100,000 but not over \$200,000	\$5,050, plus 6.0% of the excess over \$100,000
Over \$200,000 but not over \$250,000	\$11,050, plus 6.5% of the excess over \$200,000
Over \$250,000	\$14,300, plus 6.70% of the excess over \$250,000

(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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i) and (D)(ii) of

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this subdivision, an amount equal to seventy-five dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand two hundred fifty dollars.

(E) For trusts or estates, the rate of tax shall be 6.70% of the Connecticut taxable income.

(9) For taxable years commencing on or after January 1, 2015, 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:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$10,000</u>	<u>3.0%</u>
<u>Over \$10,000 but not over \$50,000</u>	<u>\$300.00, plus 5.0% of the excess over \$10,000</u>
<u>Over \$50,000 but not over \$100,000</u>	<u>\$2,300, plus 5.5% of the excess over \$50,000</u>
<u>Over \$100,000 but not over \$200,000</u>	<u>\$5,050, plus 6.0% of the excess over \$100,000</u>
<u>Over \$200,000 but not over \$250,000</u>	<u>\$11,050, plus 6.5% of the excess over \$200,000</u>
<u>Over \$250,000 but not over \$500,000</u>	<u>\$14,300, plus 6.9% of the excess over \$250,000</u>
<u>Over \$500,000</u>	<u>\$31,550, plus 6.99% of the excess over \$500,000</u>

(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

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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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i) and (A)(ii) of this subdivision, an amount equal to ninety dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand seven hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds five hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i), (A)(ii) and (A)(iii) of this subdivision, an amount equal to fifty dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds five hundred thousand dollars, up to a maximum payment of four hundred fifty dollars.

(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:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$16,000</u>	<u>3.0%</u>
<u>Over \$16,000 but not over \$80,000</u>	<u>\$480.00, plus 5.0% of the excess over \$16,000</u>
<u>Over \$80,000 but not</u>	<u>\$3,680, plus 5.5% of the</u>

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<u>Over \$160,000 but not over \$320,000</u>	<u>\$8,080, plus 6.0% of the excess over \$160,000</u>
<u>Over \$320,000 but not over \$400,000</u>	<u>\$17,680, plus 6.5% of the excess over \$320,000</u>
<u>Over \$400,000 but not over \$800,000</u>	<u>\$22,880, plus 6.9% of the excess over \$400,000</u>
<u>Over \$800,000</u>	<u>\$50,400, plus 6.99% of the excess over \$800,000</u>

(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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds three hundred twenty thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i) and (B)(ii) of this subdivision, an amount equal to one hundred forty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds three hundred twenty thousand dollars, up to a maximum payment of four thousand two hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds eight hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i), (B)(ii) and

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(B)(iii) of this subdivision, an amount equal to eighty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds eight hundred thousand dollars, up to a maximum payment of seven hundred twenty dollars.

(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:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$20,000</u>	<u>3.0%</u>
<u>Over \$20,000 but not over \$100,000</u>	<u>\$600.00, plus 5.0% of the excess over \$20,000</u>
<u>Over \$100,000 but not over \$200,000</u>	<u>\$4,600, plus 5.5% of the excess over \$100,000</u>
<u>Over \$200,000 but not over \$400,000</u>	<u>\$10,100, plus 6.0% of the excess over \$200,000</u>
<u>Over \$400,000 but not over \$500,000</u>	<u>\$22,100, plus 6.5% of the excess over \$400,000</u>
<u>Over \$500,000 but not over \$1,000,000</u>	<u>\$28,600, plus 6.9% of the excess over \$500,00</u>
<u>Over \$1,000,000</u>	<u>\$63,100, plus 6.99% of the excess over \$1,000,000</u>

(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

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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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds four hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i) and (C)(ii) of this subdivision, an amount equal to one hundred eighty dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds four hundred thousand dollars, up to a maximum payment of five thousand four hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds one million dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i), (C)(ii) and (C)(iii) of this subdivision, an amount equal to one hundred dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds one million dollars, up to a maximum payment of nine hundred dollars.

(D) (i) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:

<u>Connecticut Taxable Income</u>	<u>Rate of Tax</u>
<u>Not over \$10,000</u>	<u>3.0%</u>
<u>Over \$10,000 but not over \$50,000</u>	<u>\$300.00, plus 5.0% of the excess over \$10,000</u>
<u>Over \$50,000 but not over \$100,000</u>	<u>\$2,300, plus 5.5% of the excess over \$50,000</u>
<u>Over \$100,000 but not over \$200,000</u>	<u>\$5,050, plus 6.0% of the excess over \$100,000</u>

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<u>Over \$200,000 but not over \$250,000</u>	<u>\$11,050, plus 6.5% of the excess over \$200,000</u>
<u>Over \$250,000 but not over \$500,000</u>	<u>\$14,300, plus 6.9% of the excess over \$250,000</u>
<u>Over \$500,000</u>	<u>\$31,550, plus 6.99% of the excess over \$500,000</u>

(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.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i) and (D)(ii) of this subdivision, an amount equal to ninety dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand seven hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds five hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i), (D)(ii) and (D)(iii) of this subdivision, an amount equal to fifty dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds five hundred thousand

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dollars, up to a maximum payment of four hundred fifty dollars.

(E) For trusts or estates, the rate of tax shall be 6.99% of the Connecticut taxable income.

[(9)] (10) The provisions of this subsection shall apply to resident trusts and estates and, wherever reference is made in this subsection to residents of this state, such reference shall be construed to include resident trusts and estates, provided any reference to a resident's Connecticut adjusted gross income derived from sources without this state or to a resident's Connecticut adjusted gross income shall be construed, in the case of a resident trust or estate, to mean the resident trust or estate's Connecticut taxable income derived from sources without this state and the resident trust or estate's Connecticut taxable income, respectively.

Sec. 67. Subsection (a) of section 12-702 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxable years commencing on or after January 1, 2015*):

(a) (1) (A) Any person, other than a trust or estate, subject to the tax under this chapter for any taxable year who files under the federal income tax for such taxable year as a married individual filing separately or, for taxable years commencing prior to January 1, 2000, who files income tax for such taxable year as an unmarried individual shall be entitled to a personal exemption of twelve thousand dollars in determining Connecticut taxable income for purposes of this chapter.

(B) In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-four thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year

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exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption.

(2) For taxable years commencing on or after January 1, 2000, any person, other than a trust or estate, subject to the tax under this chapter for any taxable year who files under the federal income tax for such taxable year as an unmarried individual shall be entitled to a personal exemption in determining Connecticut taxable income for purposes of this chapter as follows:

(A) For taxable years commencing on or after January 1, 2000, but prior to January 1, 2001, twelve thousand two hundred fifty dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-four thousand five hundred dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(B) For taxable years commencing on or after January 1, 2001, but prior to January 1, 2004, twelve thousand five hundred dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-five thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(C) For taxable years commencing on or after January 1, 2004, but prior to January 1, 2007, twelve thousand six hundred twenty-five dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-five thousand two

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hundred fifty dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(D) For taxable years commencing on or after January 1, 2007, but prior to January 1, 2008, twelve thousand seven hundred fifty dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-five thousand five hundred dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(E) For taxable years commencing on or after January 1, 2008, but prior to January 1, 2012, thirteen thousand dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-six thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(F) For taxable years commencing on or after January 1, 2012, but prior to January 1, 2013, thirteen thousand five hundred dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-seven thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent

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of the exemption;

(G) For taxable years commencing on or after January 1, 2013, but prior to January 1, 2014, fourteen thousand dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-eight thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(H) For taxable years commencing on or after January 1, 2014, but prior to January 1, [2015] 2016, fourteen thousand five hundred dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds twenty-nine thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption;

(I) For taxable years commencing on or after January 1, [2015] 2016, fifteen thousand dollars. In the case of any such taxpayer whose Connecticut adjusted gross income for the taxable year exceeds thirty thousand dollars, the exemption amount shall be reduced by one thousand dollars for each one thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income for the taxable year exceeds said amount. In no event shall the reduction exceed one hundred per cent of the exemption.

Sec. 68. Subparagraphs (H) and (I) of subdivision (2) of subsection (a) of section 12-703 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage and*

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*applicable to taxable years commencing on or after January 1, 2015):*

(H) For taxable years commencing on or after January 1, 2014, but prior to January 1, [2015] 2016:

Connecticut Adjusted Gross Income	Amount of Credit
Over \$14,500 but not over \$18,100	75%
Over \$18,100 but not over \$18,600	70%
Over \$18,600 but not over \$19,100	65%
Over \$19,100 but not over \$19,600	60%
Over \$19,600 but not over \$20,100	55%
Over \$20,100 but not over \$20,600	50%
Over \$20,600 but not over \$21,100	45%
Over \$21,100 but not over \$21,600	40%
Over \$21,600 but not over \$24,200	35%
Over \$24,200 but not over \$24,700	30%
Over \$24,700 but not over \$25,200	25%
Over \$25,200 but not over \$25,700	20%
Over \$25,700 but not over \$30,200	15%

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Over \$30,200 but not over \$30,700	14%
Over \$30,700 but not over \$31,200	13%
Over \$31,200 but not over \$31,700	12%
Over \$31,700 but not over \$32,200	11%
Over \$32,200 but not over \$58,000	10%
Over \$58,000 but not over \$58,500	9%
Over \$58,500 but not over \$59,000	8%
Over \$59,000 but not over \$59,500	7%
Over \$59,500 but not over \$60,000	6%
Over \$60,000 but not over \$60,500	5%
Over \$60,500 but not over \$61,000	4%
Over \$61,000 but not over \$61,500	3%
Over \$61,500 but not over \$62,000	2%
Over \$62,000 but not over \$62,500	1%

(I) For taxable years commencing on or after January 1, [2015] 2016:

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Adjusted Gross Income	Amount of Credit
Over \$15,000 but not over \$18,800	75%
Over \$18,800 but not over \$19,300	70%
Over \$19,300 but not over \$19,800	65%
Over \$19,800 but not over \$20,300	60%
Over \$20,300 but not over \$20,800	55%
Over \$20,800 but not over \$21,300	50%
Over \$21,300 but not over \$21,800	45%
Over \$21,800 but not over \$22,300	40%
Over \$22,300 but not over \$25,000	35%
Over \$25,000 but not over \$25,500	30%
Over \$25,500 but not over \$26,000	25%
Over \$26,000 but not over \$26,500	20%
Over \$26,500 but not over \$31,300	15%
Over \$31,300 but not over \$31,800	14%
Over \$31,800 but not over \$32,300	13%
Over \$32,300 but	

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not over \$32,800	12%
Over \$32,800 but not over \$33,300	11%
Over \$33,300 but not over \$60,000	10%
Over \$60,000 but not over \$60,500	9%
Over \$60,500 but not over \$61,000	8%
Over \$61,000 but not over \$61,500	7%
Over \$61,500 but not over \$62,000	6%
Over \$62,000 but not over \$62,500	5%
Over \$62,500 but not over \$63,000	4%
Over \$63,000 but not over \$63,500	3%
Over \$63,500 but not over \$64,000	2%
Over \$64,000 but not over \$64,500	1%

Sec. 69. Subsection (e) of section 12-704e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxable years commencing on or after January 1, 2015*):

(e) For purposes of this section, "applicable percentage" means thirty per cent, except (1) for the taxable year commencing on January 1, 2013, "applicable percentage" means twenty-five per cent, and (2) for [the taxable year] taxable years commencing on or after January 1,

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2014, but prior to January 1, 2017, "applicable percentage" means twenty-seven and one-half per cent.

Sec. 70. Subsections (a) to (c), inclusive, of section 12-704c of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2015, and applicable to income years commencing on or after January 1, 2015*):

(a) Any resident of this state, as defined in subdivision (1) of subsection (a) of section 12-701, subject to the tax under this chapter for any taxable year shall be entitled to a credit in determining the amount of tax liability under this chapter, for all or a portion, as permitted by this section, of the amount of property tax, as defined in this section, first becoming due and actually paid during such taxable year by such person on such person's primary residence or motor vehicle in accordance with the provisions of this section, provided in the case of a person who files a return under the federal income tax for such taxable year as an unmarried individual, a married individual filing separately or a head of household, one motor vehicle shall be eligible for such credit and in the case of a husband and wife who file a return under federal income tax for such taxable year as married individuals filing jointly, no more than two motor vehicles shall be eligible for a credit under the provisions of this section.

(b) The credit allowed under this section shall not exceed two hundred fifteen dollars for the taxable year commencing on or after January 1, 1997, and prior to January 1, 1998; for taxable years commencing on or after January 1, 1998, but prior to January 1, 1999, three hundred fifty dollars; for taxable years commencing on or after January 1, 1999, but prior to January 1, 2000, four hundred twenty-five dollars; for taxable years commencing on or after January 1, 2000, but prior to January 1, 2003, five hundred dollars; for taxable years commencing on or after January 1, 2003, three hundred fifty dollars; for taxable years commencing on or after January 1, 2005, but prior to

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January 1, 2006, three hundred fifty dollars; for taxable years commencing on or after January 1, 2006, but prior to January 1, 2011, five hundred dollars; [and] for taxable years commencing on or after January 1, 2011, but prior to January 1, 2016, three hundred dollars; and for taxable years commencing on or after January 1, 2016, two hundred dollars. In the case of any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing a joint return, the credit allowed, in the aggregate, shall not exceed such amounts for each such taxable year.

(c) (1) (A) For taxable years commencing prior to January 1, 2000, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-two thousand five hundred dollars, the amount of the credit that exceeds one hundred dollars shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(B) For taxable years commencing on or after January 1, 2000, but prior to January 1, 2001, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-three thousand five hundred dollars, the amount of the credit that exceeds one hundred dollars shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(C) For taxable years commencing on or after January 1, 2001, but prior to January 1, 2004, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-four thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction

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thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(D) For taxable years commencing on or after January 1, 2004, but prior to January 1, 2007, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-five thousand dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(E) For taxable years commencing on or after January 1, 2007, but prior to January 1, 2008, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-five thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(F) For taxable years commencing on or after January 1, 2008, but prior to January 1, 2011, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(G) For taxable years commencing on or after January 1, 2011, but prior to January 1, 2013, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the credit shall be

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reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(H) For taxable years commencing on or after January 1, 2013, but prior to January 1, 2014, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds sixty thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(I) For taxable years commencing on or after January 1, 2014, but prior to January 1, [2015] 2016, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [sixty-two thousand five hundred] forty-seven thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(J) For taxable years commencing on or after January 1, [2015] 2016, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds [sixty-four thousand five hundred] forty-nine thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(2) In the case of any such taxpayer who files under the federal income tax for such taxable year as a married individual filing separately whose Connecticut adjusted gross income exceeds [fifty

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thousand two hundred fifty] thirty-five thousand two hundred fifty dollars, the amount of the credit shall be reduced by fifteen per cent for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(3) In the case of a taxpayer who files under the federal income tax for such taxable year as a head of household whose Connecticut adjusted gross income exceeds [seventy-eight thousand five hundred] fifty-four thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(4) In the case of a taxpayer who files under federal income tax for such taxable year as married individuals filing jointly whose Connecticut adjusted gross income exceeds [one hundred thousand five hundred] seventy thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

Sec. 71. Section 12-407e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) (1) From the third Sunday in August until the Saturday next succeeding, inclusive, during the period beginning July 1, 2004, and ending June 30, 2015, the provisions of this chapter shall not apply to sales of any article of clothing or footwear intended to be worn on or about the human body the cost of which article to the purchaser is less than three hundred dollars.

(2) On and after July 1, 2015, from the third Sunday in August until the Saturday next succeeding, inclusive, the provisions of this chapter shall not apply to sales of any article of clothing or footwear intended

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to be worn on or about the human body, the cost of which article to the purchaser is less than one hundred dollars.

(b) For the purposes of this section, clothing or footwear shall not include (1) any special clothing or footwear primarily designed for athletic activity or protective use and which is not normally worn except when used for the athletic activity or protective use for which it was designed, and (2) jewelry, handbags, luggage, umbrellas, wallets, watches and similar items carried on or about the human body but not worn on the body in the manner characteristic of clothing intended for exemption under this section.

Sec. 72. Subparagraph (H) of subdivision (1) of section 12-408 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015, and applicable to sales occurring on or after said date*):

(H) With respect to the sale of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business enterprise and issued a commercial

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registration or more specific type of registration by the Department of Motor Vehicles;

Sec. 73. Subparagraph (H) of subdivision (1) of section 12-411 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015, and applicable to sales occurring on or after said date*):

(H) With respect to the sale of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business enterprise and issued a commercial registration or more specific type of registration by the Department of Motor Vehicles; and

Sec. 74. Subdivision (1) of section 12-408 of the general statutes, as amended by section 72 of this act, is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to sales occurring on or after October 1, 2015, and to sales of services that are billed to customers for a period that includes said October 1, 2015, date*):

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(1) (A) 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 and thirty-five-hundredths 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 and thirty-five-hundredths per cent, the rates provided in subparagraphs (B) to (H), inclusive, of this subdivision;

(B) At a rate of 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;

(C) 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;

(D) (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, and prior to October 1, 2015, at the rate of one per cent, [and] on or

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after October 1, 2015, and prior to July 1, 2016, at the rate of two per cent, on or after July 1, 2016, at the rate of three 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, and (iii) with respect to the sales of computer and data processing services occurring on or after October 1, 2015, such services performed by an entity for an affiliate of such entity shall be exempt from such tax, where "affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person, and "owns", "is owned" and "ownership" mean ownership of an equity interest, or the equivalent thereof, of fifty per cent or more;

(E) (i) 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;

(ii) With respect to the sale of a vessel, such sale shall be exempt from such tax provided such vessel is docked in this state for sixty or fewer days in a calendar year;

(F) 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;

(G) With respect to the rental or leasing of a passenger motor vehicle for a period of thirty consecutive calendar days or less, at a rate of nine and thirty-five-hundredths per cent;

(H) With respect to the sale of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths

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per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business enterprise and issued a commercial registration or more specific type of registration by the Department of Motor Vehicles;

(I) 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

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for the period during which such income is received, without penalty or interest, without regard to when such service is rendered; [and]

(J) For calendar quarters ending on or after September 30, 2011, except for calendar quarters ending on or after July 1, 2016, but prior to July 1, 2017, the commissioner shall deposit into the regional planning incentive account, established pursuant to section 4-66k, six and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (B) of this subdivision and ten and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (G) of this subdivision; [.]

(K) (i) Notwithstanding the provisions of this section, for calendar quarters ending on or after December 31, 2015, but prior to July 1, 2016, the commissioner shall deposit into the municipal revenue sharing account established pursuant to section 4-66l, as amended by this act, four and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision;

(ii) For calendar quarters ending on or after July 1, 2016, but prior to July 1, 2017, the commissioner shall deposit into the municipal revenue sharing account established pursuant to section 4-66l, as amended by this act, six and three-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision;

(iii) For calendar quarters ending on or after July 1, 2017, the commissioner shall deposit into the municipal revenue sharing account established pursuant to section 4-66l, as amended by this act, seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision; and

(L) (i) Notwithstanding the provisions of this section, for calendar quarters ending on or after December 31, 2015, but prior to July 1, 2016,

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the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 four and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision;

(ii) For calendar quarters ending on or after July 1, 2016, but prior to July 1, 2017, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 six and three-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision; and

(iii) For calendar quarters ending on or after July 1, 2017, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision.

Sec. 75. Subdivision (37) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015, and applicable to sales occurring on or after said date, and to sales of services that are billed to customers for a period that includes said July 1, 2015, date*):

(37) "Services" for purposes of subdivision (2) of this subsection, means:

(A) Computer and data processing services, including, but not limited to, time, programming, code writing, modification of existing programs, feasibility studies and installation and implementation of software programs and systems even where such services are rendered in connection with the development, creation or production of canned or custom software or the license of custom software; [, and exclusive of services rendered in connection with the creation, development hosting or maintenance of all or part of a web site which is part of the

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graphical, hypertext portion of the Internet, commonly referred to as the World Wide Web;]

(B) Credit information and reporting services;

(C) Services by employment agencies and agencies providing personnel services;

(D) Private investigation, protection, patrol work, watchman and armored car services, exclusive of (i) services of off-duty police officers and off-duty firefighters, and (ii) coin and currency services provided to a financial services company by or through another financial services company. For purposes of this subparagraph, "financial services company" has the same meaning as provided under subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a) of section 12-218b;

(E) Painting and lettering services;

(F) Photographic studio services;

(G) Telephone answering services;

(H) Stenographic services;

(I) Services to industrial, commercial or income-producing real property, including, but not limited to, such services as management, electrical, plumbing, painting and carpentry, provided income-producing property shall not include property used exclusively for residential purposes in which the owner resides and which contains no more than three dwelling units, or a housing facility for low and moderate income families and persons owned or operated by a nonprofit housing organization, as defined in subdivision (29) of section 12-412;

(J) Business analysis, management, management consulting and

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public relations services, excluding (i) any environmental consulting services, (ii) any training services provided by an institution of higher education licensed or accredited by the Board of Regents for Higher Education or Office of Higher Education pursuant to sections 10a-35a and 10a-34, respectively, and (iii) on and after January 1, 1994, any business analysis, management, management consulting and public relations services when such services are rendered in connection with an aircraft leased or owned by a certificated air carrier or in connection with an aircraft which has a maximum certificated take-off weight of six thousand pounds or more;

(K) Services providing "piped-in" music to business or professional establishments;

(L) Flight instruction and chartering services by a certificated air carrier on an aircraft, the use of which for such purposes, but for the provisions of subdivision (4) of section 12-410 and subdivision (12) of section 12-411, would be deemed a retail sale and a taxable storage or use, respectively, of such aircraft by such carrier;

(M) Motor vehicle repair services, including any type of repair, painting or replacement related to the body or any of the operating parts of a motor vehicle;

(N) Motor vehicle parking, including the provision of space, other than metered space, in a lot having thirty or more spaces, excluding [(i) space in a seasonal parking lot provided by a person who is exempt from taxation under this chapter pursuant to subdivision (1), (5) or (8) of section 12-412, (ii) space in a parking lot owned or leased under the terms of a lease of not less than ten years' duration and operated by an employer for the exclusive use of its employees, and (iii)] space in municipally-operated railroad parking facilities in municipalities located within an area of the state designated as a severe nonattainment area for ozone under the federal Clean Air Act or space

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in a railroad parking facility in a municipality located within an area of the state designated as a severe nonattainment area for ozone under the federal Clean Air Act owned or operated by the state on or after April 1, 2000;

(O) Radio or television repair services;

(P) Furniture reupholstering and repair services;

(Q) Repair services to any electrical or electronic device, including, but not limited to, equipment used for purposes of refrigeration or air-conditioning;

(R) Lobbying or consulting services for purposes of representing the interests of a client in relation to the functions of any governmental entity or instrumentality;

(S) Services of the agent of any person in relation to the sale of any item of tangible personal property for such person, exclusive of the services of a consignee selling works of art, as defined in subsection (b) of section 12-376c, or articles of clothing or footwear intended to be worn on or about the human body other than (i) any special clothing or footwear primarily designed for athletic activity or protective use and which is not normally worn except when used for the athletic activity or protective use for which it was designed, and (ii) jewelry, handbags, luggage, umbrellas, wallets, watches and similar items carried on or about the human body but not worn on the body, under consignment, exclusive of services provided by an auctioneer;

(T) Locksmith services;

(U) Advertising or public relations services, including layout, art direction, graphic design, mechanical preparation or production supervision, not related to the development of media advertising or cooperative direct mail advertising;

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(V) Landscaping and horticulture services;

(W) Window cleaning services;

(X) Maintenance services;

(Y) Janitorial services;

(Z) Exterminating services;

(AA) Swimming pool cleaning and maintenance services;

(BB) Miscellaneous personal services included in industry group 729 in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, or U.S. industry 532220, 812191, 812199 or 812990 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition, exclusive of (i) services rendered by massage therapists licensed pursuant to chapter 384a, and (ii) services rendered by an electrologist licensed pursuant to chapter 388;

(CC) Any repair or maintenance service to any item of tangible personal property including any contract of warranty or service related to any such item;

(DD) Business analysis, management or managing consulting services rendered by a general partner, or an affiliate thereof, to a limited partnership, provided (i) the general partner, or an affiliate thereof, is compensated for the rendition of such services other than through a distributive share of partnership profits or an annual percentage of partnership capital or assets established in the limited partnership's offering statement, and (ii) the general partner, or an affiliate thereof, offers such services to others, including any other partnership. As used in this subparagraph "an affiliate of a general

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partner" means an entity which is directly or indirectly owned fifty per cent or more in common with a general partner;

(EE) Notwithstanding the provisions of section 12-412, as amended by this act, except subdivision (87) of said section 12-412, patient care services, as defined in subdivision (29) of this subsection by a hospital, except that "sale" and "selling" does not include such patient care services for which payment is received by the hospital during the period commencing July 1, 2001, and ending June 30, 2003;

(FF) Health and athletic club services, exclusive of (i) any such services provided without any additional charge which are included in any dues or initiation fees paid to any such club, which dues or fees are subject to tax under section 12-543, and (ii) any such services provided by a municipality or an organization that is described in Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended;

(GG) Motor vehicle storage services, including storage of motor homes, campers and camp trailers, other than the furnishing of space as described in subparagraph (P) of subdivision (2) of this subsection;

(HH) Packing and crating services, other than those provided in connection with the sale of tangible personal property by the retailer of such property;

(II) Motor vehicle towing and road services, other than motor vehicle repair services;

(JJ) Intrastate transportation services provided by livery services, including limousines, community cars or vans, with a driver. Intrastate transportation services shall not include transportation by taxicab, motor bus, ambulance or ambulette, scheduled public transportation, nonemergency medical transportation provided under the Medicaid

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program, paratransit services provided by agreement or arrangement with the state or any political subdivision of the state, dial-a-ride services or services provided in connection with funerals;

(KK) Pet grooming and pet boarding services, except if such services are provided as an integral part of professional veterinary services, and pet obedience services;

(LL) Services in connection with a cosmetic medical procedure. For purposes of this subparagraph, "cosmetic medical procedure" means any medical procedure performed on an individual that is directed at improving the individual's appearance and that does not meaningfully promote the proper function of the body or prevent or treat illness or disease. "Cosmetic medical procedure" includes, but is not limited, to cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft tissue fillers, dermabrasion and chemical peel, laser hair removal, laser skin resurfacing, laser treatment of leg veins [,] and sclerotherapy. "Cosmetic medical procedure" does not include reconstructive surgery. "Reconstructive surgery" includes any surgery performed on abnormal structures caused by or related to congenital defects, developmental abnormalities, trauma, infection, tumors or disease, including procedures to improve function or give a more normal appearance;

(MM) Manicure services, pedicure services and all other nail services, regardless of where performed, including airbrushing, fills, full sets, nail sculpting, paraffin treatments and polishes;

(NN) Spa services, regardless of where performed, including body waxing and wraps, peels, scrubs and facials; and

(OO) Car wash services, excluding coin-operated car washes.

Sec. 76. Subparagraph (E) of subdivision (1) of section 12-411 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015, and applicable to sales occurring on or*

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after said date, and to sales of services that are billed to customers for a period that includes said date):

(E) (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, and prior to October 1, 2015, at the rate of one per cent of such services, [and] on or after October 1, 2015, and prior to July 1, 2016, at the rate of two per cent, on or after July 1, 2016, at the rate of three per cent, (ii) with respect to the acceptance or receipt in this state of Internet access services, on or after July 1, 2001, and prior to October 1, 2015, such services shall be exempt from tax, and (iii) with respect to the acceptance or receipt in this state of computer and data processing services purchased on or after October 1, 2015, such services performed by an entity for an affiliate of such entity shall be exempt from such tax, where "affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person, and "owns", "is owned" and "ownership" mean ownership of an equity interest, or the equivalent thereof, of fifty per cent or more;

Sec. 77. Subdivision (5) of section 12-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(5) (A) Sales of tangible personal property or services to and by nonprofit charitable hospitals in this state, nonprofit nursing homes, nonprofit rest homes and nonprofit residential care homes licensed by the state pursuant to chapter 368v for the exclusive purposes of such

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institutions except any such service transaction as described in subparagraph (N) or (EE) of subdivision (37) of subsection (a) of section 12-407, as amended by this act.

(B) Sales of tangible personal property by any organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and that the United States Treasury Department has expressly determined, by letter, to be an organization that is described in Section 501(c)(3) of said internal revenue code, which sales are made on the premises of a hospital.

(C) For the fiscal years ending June 30, 2015, to June 30, 2017, inclusive, the sales of tangible personal property or services to and by an acute care hospital, operating as a sole community hospital in this state for the exclusive purposes of such sole community hospital. For purposes of this subparagraph, "sole community hospital" has the same meaning as "sole community hospital", as described in 42 CFR 412.92, as amended from time to time.

Sec. 78. Section 30-22 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) A restaurant permit shall allow the retail sale of alcoholic liquor to be consumed on the premises of a restaurant. A restaurant patron shall be allowed to remove one unsealed bottle of wine for off-premises consumption provided the patron has purchased such bottle of wine at such restaurant and has purchased a full course meal at such restaurant and consumed a portion of the bottle of wine with such meal on such restaurant premises. For the purposes of this section, "full course meal" means a diversified selection of food which ordinarily cannot be consumed without the use of tableware and which cannot be conveniently consumed while standing or walking. A

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restaurant permit, with prior approval of the Department of Consumer Protection, shall allow alcoholic liquor to be served at tables in outside areas which are screened or not screened from public view where permitted by fire, zoning and health regulations. If not required by fire, zoning or health regulations, a fence or wall enclosing such outside areas shall not be required by the Department of Consumer Protection. No fence or wall used to enclose such outside areas shall be less than thirty inches high. Such permit shall also authorize the sale at retail from the premises of sealed containers supplied and filled by the permittee with draught beer for consumption off the premises. Such sales shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under the provisions of subsection (d) of section 30-91, as amended by this act. Not more than four liters of such beer shall be sold to any person on any day on which the sale of alcoholic liquor is authorized under the provisions of subsection (d) of section 30-91, as amended by this act. No holder of a manufacturer permit, out-of-state shipper's permit or wholesaler permit shall supply to the holder of a restaurant permit the containers permitted to be sold for consumption off the premises under this section or any draught system components other than tapping accessories. The annual fee for a restaurant permit shall be one thousand four hundred fifty dollars.

(b) A restaurant permit for beer shall allow the retail sale of beer and of cider not exceeding six per cent of alcohol by volume to be consumed on the premises of a restaurant. Such permit shall also authorize the sale at retail from the premises of sealed containers supplied by the permittee of draught beer for consumption off the premises. Such sales shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under the provisions of subsection (d) of section 30-91, as amended by this act. Not more than four liters of such beer shall be sold to any person on any day on which the sale of alcoholic liquor is authorized under the provisions of subsection (d) of section 30-91, as amended by this act. The annual fee

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for a restaurant permit for beer shall be three hundred dollars.

(c) A restaurant permit for wine and beer shall allow the retail sale of wine and beer and of cider not exceeding six per cent of alcohol by volume to be consumed on the premises of the restaurant. A restaurant patron may remove one unsealed bottle of wine for off-premises consumption provided the patron has purchased a full course meal and consumed a portion of the bottle of wine with such meal on the restaurant premises. Such permit shall also authorize the sale at retail from the premises of sealed containers supplied by the permittee of draught beer for consumption off the premises. Such sales shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under the provisions of subsection (d) of section 30-91, as amended by this act. Not more than four liters of such beer shall be sold to any person on any day on which the sale of alcoholic liquor is authorized under the provisions of subsection (d) of section 30-91, as amended by this act. The annual fee for a restaurant permit for wine and beer shall be seven hundred dollars.

(d) Repealed by P.A. 77-112, S. 1.

(e) A partially consumed bottle of wine that is to be removed from the premises pursuant to subsection (a) or (c) of this section shall be securely sealed and placed in a bag by the permittee or permittee's agent or employee prior to removal from the premises.

(f) "Restaurant" means space, in a suitable and permanent building, kept, used, maintained, advertised and held out to the public to be a place where hot meals are regularly served, but which has no sleeping accommodations for the public and which shall be provided with an adequate and sanitary kitchen and dining room and employs at all times an adequate number of employees.

Sec. 79. Section 30-22a of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) A cafe permit shall allow the retail sale of alcoholic liquor to be consumed on the premises of a cafe. Premises operated under a cafe permit shall regularly keep food available for sale to its customers for consumption on the premises. The availability of sandwiches, soups or other foods, whether fresh, processed, precooked or frozen, shall be deemed compliance with this requirement. The licensed premises shall at all times comply with all the regulations of the local department of health. Nothing herein shall be construed to require that any food be sold or purchased with any liquor, nor shall any rule, regulation or standard be promulgated or enforced requiring that the sale of food be substantial or that the receipts of the business other than from the sale of liquor equal any set percentage of total receipts from sales made therein. A cafe permit shall allow, with the prior approval of the Department of Consumer Protection, alcoholic liquor to be served at tables in outside areas that are screened or not screened from public view where permitted by fire, zoning and health regulations. If not required by fire, zoning or health regulations, a fence or wall enclosing such outside areas shall not be required by the Department of Consumer Protection. No fence or wall used to enclose such outside areas shall be less than thirty inches high. Such permit shall also authorize the sale at retail from the premises of sealed containers supplied by the permittee of draught beer for consumption off the premises. Such sales shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under the provisions of subsection (d) of section 30-91, as amended by this act. Not more than four liters of such beer shall be sold to any person on any day on which the sale of alcoholic liquor is authorized under the provisions of subsection (d) of section 30-91, as amended by this act. The annual fee for a cafe permit shall be two thousand dollars.

(b) (1) A cafe patron may remove one unsealed bottle of wine for

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off-premises consumption provided the patron has purchased a full course meal and consumed a portion of the wine with such meal on the cafe premises. For purposes of this section, "full course meal" means a diversified selection of food which ordinarily cannot be consumed without the use of tableware and which cannot be conveniently consumed while standing or walking.

(2) A partially consumed bottle of wine that is to be removed from the premises pursuant to this subsection shall be securely sealed and placed in a bag by the permittee or the permittee's agent or employee prior to removal from the premises.

(c) As used in this section, "cafe" means space in a suitable and permanent building, kept, used, maintained, advertised and held out to the public to be a place where alcoholic liquor and food is served for sale at retail for consumption on the premises but which does not necessarily serve hot meals; it shall have no sleeping accommodations for the public and need not necessarily have a kitchen or dining room but shall have employed therein at all times an adequate number of employees.

Sec. 80. Section 30-26 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

A tavern permit shall allow the retail sale of beer and of cider not exceeding six per cent of alcohol by volume and wine to be consumed on the premises of a tavern with or without the sale of food. "Tavern" means a place where beer and wine are sold under a tavern permit. Such permit shall also authorize the sale at retail from the premises of sealed containers supplied by the permittee of draught beer for consumption off the premises. Such sales shall be conducted only during the hours a package store is permitted to sell alcoholic liquor under the provisions of subsection (d) of section 30-91, as amended by this act. Not more than four liters of such beer shall be sold to any

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person on any day on which the sale of alcoholic liquor is authorized under the provisions of subsection (d) of section 30-91, as amended by this act. The annual fee for a tavern permit shall be three hundred dollars.

Sec. 81. Section 30-48a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) No person, and no backer as defined in section 30-1, shall, except as [hereinafter] provided in this section, acquire an interest in more than [three] four alcoholic beverage retail permits, except that on and after July 1, 2016, such person or backer may acquire an interest in no more than five alcoholic beverage retail permits, but nothing [herein] in this section shall (1) require any such person who had, on June 8, 1981, such interest in more than two such permits to surrender, dispose of or release his or her interest in any such permit or permits nor shall it affect his or her right to continue to hold, use and renew such permits, or (2) prohibit any such person who had, on June 8, 1981, such interest in more than two such permits from transferring his or her interest in such permits by inter vivos or testamentary disposition, including living trusts, to his or her spouse or child, or such spouse's or child's living trust or prohibit such spouse or child from accepting such a transfer notwithstanding that such spouse or child may already hold another permit issued under the provisions of this chapter. Any such permit so transferred may be renewed by such transferee under the provisions of section 30-14a. Except as provided in subdivision (1) of this subsection, a person shall be deemed to acquire an interest in a retail permit if an interest is owned by such person, such person's spouse, children, partners, or an estate, trust, or corporation controlled by such person or such person's spouse, children, or any combination thereof. The provisions of this subsection shall apply to any such interest without regard to whether such interest is a controlling interest. For the purposes of this subsection, "person" means (A) an

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individual, (B) a corporation or any subsidiary of a corporation, or (C) any combination of corporations or individuals any of whom, or any combination of whom, owns or controls, directly or indirectly, more than five per cent of any entity which is a backer as defined in said section 30-1.

(b) A retail permit for the purposes of subsection (a) of this section means a package store liquor permit or a druggist liquor permit.

(c) Membership in any organization which is or may become the holder of a club permit shall not constitute acquisition of an interest in a retail permit.

(d) Any person who violates any provision of this section or of any regulation [issued] adopted pursuant [hereto] to this section shall be fined not less than fifty dollars nor more than two hundred fifty dollars and any permit issued in violation of this section shall be revoked.

Sec. 82. Section 30-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The sale or the dispensing or consumption or the presence in glasses or other receptacles suitable to permit the consumption of alcoholic liquor by an individual in places operating under hotel permits, restaurant permits, cafe permits, restaurant permits for catering establishments, bowling establishment permits, racquetball facility permits, club permits, coliseum permits, coliseum concession permits, special sporting facility restaurant permits, special sporting facility employee recreational permits, special sporting facility guest permits, special sporting facility concession permits, special sporting facility bar permits, golf country club permits, nonprofit public museum permits, university permits, airport restaurant permits, airport bar permits, airport airline club permits, tavern permits, a

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manufacturer permit for a brew pub, manufacturer permits for beer and brew pubs, casino permits, caterer liquor permits and charitable organization permits shall be unlawful on: (1) Monday, Tuesday, Wednesday, Thursday and Friday between the hours of one o'clock a.m. and nine o'clock a.m.; (2) Saturday between the hours of two o'clock a.m. and nine o'clock a.m.; (3) Sunday between the hours of two o'clock a.m. and eleven o'clock a.m.; (4) Christmas, except (A) for alcoholic liquor that is served where food is also available during the hours otherwise permitted by this section for the day on which Christmas falls, and (B) by casino permittees at casinos, as defined in section 30-37k; and (5) January first between the hours of three o'clock a.m. and nine o'clock a.m., except that on any Sunday that is January first the prohibitions of this section shall be between the hours of three o'clock a.m. and eleven o'clock a.m.

(b) Any town may, by vote of a town meeting or by ordinance, reduce the number of hours during which sales under subsection (a) of this section, except sales pursuant to an airport restaurant permit, airport bar permit or airport airline club permit, shall be permissible. In all cases when a town, either by vote of a town meeting or by ordinance, has acted on the sale of alcoholic liquor or the reduction of the number of hours when such sale is permissible, such action shall become effective on the first day of the month succeeding such action and no further action shall be taken until at least one year has elapsed since the previous action was taken.

(c) Notwithstanding any provisions of subsections (a) and (b) of this section, such sale or dispensing or consumption or presence in glasses in places operating under a bowling establishment permit shall be unlawful before two p.m. on any day, except in that portion of the permit premises which is located in a separate room or rooms entry to which, from the bowling lane area of the establishment, is by means of a door or doors which shall remain closed at all times except to permit

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entrance and egress to and from the lane area. Any alcoholic liquor sold or dispensed in a place operating under a bowling establishment permit shall be served in containers such as, but not limited to, plastic or glass. Any town may, by vote of a town meeting or by ordinance, reduce the number of hours during which sales under this subsection shall be permissible.

(d) The sale or dispensing of alcoholic liquor in places operating under package store permits, drug store permits, manufacturer permits for beer, manufacturer permits for beer and brew pubs or grocery store beer permits shall be unlawful on Thanksgiving Day, New Year's Day or Christmas; and such sale or dispensing of alcoholic liquor in places operating under package store permits, drug store permits, manufacturer permits for beer, manufacturer permits for beer and brew pubs and grocery store beer permits shall be unlawful on Sunday before ten o'clock a.m. and after [five] six o'clock p.m. and on any other day before eight o'clock a.m. and after [nine] ten o'clock p.m. It shall be unlawful for the holder of a manufacturer permit for a brew pub to sell beer for consumption off the premises on the days or hours prohibited by this subsection. Any town may, by a vote of a town meeting or by ordinance, reduce the number of hours during which such sale shall be permissible.

(e) (1) In the case of any premises operating under a tavern permit, wherein, under the provisions of this section, the sale of alcoholic liquor is forbidden on certain days or hours of the day, or during the period when a tavern permit is suspended, it shall likewise be unlawful to keep such premises open to, or permit it to be occupied by, the public on such days or hours.

(2) In the case of any premises operating under a cafe permit, it shall be unlawful to keep such premises open to, or permit such premises to be occupied by, the public between the hours of one o'clock a.m. and six o'clock a.m. on Monday, Tuesday, Wednesday, Thursday and

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Friday and between the hours of two o'clock a.m. and six o'clock a.m. on Saturday and Sunday or during any period of time when such permit is suspended, provided the sale or the dispensing or consumption of alcohol on such premises operating under such cafe permit shall be prohibited beyond the hours authorized for the sale or dispensing or consumption of alcohol for such premises under this section.

(3) Notwithstanding any provision [in] of this chapter, in the case of any premises operating under a tavern or cafe permit, it shall be lawful for such premises to be open to, or be occupied by, the public when such premises is being used as a site for film, television, video or digital production eligible for a film production tax credit pursuant to section 12-217jj, as amended by this act, provided the sale or the dispensing or consumption of alcohol on such premises operating under such tavern or cafe permit shall be prohibited beyond the hours authorized for the sale or the dispensing or consumption of alcohol for such premises under this section.

(f) The retail sale of wine and the tasting of free samples of wine by visitors and prospective retail customers of a permittee holding a manufacturer permit for a farm winery on the premises of such permittee shall be unlawful on Sunday before eleven o'clock a.m. and after [nine] ten o'clock p.m. and on any other day before ten o'clock a.m. and after [nine] ten o'clock p.m. Any town may, by vote of a town meeting or by ordinance, reduce the number of hours during which sales and the tasting of free samples of wine under this subsection shall be permissible.

(g) Notwithstanding any provision of subsection (a) of this section, food or nonalcoholic beverages may be sold, dispensed or consumed in places operating under an airport restaurant permit, an airport bar permit or an airport airline club permit, at any time, as allowed by agreement between the state of Connecticut and its lessees or

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concessionaires.

(h) The sale or the dispensing or consumption or the presence in glasses or other receptacles suitable to permit the consumption of alcoholic liquor by an individual in places operating under a nonprofit golf tournament permit shall be unlawful on any day prior to eleven o'clock a.m. and after [nine] ten o'clock p.m.

(i) The tasting of free samples of beer by visitors of a permittee holding a manufacturing permit for beer on the premises of such permittee shall be unlawful on Sunday before eleven o'clock a.m. and after eight o'clock p.m. and on any other day before ten o'clock a.m. and after eight o'clock p.m. Nothing in this section shall be construed to limit the right of a holder of such permit to conduct manufacturing operations at any time. Any town may, by vote of a town meeting or ordinance, reduce the number of hours during which the tasting and free samples of beer under this subsection shall be permissible.

(j) Nothing in this section shall be construed to require any permittee to continue the sale or dispensing of alcoholic liquor until the closing hour established under this section.

(k) The retail sale of wine and the tasting of free samples of wine by visitors and prospective retail customers of a permittee holding a wine festival permit or an out-of-state entity wine festival permit issued pursuant to section 30-37l or 30-37m shall be unlawful on Sunday before eleven o'clock a.m. and after eight o'clock p.m., and on any other day before ten o'clock a.m. and after eight o'clock p.m. Any town may, by vote of a town meeting or by ordinance, reduce the number of hours during which the retail sale of wine and the tasting of free samples of wine pursuant to this subsection shall be permissible.

(l) The sale of wine at a farmers' market by a permittee holding a farmers' market wine sales permit pursuant to subsection (a) of section

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30-37o shall be unlawful on any day before eight o'clock a.m. and after [nine] ten o'clock p.m., provided such permittee shall not sell such wine at a farmers' market at any time during such hours that the farmers' market is not open to the public. Any town may, by vote of a town meeting or by ordinance, reduce the number of hours during which sales of wine under this subsection shall be permissible.

(m) Notwithstanding any provision of subsection (a) of this section, it shall be lawful for casino permittees at casinos, as defined in section 30-37k, to allow the presence of alcoholic liquor in glasses or other receptacles suitable to permit the consumption thereof by an individual at any time on its gaming facility, as defined in subsection (a) of section 30-37k, provided such alcoholic liquor shall not be served to a patron of such casino during the hours specified in subsection (a) of this section. For purposes of this section, "receptacles suitable to permit the consumption of alcoholic liquor" shall not include bottles of distilled spirits or bottles of wine.

Sec. 83. Subsection (b) of section 12-214 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(b) (1) With respect to income years commencing on or after January 1, 1989, and prior to January 1, 1992, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for each such income year, an additional tax in an amount equal to twenty per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

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(2) With respect to income years commencing on or after January 1, 1992, and prior to January 1, 1993, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for each such income year, an additional tax in an amount equal to ten per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(3) With respect to income years commencing on or after January 1, 2003, and prior to January 1, 2004, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for each such income year, an additional tax in an amount equal to twenty per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(4) With respect to income years commencing on or after January 1, 2004, and prior to January 1, 2005, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for each such income year, an additional tax in an amount equal to twenty-five per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax, except that any company that pays the minimum tax of two hundred fifty dollars under section 12-219, as amended by this act, or 12-223c, as amended by this act, for such income year shall not be subject to the additional tax imposed by this subdivision. The additional amount of tax determined under this

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subdivision for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(5) With respect to income years commencing on or after January 1, 2006, and prior to January 1, 2007, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, except when the tax so calculated is equal to two hundred fifty dollars, for each such income year, an additional tax in an amount equal to twenty per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(6) (A) With respect to income years commencing on or after January 1, 2009, and prior to January 1, 2012, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for each such income year, except when the tax so calculated is equal to two hundred fifty dollars, an additional tax in an amount equal to ten per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. This exception shall not apply to companies filing a combined return for the

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income year under section 12-223a, as amended by this act, or a unitary return under subsection (d) of section 12-218d, as amended by this act.

(7) (A) With respect to income years commencing on or after January 1, 2012, and prior to January 1, [2016] 2018, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for each such income year, except when the tax so calculated is equal to two hundred fifty dollars, an additional tax in an amount equal to twenty per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. [This] With respect to income years commencing on or after January 1, 2012, and prior to January 1, 2015, this exception shall not apply to companies filing a combined return for the income year under section 12-223a, as amended by this act, or a unitary return under subsection (d) of section 12-218d, as amended by this act. With respect to income years commencing on or after January 1, 2015, and prior to January 1, 2018, this exception shall not apply to taxable members of a combined group that files a combined unitary tax return.

(8) (A) With respect to the income year commencing on or after January 1, 2018, any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for such income year, except when the tax so calculated is equal to two hundred fifty dollars, an additional tax in an amount equal to ten per cent of the tax

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calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. This exception shall not apply to taxable members of a combined group that files a combined unitary tax return.

Sec. 84. Subsection (b) of section 12-219 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(b) (1) With respect to income years commencing on or after January 1, 1989, and prior to January 1, 1992, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for each such income year, except when the tax so calculated is equal to two hundred fifty dollars, be increased by adding thereto an amount equal to twenty per cent of the additional tax so calculated for such income year, without reduction of the additional tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(2) With respect to income years commencing on or after January 1, 1992, and prior to January 1, 1993, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for each such income year, except when the tax so

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calculated is equal to two hundred fifty dollars, be increased by adding thereto an amount equal to ten per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(3) With respect to income years commencing on or after January 1, 2003, and prior to January 1, 2004, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for each such income year, be increased by adding thereto an amount equal to twenty per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(4) With respect to income years commencing on or after January 1, 2004, and prior to January 1, 2005, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for each such income year, be increased by adding thereto an amount equal to twenty-five per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax, except that any company that pays the minimum tax of two hundred fifty dollars under this section or section 12-223c, as amended by this act, for such income year shall not be subject to such additional tax. The increased amount of tax payable by any company under this subdivision, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(5) With respect to income years commencing on or after January 1,

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2006, and prior to January 1, 2007, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for each such income year, except when the tax so calculated is equal to two hundred fifty dollars, be increased by adding thereto an amount equal to twenty per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(6) (A) With respect to income years commencing on or after January 1, 2009, and prior to January 1, 2012, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for each such income year, except when the tax so calculated is equal to two hundred fifty dollars, be increased by adding thereto an amount equal to ten per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. This exception shall not apply to companies filing a combined return for the income year under section 12-223a, as amended by this act, or a unitary return under subsection (d) of section 12-218d, as amended by this act.

(7) (A) With respect to income years commencing on or after January 1, 2012, and prior to January 1, [2016] 2018, the additional tax imposed on any company and calculated in accordance with

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subsection (a) of this section shall, for each such income year, except when the tax so calculated is equal to two hundred fifty dollars, be increased by adding thereto an amount equal to twenty per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. [This] With respect to income years commencing on or after January 1, 2012, and prior to January 1, 2015, this exception shall not apply to companies filing a combined return for the income year under section 12-223a, as amended by this act, or a unitary return under subsection (d) of section 12-218d, as amended by this act. With respect to income years commencing on or after January 1, 2015, and prior to January 1, 2018, this exception shall not apply to taxable members of a combined group that files a combined unitary tax return.

(8) (A) With respect to the income year commencing January 1, 2018, the additional tax imposed on any company and calculated in accordance with subsection (a) of this section shall, for such income year, except when the tax so calculated is equal to two hundred fifty dollars, be increased by adding thereto an amount equal to ten per cent of the additional tax so calculated for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The increased amount of tax payable by any company under this section, as determined in accordance with this subsection, shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less

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than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. This exception shall not apply to taxable members of a combined group that files a combined unitary tax return.

Sec. 85. Subsection (a) of section 12-211a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to calendar years commencing on or after January 1, 2015*):

(a) (1) Notwithstanding any provision of the general statutes, and except as otherwise provided in subdivision (5) of this subsection or in subsection (b) of this section, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter for any calendar year shall not exceed seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to such calendar year of the taxpayer prior to the application of such credit or credits.

(2) For the calendar year commencing January 1, 2011, "type one tax credits" means tax credits allowable under section 12-217jj, as amended by this act, 12-217kk or 12-217ll; "type two tax credits" means tax credits allowable under section 38a-88a, as amended by this act; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

(3) For the calendar year commencing January 1, 2012, "type one tax credits" means the tax credit allowable under section 12-217ll; "type

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two tax credits" means tax credits allowable under section 38a-88a, as amended by this act; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

(4) For the calendar years commencing January 1, 2013, [and] January 1, 2014, January 1, 2015, and January 1, 2016, "type one tax credits" means the tax credit allowable under sections 12-217jj, as amended by this act, 12-217kk and 12-217ll; "type two tax credits" means tax credits allowable under section 38a-88a, as amended by this act; "type three tax credits" means tax credits that are not type one tax credits or type two tax credits; "thirty per cent threshold" means thirty per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credit; "fifty-five per cent threshold" means fifty-five per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits; and "seventy per cent threshold" means seventy per cent of the amount of tax due from a taxpayer under this chapter prior to the application of tax credits.

(5) For calendar years commencing on or after January 1, 2011, and prior to January 1, [2015] 2017, and subject to the provisions of subdivisions (2), (3) and (4) of this subsection, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter shall not exceed:

(A) If the tax credit or credits being claimed by a taxpayer are type three tax credits only, thirty per cent of the amount of tax due from

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such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credit or credits.

(B) If the tax credit or credits being claimed by a taxpayer are type one tax credits and type three tax credits, but not type two tax credits, fifty-five per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credit or credits, provided (i) type three tax credits shall be claimed before type one tax credits are claimed, (ii) the type three tax credits being claimed may not exceed the thirty per cent threshold, and (iii) the sum of the type one tax credits and the type three tax credits being claimed may not exceed the fifty-five per cent threshold.

(C) If the tax credit or credits being claimed by a taxpayer are type two tax credits and type three tax credits, but not type one tax credits, seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credit or credits, provided (i) type three tax credits shall be claimed before type two tax credits are claimed, (ii) the type three tax credits being claimed may not exceed the thirty per cent threshold, and (iii) the sum of the type two tax credits and the type three tax credits being claimed may not exceed the seventy per cent threshold.

(D) If the tax credit or credits being claimed by a taxpayer are type one tax credits, type two tax credits and type three tax credits, seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credits, provided (i) type three tax credits shall be claimed before type one tax credits or type two tax credits are claimed, and the type one tax credits shall be claimed before the type two tax credits are claimed, (ii) the type three tax credits being claimed may not exceed the thirty per cent threshold, (iii) the sum of the type one

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tax credits and the type three tax credits being claimed may not exceed the fifty-five per cent threshold, and (iv) the sum of the type one tax credits, the type two tax credits and the type three tax credits being claimed may not exceed the seventy per cent threshold.

(E) If the tax credit or credits being claimed by a taxpayer are type one tax credits and type two tax credits only, but not type three tax credits, seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to said calendar years of the taxpayer prior to the application of such credits, provided (i) the type one tax credits shall be claimed before type two tax credits are claimed, (ii) the type one tax credits being claimed may not exceed the fifty-five per cent threshold, and (iii) the sum of the type one tax credits and the type two tax credits being claimed may not exceed the seventy per cent threshold.

Sec. 86. Subdivision (3) of subsection (a) of section 12-217jj of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(3) (A) "Qualified production" means entertainment content created in whole or in part within the state, including motion pictures, except as otherwise provided in this subparagraph; documentaries; long-form, specials, mini-series, series, sound recordings, videos and music videos and interstitials television programming; interactive television; relocated television production; interactive games; videogames; commercials; any format of digital media, including an interactive web site, created for distribution or exhibition to the general public; and any trailer, pilot, video teaser or demo created primarily to stimulate the sale, marketing, promotion or exploitation of future investment in either a product or a qualified production via any means and media in any digital media format, film or videotape, provided such program meets all the underlying criteria of a qualified production. For the state fiscal years ending June 30, 2014, [and] June 30, 2015, June 30, 2016,

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and June 30, 2017, "qualified production" shall not include a motion picture that has not been designated as a state-certified qualified production prior to July 1, 2013, and no tax credit voucher for such motion picture may be issued during said years, except, for the state fiscal [year] years ending June 30, 2015, June 30, 2016, and June 30, 2017, "qualified production" shall include a motion picture for which twenty-five per cent or more of the principal photography shooting days are in this state at a facility that receives not less than twenty-five million dollars in private investment and opens for business on or after July 1, 2013, and a tax credit voucher may be issued for such motion picture.

(B) "Qualified production" shall not include any ongoing television program created primarily as news, weather or financial market reports; a production featuring current events, other than a relocated television production, sporting events, an awards show or other gala event; a production whose sole purpose is fundraising; a long-form production that primarily markets a product or service; a production used for corporate training or in-house corporate advertising or other similar productions; or any production for which records are required to be maintained under 18 USC 2257 with respect to sexually explicit content.

Sec. 87. Subdivision (4) of subsection (a) of section 12-217 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) Notwithstanding [anything in] any provision of this section to the contrary, (A) any excess of the deductions provided in this section for any income year commencing on or after January 1, 1973, over the gross income for such year or the amount of such excess apportioned to this state under the provisions of section 12-218, as amended by this act, shall be an operating loss of such income year and shall be deductible as an operating loss carry-over for operating losses incurred

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prior to income years commencing January 1, 2000, in each of the five income years following such loss year, and for operating losses incurred in income years commencing on or after January 1, 2000, in each of the twenty income years following such loss year, [provided] except that (i) for income years commencing prior to January 1, 2015, the portion of such operating loss which may be deducted as an operating loss carry-over in any income year following such loss year shall be limited to the lesser of [(i)] (I) any net income greater than zero of such income year following such loss year, or in the case of a company entitled to apportion its net income under the provisions of section 12-218, as amended by this act, the amount of such net income which is apportioned to this state pursuant thereto, or [(ii)] (II) the excess, if any, of such operating loss over the total of such net income for each of any prior income years following such loss year, such net income of each of such prior income years following such loss year for such purposes being computed without regard to any operating loss carry-over from such loss year allowed [by] under this subparagraph and being regarded as not less than zero, and provided [,] further [,] the operating loss of any income year shall be deducted in any subsequent year, to the extent available [therefor] for such deduction, before the operating loss of any subsequent income year is deducted, and (ii) for income years commencing on or after January 1, 2015, the portion of such operating loss which may be deducted as an operating loss carry-over in any income year following such loss year shall be limited to the lesser of (I) fifty per cent of net income of such income year following such loss year, or in the case of a company entitled to apportion its net income under the provisions of section 12-218, as amended by this act, fifty per cent of such net income which is apportioned to this state pursuant thereto, or (II) the excess, if any, of such operating loss over the operating loss deductions allowable with respect to such operating loss under this subparagraph for each of any prior income years following such loss year, such net income of each of such prior income years following such loss year for such purposes

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being computed without regard to any operating loss carry-over from such loss year allowed under this subparagraph and being regarded as not less than zero, and provided further the operating loss of any income year shall be deducted in any subsequent year, to the extent available for such deduction, before the operating loss of any subsequent income year is deducted, and (B) any net capital loss, as defined in the Internal Revenue Code effective and in force on the last day of the income year, for any income year commencing on or after January 1, 1973, shall be allowed as a capital loss carry-over to reduce, but not below zero, any net capital gain, as so defined, in each of the five following income years, in order of sequence, to the extent not exhausted by the net capital gain of any of the preceding of such five following income years, and (C) any net capital losses allowed and carried forward from prior years to income years beginning on or after January 1, 1973, for federal income tax purposes by companies entitled to a deduction for dividends paid under the Internal Revenue Code other than companies subject to the gross earnings taxes imposed under chapters 211 and 212, shall be allowed as a capital loss carry-over.

Sec. 88. Section 12-217zz of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Notwithstanding any other provision of law, and except as otherwise provided in subsection (b) of this section, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter [for] shall be as follows:

(1) For any income year commencing on or after January 1, 2002, and prior to January 1, 2015, the amount of tax credit or credits otherwise allowable shall not exceed seventy per cent of the amount of tax due from such taxpayer under this chapter with respect to any such income year of the taxpayer prior to the application of such credit or credits; [.]

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(2) For any income year commencing on or after January 1, 2015, the amount of tax credit or credits otherwise allowable shall not exceed fifty and one one-hundredths per cent of the amount of tax due from such taxpayer under this chapter with respect to any such income year of the taxpayer prior to the application of such credit or credits.

(b) (1) For an income year commencing on or after January 1, 2011, and prior to January 1, 2013, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter for such income year may exceed the amount specified in subsection (a) of this section only by the amount computed under subparagraph (A) of subdivision (2) of this subsection, provided in no event may the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter for such income year exceed one hundred per cent of the amount of tax due from such taxpayer under this chapter with respect to such income year of the taxpayer prior to the application of such credit or credits.

(2) (A) The taxpayer's average monthly net employee gain for an income year shall be multiplied by six thousand dollars.

(B) The taxpayer's average monthly net employee gain for an income year shall be computed as follows: For each month in the taxpayer's income year, the taxpayer shall subtract from the number of its employees in this state on the last day of such month the number of its employees in this state on the first day of its income year. The taxpayer shall total the differences for the twelve months in such income year, and such total, when divided by twelve, shall be the taxpayer's average monthly net employee gain for the income year. For purposes of this computation, only employees who are required to work at least thirty-five hours per week and only employees who were not employed in this state by a related person, as defined in section 12-217ii, within the twelve months prior to the first day of the income year may be taken into account in computing the number of

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employees.

(C) If the taxpayer's average monthly net employee gain is zero or less than zero, the taxpayer may not exceed the seventy per cent limit imposed under subsection (a) of this section.

Sec. 89. Section 12-263b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) For each calendar quarter commencing on or after July 1, 2011, there is hereby imposed a tax on the net patient revenue of each hospital in this state to be paid each calendar quarter. The rate of such tax shall be up to the maximum rate allowed under federal law. The Commissioner of Social Services shall determine the base year on which such tax shall be assessed. The Commissioner of Social Services may, in consultation with the Secretary of the Office of Policy and Management and in accordance with federal law, exempt a hospital from the tax on payment earned for the provision of outpatient services based on financial hardship. Effective July 1, 2012, and for the succeeding fifteen months, the rates of such tax, the base year on which such tax shall be assessed, and the hospitals exempt from the outpatient portion of the tax based on financial hardship shall be the same tax rates, base year and outpatient exemption for hardship in effect on January 1, 2012.

(b) Each hospital shall, on or before the last day of January, April, July and October of each year, render to the Commissioner of Revenue Services a return, on forms prescribed or furnished by the Commissioner of Revenue Services and signed by one of its principal officers, stating specifically the name and location of such hospital, and the amount of its net patient revenue as determined by the Commissioner of Social Services. Payment shall be made with such return. Each hospital shall file such return electronically with the department and make such payment by electronic funds transfer in the

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manner provided by chapter 228g, irrespective of whether the hospital would otherwise have been required to file such return electronically or to make such payment by electronic funds transfer under the provisions of chapter 228g.

(c) Notwithstanding any other provision of law, for each calendar quarter commencing on or after July 1, 2015, the amount of tax credit or credits otherwise allowable against the tax imposed under this chapter shall not exceed fifty and one one-hundredths per cent of the amount of tax due from such hospital under this chapter with respect to such calendar quarter prior to the application of such credit or credits.

Sec. 90. Subsection (c) of section 4-28e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(c) (1) For the fiscal year ending June 30, 2001, disbursements from the Tobacco Settlement Fund shall be made as follows: (A) To the General Fund in the amount identified as "Transfer from Tobacco Settlement Fund" in the General Fund revenue schedule adopted by the General Assembly; (B) to the Department of Mental Health and Addiction Services for a grant to the regional action councils in the amount of five hundred thousand dollars; and (C) to the Tobacco and Health Trust Fund in an amount equal to nineteen million five hundred thousand dollars.

(2) For [the fiscal year] each of the fiscal years ending June 30, 2002, [and each fiscal year thereafter] to June 30, 2015, inclusive, disbursements from the Tobacco Settlement Fund shall be made as follows: (A) To the Tobacco and Health Trust Fund in an amount equal to twelve million dollars, except in the fiscal years ending June 30, 2014, and June 30, 2015, said disbursement shall be in an amount equal to six million dollars; (B) to the Biomedical Research Trust Fund in an

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amount equal to four million dollars; (C) to the General Fund in the amount identified as "Transfer from Tobacco Settlement Fund" in the General Fund revenue schedule adopted by the General Assembly; and (D) any remainder to the Tobacco and Health Trust Fund.

(3) For the fiscal years ending June 30, 2016, and June 30, 2017, disbursements from the Tobacco Settlement Fund shall be made as follows: (A) To the General Fund in the amount identified as "Transfer from Tobacco Settlement Fund" in the General Fund revenue schedule adopted by the General Assembly; (B) to the Biomedical Research Trust Fund in an amount equal to four million dollars; and (C) any remainder to the Tobacco and Health Trust Fund.

(4) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, disbursements from the Tobacco Settlement Fund shall be made as follows: (A) To the Tobacco and Health Trust Fund in an amount equal to six million dollars; (B) to the Biomedical Research Trust Fund in an amount equal to four million dollars; (C) to the General Fund in the amount identified as "Transfer from Tobacco Settlement Fund" in the General Fund revenue schedule adopted by the General Assembly; and (D) any remainder to the Tobacco and Health Trust Fund.

[(3)] (5) For each of the fiscal years ending June 30, 2008, to June 30, 2012, inclusive, the sum of ten million dollars shall be disbursed from the Tobacco Settlement Fund to the Regenerative Medicine Research Fund established by section 32-41kk for grants-in-aid to eligible institutions for the purpose of conducting embryonic or human adult stem cell research.

[(4)] (6) For each of the fiscal years ending June 30, 2016, to June 30, 2025, inclusive, the sum of ten million dollars shall be disbursed from the Tobacco Settlement Fund to the smart start competitive grant account established by section 10-507 for grants-in-aid to towns for the

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purpose of establishing or expanding a preschool program under the jurisdiction of the board of education for the town, except that in the fiscal years ending June 30, 2016, and June 30, 2017, said disbursement shall be in an amount equal to five million dollars.

Sec. 91. Section 13b-61a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

[(a)] Notwithstanding the provisions of subsection (a) of section 13b-61: (1) For calendar quarters ending on or after September 30, 1998, and prior to September 30, 1999, the Commissioner of Revenue Services shall deposit into the Special Transportation Fund established under section 13b-68 five million dollars of the amount of funds received by the state from the tax imposed under section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (2) for calendar quarters ending September 30, 1999, and prior to September 30, 2000, the commissioner shall deposit into the Special Transportation Fund nine million dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (3) for calendar quarters ending September 30, 2000, and prior to September 30, 2002, the commissioner shall deposit into the Special Transportation Fund eleven million five hundred thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (4) for the calendar quarters ending September 30, 2002, and prior to September 30, 2003, the commissioner shall deposit into the Special Transportation Fund, five million dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; (5) for the calendar quarter ending

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September 30, 2003, and prior to September 30, 2005, the commissioner shall deposit into the Special Transportation Fund, five million two hundred fifty thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel; and (6) for the calendar quarters ending September 30, 2005, and prior to September 30, 2006, the commissioner shall deposit into the Special Transportation Fund ten million eight hundred seventy-five thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel. On and after July 1, 2015, for calendar quarters ending on or after September 30, 2015, the Comptroller shall deposit into the Special Transportation Fund the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products.

[(b) Notwithstanding the provisions of subsection (a) of section 13b-61, for calendar quarters ending on or after September 30, 2006, the Comptroller shall deposit into the Special Transportation Fund an annual amount in accordance with the following schedule, from such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products. Such transfers shall be made in quarterly installments.

Fiscal Year	Annual Transfer
2007	\$141,000,000
2008	\$127,800,000
2009	\$141,900,000
2010	\$141,900,000
2011	\$165,300,000
2012	\$226,900,000

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2013	\$199,400,000
2014	\$380,700,000
2015	\$379,100,000
2016 and thereafter	\$377,300,000

(c) If in any calendar quarter ending on or after September 30, 2006, receipts from the tax imposed under section 12-587 are less than twenty-five per cent of the total of (1) the amount required to be transferred pursuant to the Special Transportation Fund pursuant to subsections (a) and (b) of this section, and (2) any other transfers required by law, the Comptroller shall certify to the Treasurer the amount of such shortfall and shall forthwith transfer an amount equal to such shortfall from the resources of the General Fund into the Special Transportation Fund.

(d) The Commissioner of Revenue Services shall, on or before January 1, 2013, and on or before the first day of January biennially thereafter, calculate the amount of tax paid pursuant to section 12-587 on gasoline sold for the prior fiscal year as a percentage of total tax collected under said section. Such percentage shall become the basis for determining the transfers to be made under subsection (b) of this section. The commissioner shall notify the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, and the Secretary of the Office of Policy and Management of such percentage calculation.]

Sec. 92. Section 13b-61c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) For the fiscal year ending June 30, 2010, the Comptroller shall transfer the sum of seventy-one million two hundred thousand dollars from the resources of the General Fund to the Special Transportation Fund.

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(b) For the fiscal year ending June 30, 2011, the Comptroller shall transfer the sum of one hundred seven million five hundred fifty thousand dollars from the resources of the General Fund to the Special Transportation Fund.

(c) For the fiscal year ending June 30, 2012, the Comptroller shall transfer the sum of eighty-one million five hundred fifty thousand dollars from the resources of the General Fund to the Special Transportation Fund.

(d) For the fiscal year ending June 30, 2013, the Comptroller shall transfer the sum of ninety-five million two hundred forty-five thousand dollars from the resources of the General Fund to the Special Transportation Fund.

[(e) For the fiscal year ending June 30, 2016, the Comptroller shall transfer the sum of one hundred fifty-two million eight hundred thousand dollars from the resources of the General Fund to the Special Transportation Fund.

(f) For the fiscal year ending June 30, 2017, and annually thereafter, the Comptroller shall transfer the sum of one hundred sixty-two million eight hundred thousand dollars from the resources of the General Fund to the Special Transportation Fund.]

Sec. 93. Section 4-66aa of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2016*):

(a) There is established, within the General Fund, a separate, nonlapsing account to be known as the "community investment account". The account shall contain any moneys required by law to be deposited in the account. The funds in the account shall be distributed every three months as follows: (1) Ten dollars of each fee credited to said account shall be deposited into the agriculture sustainability account established pursuant to section 4-66cc and, then, of the

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remaining funds, (2) twenty-five per cent to the Department of Economic and Community Development to use as follows: (A) Two hundred thousand dollars, annually, to supplement the technical assistance and preservation activities of the Connecticut Trust for Historic Preservation, established pursuant to special act 75-93, and (B) the remainder to supplement historic preservation activities as provided in sections 10-409 to 10-415, inclusive; (3) twenty-five per cent to the Department of Housing to supplement new or existing affordable housing programs; (4) twenty-five per cent to the Department of Energy and Environmental Protection for municipal open space grants; and (5) twenty-five per cent to the Department of Agriculture to use as follows: (A) Five hundred thousand dollars annually for the agricultural viability grant program established pursuant to section 22-26j; (B) five hundred thousand dollars annually for the farm transition program established pursuant to section 22-26k; (C) one hundred thousand dollars annually to encourage the sale of Connecticut-grown food to schools, restaurants, retailers and other institutions and businesses in the state; (D) seventy-five thousand dollars annually for the Connecticut farm link program established pursuant to section 22-26l; (E) forty-seven thousand five hundred dollars annually for the Seafood Advisory Council established pursuant to section 22-455; (F) forty-seven thousand five hundred dollars annually for the Connecticut Farm Wine Development Council established pursuant to section 22-26c; (G) twenty-five thousand dollars annually to the Connecticut Food Policy Council established pursuant to section 22-456; and (H) the remainder for farmland preservation programs pursuant to chapter 422. Each agency receiving funds under this section may use not more than ten per cent of such funds for administration of the programs for which the funds were provided.

(b) Notwithstanding the provisions of subsection (a) of this section, fifty per cent of the moneys deposited in the community investment

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account from January 1, 2016, until June 30, 2017, shall be credited every three months to the resources of the General Fund, provided the funds remaining in the account shall be distributed as provided in subsection (a) of this section.

Sec. 94. (*Effective from passage*) Notwithstanding any provision of the general statutes, on or before June 30, 2016, the sum of \$3,500,000 shall be transferred from the Connecticut Health and Educational Facilities Authority, established under section 10a-179 of the general statutes, and credited to the resources of the General Fund for the fiscal year ending June 30, 2016.

Sec. 95. (*Effective from passage*) Notwithstanding any provision of the general statutes, on or before June 30, 2017, the sum of \$3,500,000 shall be transferred from the Connecticut Health and Educational Facilities Authority, established under section 10a-179 of the general statutes, and credited to the resources of the General Fund for the fiscal year ending June 30, 2017.

Sec. 96. (*Effective July 1, 2015*) Notwithstanding the provisions of section 16-331cc of the general statutes, the sum of \$4,200,000 shall be transferred from the public, educational and governmental programming and education technology investment account and credited to the resources of the General Fund for the fiscal year ending June 30, 2016.

Sec. 97. (*Effective July 1, 2016*) Notwithstanding the provisions of section 16-331cc of the general statutes, the sum of \$4,300,000 shall be transferred from the public, educational and governmental programming and education technology investment account and credited to the resources of the General Fund for the fiscal year ending June 30, 2017.

Sec. 98. (NEW) (*Effective July 1, 2015*) Notwithstanding the

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provisions of subsection (b) of section 16-331bb of the general statutes, the sum of \$3,000,000 shall be transferred from the municipal video competition trust account and credited to the resources of the General Fund for the fiscal year ending June 30, 2016, and each fiscal year thereafter.

Sec. 99. Subsection (a) of section 21a-408d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Each qualifying patient who is issued a written certification for the palliative use of marijuana under subdivision (1) of subsection (a) of section 21a-408a, and the primary caregiver of such qualifying patient, shall register with the Department of Consumer Protection. Such registration shall be effective from the date the Department of Consumer Protection issues a certificate of registration until the expiration of the written certification issued by the physician. The qualifying patient and the primary caregiver shall provide sufficient identifying information, as determined by the department, to establish the personal identity of the qualifying patient and the primary caregiver. The qualifying patient or the primary caregiver shall report any change in such information to the department not later than five business days after such change. The department shall issue a registration certificate to the qualifying patient and to the primary caregiver and may charge a reasonable fee, not to exceed twenty-five dollars, for each registration certificate issued under this subsection. Any registration fees collected by the department under this subsection shall be paid to the State Treasurer and credited to the [account established pursuant to section 21a-408q] General Fund.

Sec. 100. Subsection (c) of section 21a-408h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

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(c) Any fees collected by the Department of Consumer Protection under this section shall be paid to the State Treasurer and credited to the [account established pursuant to section 21a-408q] General Fund.

Sec. 101. Subsection (c) of section 21a-408i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(c) Any fees collected by the Department of Consumer Protection under this section shall be paid to the State Treasurer and credited to the [account established pursuant to section 21a-408q] General Fund.

Sec. 102. Subsection (b) of section 21a-408m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(b) The Commissioner of Consumer Protection shall adopt regulations, in accordance with chapter 54, to establish a reasonable fee to be collected from each qualifying patient to whom a written certification for the palliative use of marijuana is issued under subdivision (1) of subsection (a) of section 21a-408a, for the purpose of offsetting the direct and indirect costs of administering the provisions of sections 21a-408 to 21a-408n, inclusive. The commissioner shall collect such fee at the time the qualifying patient registers with the Department of Consumer Protection under subsection (a) of section 21a-408d, as amended by this act. Such fee shall be in addition to any registration fee that may be charged under said subsection. The fees required to be collected by the commissioner from qualifying patients under this subsection shall be paid to the State Treasurer and credited to the [account established pursuant to section 21a-408q] General Fund.

Sec. 103. Section 12-801 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

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As used in [sections] section 12-563a, [and] sections 12-800 to 12-818, inclusive, and section 105 of this act, the following terms shall have the following meanings unless the context clearly indicates another meaning:

(1) "Board" or "board of directors" means the board of directors of the corporation;

(2) "Corporation" means the Connecticut Lottery Corporation as created under section 12-802;

(3) "Division" means the former Division of Special Revenue in the Department of Revenue Services;

(4) "Lottery" means (A) the Connecticut state lottery conducted prior to the transfer authorized under section 12-808 by the Division of Special Revenue, (B) after such transfer, the Connecticut state lottery conducted by the corporation pursuant to sections 12-563a and 12-800 to 12-818, inclusive, [and] (C) the state lottery referred to in subsection (a) of section 53-278g, and (D) keno conducted by the corporation pursuant to section 105 of this act;

(5) "Keno" means a lottery game in which a subset of numbers are drawn from a larger field of numbers by a central computer system using an approved random number generator, wheel system device or other drawing device. "Keno" does not include a game operated on a video facsimile machine;

[(5)] (6) "Lottery fund" means a fund or funds established by, and under the management and control of, the corporation, into which all lottery revenues of the corporation are deposited, from which all payments and expenses of the corporation are paid and from which transfers to the General Fund are made pursuant to section 12-812; and

[(6)] (7) "Operating revenue" means total revenue received from

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lottery sales less all cancelled sales and amounts paid as prizes but before payment or provision for payment of any other expenses.

Sec. 104. Subdivision (4) of subsection (b) of section 12-806 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(4) To introduce new lottery games, modify existing lottery games, utilize existing and new technologies, determine distribution channels for the sale of lottery tickets, introduce keno pursuant to signed agreements with the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut, in accordance with section 105 of this act, and, to the extent specifically authorized by regulations adopted by the Department of Consumer Protection pursuant to chapter 54, introduce instant ticket vending machines, kiosks and automated wagering systems or machines, with all such rights being subject to regulatory oversight by the Department of Consumer Protection, except that the corporation shall not offer any interactive on-line lottery games, including on-line video lottery games for promotional purposes;

Sec. 105. (NEW) (*Effective July 1, 2015*) Notwithstanding the provisions of section 3-6c of the general statutes, the Secretary of the Office of Policy and Management, on behalf of the state of Connecticut, may enter into separate agreements with the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut concerning the operation of keno by the Connecticut Lottery Corporation in the state of Connecticut. The corporation may not operate keno until such separate agreements are effective.

Sec. 106. (NEW) (*Effective July 1, 2015*) The Connecticut Lottery Corporation shall exclusively operate and manage the sale of lottery games in the state of Connecticut except on the reservations of the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of

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Connecticut.

Sec. 107. Section 12-692 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) For purposes of this section:

(1) "Passenger motor vehicle" means a passenger vehicle, which is rented without a driver and which is part of a motor vehicle fleet of five or more passenger motor vehicles that are used for rental purposes by a rental company.

(2) "Rental truck" means a (A) vehicle rented without a driver that has a gross vehicle weight rating of twenty-six thousand pounds or less and is used in the transportation of personal property but not for business purposes, or (B) trailer that has a gross vehicle weight rating of not more than six thousand pounds.

(3) "Rental company" means any business entity that is engaged in the business of renting passenger motor vehicles, rental trucks without a driver or machinery in this state to lessees and that uses for rental purposes a motor vehicle fleet of five or more passenger motor vehicles, rental trucks or pieces of machinery in this state, but does not mean any person, firm or corporation that is licensed, or required to be licensed, pursuant to section 14-52, (A) as a new car dealer, repairer or limited repairer, or (B) as a used car dealer that is not primarily engaged in the business of renting passenger motor vehicles or rental trucks without a driver in this state to lessees. "Rental company" does not include a business entity with total annual rental income, excluding retail or wholesale sales of rental equipment, that is less than fifty-one per cent of the total revenue of the business entity in a given taxable year.

(4) "Lessee" means any person who leases a passenger motor vehicle, rental truck or machinery from a rental company for such

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person's own use and not for rental to others.

(5) "Machinery" means [heavy] all equipment [without an operator that may be used for construction, mining or forestry, including, but not limited to, bulldozers, earthmoving equipment, well-drilling machinery and equipment or cranes] owned by a rental company.

(b) There is hereby imposed a three per cent surcharge on each passenger motor vehicle or rental truck rented within the state by a rental company to a lessee for a period of less than thirty-one days. The rental surcharge shall be imposed on the total amount the rental company charges the lessee for the rental of a motor vehicle. Such surcharge shall be in addition to any tax otherwise applicable to any such transaction and shall be includable in the measure of the sales and use taxes imposed under chapter 219.

(c) There is hereby imposed a one and one-half per cent surcharge on machinery rented within the state by a rental company to a lessee for a period of less than [thirty-one] three hundred sixty-five days or under an open-ended contract for an undefined period of time. The rental surcharge shall be imposed on the total amount the rental company charges the lessee for the rental of the machinery. Such surcharge shall be in addition to any tax otherwise applicable to any such transaction, and shall be includable in the measure of the sales and use taxes imposed under chapter 219. [For purposes of this subsection, such period shall commence on the date any such machinery is rented to the lessee, and terminate on the date such machinery is returned to the rental company.]

(d) Reimbursement for the surcharge imposed by subsections (b) and (c) of this section shall be collected by the rental company from the lessee and such surcharge reimbursement, termed "surcharge" in this subsection, shall be paid by the lessee to the rental company and each rental company shall collect from the lessee the full amount of the

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surcharge imposed by said subsections (b) and (c). Such surcharge shall be a debt from the lessee to the rental company, when so added to the original lease or rental price, and shall be recoverable at law in the same manner as other debts. The rental contract shall separately indicate the rental surcharge imposed on each passenger motor vehicle, truck rental or piece of machinery. The rental surcharge shall, subject to the provisions of subsection (e) of this section, be retained by the rental company.

(e) (1) On or before February 15, 1997, and the fifteenth of February annually thereafter, each rental company shall file a consolidated report with the Commissioner of Revenue Services detailing the aggregate amount of personal property tax that is actually paid by such company to a Connecticut municipality or municipalities during the preceding calendar year on passenger motor vehicles, rental trucks or pieces of machinery that are used for rental purposes by such company, the aggregate amount of registration and titling fees that are actually paid by such company to the Department of Motor Vehicles of this state during the preceding calendar year on passenger motor vehicles, rental trucks or pieces of machinery that are used for rental purposes by such company and the aggregate amount of the rental surcharge that is actually received, pursuant to this section, by such company during the preceding calendar year on passenger motor vehicles, rental trucks or pieces of machinery that are used for rental purposes by such company. The report shall also show such other information as the commissioner deems necessary for the proper administration of this section.

(2) On or before February 15, 1997, and the fifteenth of February annually thereafter, each rental company shall remit to the Commissioner of Revenue Services for deposit in the General Fund, the amount by which the aggregate amount of the rental surcharge actually received by such company on such vehicles or machinery

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during the preceding calendar year exceeds the sum of the aggregate amount of property taxes actually paid by such company on such vehicles or machinery to a Connecticut municipality or municipalities during the preceding calendar year and the aggregate amount of registration and titling fees actually paid by such company on such vehicles or machinery to the Department of Motor Vehicles of this state during the preceding calendar year.

(3) For purposes of this subsection, in the case of any rental company that leases a passenger motor vehicle, rental truck or piece of machinery from another person and that uses such vehicle or machinery for rental purposes and such lease requires such rental company to pay the registration and titling fees and the property taxes to such other person, the rental company shall include (A) in the aggregate amount of registration and titling fees actually paid by such rental company to the Department of Motor Vehicles of this state, any such registration and titling fees actually paid by such rental company to such other person on such passenger motor vehicle, rental truck or piece of machinery, and (B) in the aggregate amount of property taxes actually paid by such rental company to a Connecticut municipality or municipalities, any such property taxes actually paid by such rental company to such other person on such passenger motor vehicle or vehicles, rental truck or trucks or one or more pieces of machinery.

(f) Any person who fails to pay any amount required to be paid to the Commissioner of Revenue Services under this section within the time required shall pay a penalty of fifteen per cent of such amount or fifty dollars, whichever amount is greater, in addition to such amount, plus interest at the rate of one per cent per month or fraction thereof from the due date of such amount until the date of payment. Subject to the provisions of section 12-3a, the commissioner may waive all or any part of the penalties provided under this section when it is proven to the satisfaction of the commissioner that the failure to pay any amount

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required to be paid to the commissioner was due to reasonable cause and was not intentional or due to neglect.

(g) The Commissioner of Revenue Services for good cause may extend the time for making any report and paying any amount required to be paid to the commissioner under this section if a written request therefor is filed with the commissioner together with a tentative report which shall be accompanied by a payment of any amount tentatively believed to be due to the commissioner, on or before the last day for filing the report. Any person to whom an extension is granted shall pay, in addition to the amount required to be paid, interest at the rate of one per cent per month or fraction thereof from the date on which such amount would have been due without the extension until the date of payment.

(h) The provisions of sections 12-548 to 12-554, inclusive, and section 12-555a shall apply to the provisions of this section in the same manner and with the same force and effect as if the language of said sections 12-548 to 12-554, inclusive, and section 12-555a had been incorporated in full into this section, except to the extent that any provision is inconsistent with a provision in this section, and except that the term "tax" shall be read as "surcharge".

Sec. 108. Subsection (a) of section 53-344b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2016*):

(a) As used in this section and sections 109 and 110 of this act:

(1) "Electronic nicotine delivery system" means an electronic device that may be used to simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe or electronic hookah and any related device

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and any cartridge, electronic cigarette liquid or other component of such device;

(2) "Cardholder" means any person who presents a driver's license or an identity card to a seller or seller's agent or employee, to purchase or receive an electronic nicotine delivery system or vapor product from such seller or seller's agent or employee;

(3) "Identity card" means an identification card issued in accordance with the provisions of section 1-1h;

(4) "Transaction scan" means the process by which a seller or seller's agent or employee checks, by means of a transaction scan device, the validity of a driver's license or an identity card;

(5) "Transaction scan device" means any commercial device or combination of devices used at a point of sale that is capable of deciphering in an electronically readable format the information encoded on the magnetic strip or bar code of a driver's license or an identity card;

(6) "Sale" or "sell" means an act done intentionally by any person, whether done as principal, proprietor, agent, servant or employee, of transferring, or offering or attempting to transfer, for consideration, an electronic nicotine delivery system or vapor product, including bartering or exchanging, or offering to barter or exchange, an electronic nicotine delivery system or vapor product;

(7) "Give" or "giving" means an act done intentionally by any person, whether done as principal, proprietor, agent, servant or employee, of transferring, or offering or attempting to transfer, without consideration, an electronic nicotine delivery system or vapor product;

(8) "Deliver" or "delivering" means an act done intentionally by any

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person, whether as principal, proprietor, agent, servant or employee, of transferring, or offering or attempting to transfer, physical possession or control of an electronic nicotine delivery system or vapor product; [and]

(9) "Vapor product" means any product that employs a heating element, power source, electronic circuit or other electronic, chemical or mechanical means, regardless of shape or size, to produce a vapor that may or may not include nicotine, that is inhaled by the user of such product; and

(10) "Electronic cigarette liquid" means a liquid that, when used in an electronic nicotine delivery system or vapor product, produces a vapor that may or may not include nicotine and is inhaled by the user of such electronic nicotine delivery system or vapor product.

Sec. 109. (NEW) (*Effective January 1, 2016*) (a) On and after March 1, 2016, no person in this state may sell, offer for sale or possess with intent to sell an electronic nicotine delivery system or vapor product unless such person has obtained an electronic nicotine delivery system certificate of dealer registration from the Commissioner of Consumer Protection pursuant to this section. An electronic nicotine delivery system certificate of dealer registration shall allow the sale of electronic nicotine delivery systems or vapor products. A holder of an electronic nicotine delivery system certificate of dealer registration shall post such registration in a prominent location adjacent to electronic nicotine delivery system products or vapor products offered for sale.

(b) (1) On or after January 1, 2016, any person desiring an electronic nicotine delivery system certificate of dealer registration or a renewal of such a certificate of dealer registration shall make a sworn application therefor to the Department of Consumer Protection upon forms to be furnished by the department, showing the name and address of the applicant, the location of the place of business which is

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to be operated under such certificate of dealer registration and a financial statement setting forth all elements and details of any business transactions connected with the application. The application shall also indicate any crimes of which the applicant has been convicted. Applicants shall submit documents sufficient to establish that state and local building, fire and zoning requirements will be met at the location of any sale. The department may, in its discretion, conduct an investigation to determine whether a certificate of dealer registration shall be issued to an applicant.

(2) The commissioner shall issue an electronic nicotine delivery system certificate of dealer registration to any such applicant not later than thirty days after the date of application unless the commissioner finds: (A) The applicant has wilfully made a materially false statement in such application or in any other application made to the commissioner; (B) the applicant has neglected to pay any taxes due to this state; or (C) the applicant has been convicted of violating any of the cigarette or other tobacco products tax laws of this or any other state or the cigarette tax laws of the United States or has such a criminal record that the commissioner reasonably believes that such applicant is not a suitable person to be issued a license, provided no refusal shall be rendered under this subdivision except in accordance with the provisions of sections 46a-80 and 46a-81 of the general statutes.

(3) A certificate of dealer registration issued under this section shall be renewed annually and may be suspended or revoked at the discretion of the Department of Consumer Protection. Any person aggrieved by a denial of an application, refusal to renew a dealer registration or suspension or revocation of a dealer registration may appeal in the manner prescribed for permits under section 30-55 of the general statutes. An electronic nicotine delivery system certificate of dealer registration shall not constitute property, nor shall it be subject

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to attachment and execution, nor shall it be alienable, except that it shall descend to the estate of a deceased holder of a certificate of dealer registration by the laws of testate or intestate succession.

(4) The applicant shall pay to the department a nonrefundable application fee of seventy-five dollars, which fee shall be in addition to the annual fee prescribed in subsection (c) of this section. An application fee shall not be charged for an application to renew a certificate of dealer registration.

(5) In any case in which a certificate of dealer registration has been issued to a partnership, if one or more of the partners dies or retires, the remaining partner or partners need not file a new application for the unexpired portion of the current certificate of dealer registration, and no additional fee for such unexpired portion shall be required. Notice of any such change shall be given to the department and the certificate of dealer registration shall be endorsed to show correct ownership. Whenever any partnership changes by reason of the addition of one or more partners, a new application and the payment of new application and annual fees shall be required.

(c) The annual fee for an electronic nicotine delivery system certificate of dealer registration shall be four hundred dollars.

(d) The department may renew a certificate of dealer registration issued under this section that has expired if the applicant pays to the department any fine imposed by the commissioner pursuant to subsection (c) of section 21a-4 of the general statutes, which fine shall be in addition to the fees prescribed in this section for the certificate of dealer registration applied for. The provisions of this subsection shall not apply to any certificate of dealer registration which is the subject of administrative or court proceedings.

(e) (1) Any person in this state who knowingly sells, offers for sale

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or possesses with intent to sell an electronic nicotine delivery system or vapor product without a certificate of dealer registration as required under this section shall be fined not more than fifty dollars for each day of such violation, except that the commissioner may waive all or any part of such fine if it is proven to the commissioner's satisfaction that the failure to obtain or renew such certificate of dealer registration was due to reasonable cause.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, any person whose electronic nicotine delivery system certificate of dealer registration has expired and who knowingly sells, offers for sale or possesses with intent to sell an electronic nicotine delivery system or vapor product, where such person's period of operation without such certificate of dealer registration is not more than ninety days from the date of expiration of such certificate of dealer registration, shall have committed an infraction and shall be fined ninety dollars.

(3) Notwithstanding the provisions of subdivisions (1) and (2) of this subsection, no penalty shall be imposed under this subsection unless the commissioner sends written notice of any violation to the person who is subject to a penalty under subdivision (1) or (2) of this subsection and allows such person sixty days from the date such notice was sent to cease such violation and comply with the requirements of this section. Such written notice shall be sent, within available appropriations, by mail evidenced by a certificate of mailing or other similar United States Postal Service form from which the date of deposit can be verified.

Sec. 110. (NEW) (*Effective January 1, 2016*) (a) On and after March 1, 2016, no person in this state may manufacture an electronic nicotine delivery system or vapor product unless such person has obtained an electronic nicotine delivery system certificate of manufacturer registration from the Commissioner of Consumer Protection pursuant

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to this section. An electronic nicotine delivery system certificate of manufacturer registration shall allow the manufacture of electronic nicotine delivery systems or vapor products in this state. For the purposes of this section, "manufacturer" means any person who mixes, compounds, repackages or resizes any nicotine-containing electronic nicotine delivery system or vapor product.

(b) (1) On or after January 1, 2016, any person desiring an electronic nicotine delivery system certificate of manufacturer registration or a renewal of such a certificate of manufacturer registration shall make a sworn application therefor to the Department of Consumer Protection upon forms to be furnished by the department, showing the name and address of the applicant, the location of the place of business which is to be operated under such certificate of manufacturer registration and a financial statement setting forth all elements and details of any business transactions connected with the application. The application shall also indicate any crimes of which the applicant has been convicted. Applicants shall submit documents sufficient to establish that state and local building, fire and zoning requirements will be met at the place of manufacture. The department may, in its discretion, conduct an investigation to determine whether a certificate of manufacturer registration shall be issued to an applicant.

(2) The commissioner shall issue an electronic nicotine delivery system certificate of manufacturer registration to any such applicant not later than thirty days after the date of application unless the commissioner finds: (A) The applicant has wilfully made a materially false statement in such application or in any other application made to the commissioner; (B) the applicant has neglected to pay any taxes due to this state; or (C) the applicant has been convicted of violating any of the cigarette or other tobacco products tax laws of this or any other state or the cigarette tax laws of the United States or has such a criminal record that the commissioner reasonably believes that such

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applicant is not a suitable person to be issued a license, provided no refusal shall be rendered under this subdivision except in accordance with the provisions of sections 46a-80 and 46a-81 of the general statutes.

(3) A certificate of manufacturer registration issued under this section shall be renewed annually and may be suspended or revoked at the discretion of the Department of Consumer Protection. Any person aggrieved by a denial of an application, refusal to renew a certificate of manufacturer registration or suspension or revocation of a certificate of manufacturer registration may appeal in the manner prescribed for permits under section 30-55 of the general statutes. An electronic nicotine delivery system certificate of manufacturer registration shall not constitute property, nor shall it be subject to attachment and execution, nor shall it be alienable, except that it shall descend to the estate of a deceased holder of a certificate of manufacturer registration by the laws of testate or intestate succession.

(4) The applicant shall pay to the department a nonrefundable application fee of seventy-five dollars, which fee shall be in addition to the annual fee prescribed in subsection (c) of this section. An application fee shall not be charged for an application to renew a certificate of manufacturer registration.

(5) In any case in which a certificate of manufacturer registration has been issued to a partnership, if one or more of the partners dies or retires, the remaining partner or partners need not file a new application for the unexpired portion of the current certificate of manufacturer registration, and no additional fee for such unexpired portion shall be required. Notice of any such change shall be given to the department and the certificate of manufacturer registration shall be endorsed to show correct ownership. Whenever any partnership changes by reason of the addition of one or more partners, a new application and the payment of new application and annual fees shall

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be required.

(c) The annual fee for an electronic nicotine delivery system certificate of manufacturer registration shall be four hundred dollars.

(d) The department may renew a certificate of manufacturer registration issued under this section that has expired if the applicant pays to the department any fine imposed by the commissioner pursuant to subsection (c) of section 21a-4 of the general statutes, which fine shall be in addition to the fees prescribed in this section for the certificate of manufacturer registration applied for. The provisions of this subsection shall not apply to any certificate of manufacturer registration which is the subject of administrative or court proceedings.

(e) (1) Any person in this state who knowingly manufactures an electronic nicotine delivery system or vapor product without a certificate of manufacturer registration as required under this section shall be fined not more than fifty dollars for each day of such violation, except that the commissioner may waive all or any part of such fine if it is proven to the commissioner's satisfaction that the failure to obtain or renew such certificate of manufacturer registration was due to reasonable cause.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, any person whose electronic nicotine delivery system certificate of manufacturer registration has expired and who manufactures in this state an electronic nicotine delivery system or vapor product, where such person's period of operation without such certificate of manufacturer registration is not more than ninety days from the date of expiration of such certificate of manufacturer registration, shall have committed an infraction and shall be fined ninety dollars.

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(3) Notwithstanding the provisions of subdivisions (1) and (2) of this subsection, no penalty shall be imposed under this subsection unless the commissioner sends written notice of any violation to the person who is subject to a penalty under subdivision (1) or (2) of this subsection and allows such person sixty days from the date such notice was sent to cease such violation and comply with the requirements of this section. Such written notice shall be sent, within available appropriations, by mail evidenced by a certificate of mailing or other similar United States Postal Service form from which the date of deposit can be verified.

Sec. 111. (*Effective from passage*) Not later than thirty days after the federal Food and Drug Administration's proposed rule deeming tobacco products to be subject to the federal Food, Drug and Cosmetic Act, 21 CFR Parts 1100, 1140 and 1143, becomes final, the joint standing committee of the General Assembly having cognizance of matters relating to public health shall hold a public hearing for the purpose of reviewing such rule and determining whether the committee recommends amendments to the general statutes concerning products subject to the rule, which products may include, but need not be limited to, electronic nicotine delivery systems, vapor products and electronic cigarette liquid.

Sec. 112. Section 19a-88 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Each person holding a license to practice dentistry, optometry, midwifery or dental hygiene shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of: [the] (1) The professional services fee for class I, as defined in section 33-182l, plus [five] ten dollars, in the case of a dentist, except as provided in sections 19a-88b and 20-113b; (2) the professional services fee for class H, as defined in section 33-182l, plus five dollars, in the case of an optometrist; [, fifteen] (3) twenty dollars in the case of

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a midwife; and (4) one hundred five dollars in the case of a dental hygienist. Such registration shall be on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests. Each person holding a license to practice dentistry who has retired from the profession may renew such license, but the fee shall be ten per cent of the professional services fee for class I, as defined in section 33-182l, or ninety-five dollars, whichever is greater. Any license provided by the department at a reduced fee pursuant to this subsection shall indicate that the dentist is retired.

(b) Each person holding a license to practice medicine, surgery, podiatry, chiropractic or naturopathy shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of the professional services fee for class I, as defined in section 33-182l. Each person holding a license to practice medicine or surgery shall pay [~~five~~] ten dollars in addition to such professional services fee. Such registration shall be on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests.

(c) (1) Each person holding a license to practice as a registered nurse, shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of one hundred [~~five~~] ten dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests. Each person holding a license to practice as a registered nurse who has retired from the profession may renew such license, but the fee shall be ten per cent of the professional services fee for class B, as defined in section 33-182l, plus five dollars. Any license provided by the department at a reduced fee shall indicate that the registered nurse

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is retired.

(2) Each person holding a license as an advanced practice registered nurse shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of one hundred [twenty-five] thirty dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests. No such license shall be renewed unless the department is satisfied that the person maintains current certification as either a nurse practitioner, a clinical nurse specialist or a nurse anesthetist from one of the following national certifying bodies which certify nurses in advanced practice: The American Nurses' Association, the Nurses' Association of the American College of Obstetricians and Gynecologists Certification Corporation, the National Board of Pediatric Nurse Practitioners and Associates or the American Association of Nurse Anesthetists. Each person holding a license to practice as an advanced practice registered nurse who has retired from the profession may renew such license, but the fee shall be ten per cent of the professional services fee for class C, as defined in section 33-182l, plus five dollars. Any license provided by the department at a reduced fee shall indicate that the advanced practice registered nurse is retired.

(3) Each person holding a license as a licensed practical nurse shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of [sixty-five] seventy dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests. Each person holding a license to practice as a licensed practical nurse who has retired from the profession may renew such license, but the fee shall be ten per cent of the professional services fee for class A, as defined in section 33-182l, plus five dollars. Any license

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provided by the department at a reduced fee shall indicate that the licensed practical nurse is retired.

(4) Each person holding a license as a nurse-midwife shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of one hundred [twenty-five] thirty dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests. No such license shall be renewed unless the department is satisfied that the person maintains current certification from the American College of Nurse-Midwives.

(5) (A) Each person holding a license to practice physical therapy shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of the professional services fee for class B, as defined in section 33-182l, plus five dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests.

(B) Each person holding a physical therapist assistant license shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of the professional services fee for class A, as defined in section 33-182l, plus five dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's residence and business address and such other information as the department requests.

(6) Each person holding a license as a physician assistant shall, annually, during the month of such person's birth, register with the Department of Public Health, upon payment of a fee of one hundred [fifty] fifty-five dollars, on blanks to be furnished by the department for such purpose, giving such person's name in full, such person's

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residence and business address and such other information as the department requests. No such license shall be renewed unless the department is satisfied that the practitioner has met the mandatory continuing medical education requirements of the National Commission on Certification of Physician Assistants or a successor organization for the certification or recertification of physician assistants that may be approved by the department and has passed any examination or continued competency assessment the passage of which may be required by said commission for maintenance of current certification by said commission.

(d) No provision of this section shall be construed to apply to any person practicing Christian Science.

(e) (1) Each person holding a license or certificate issued under section 19a-514, 20-65k, as amended by this act, 20-74s, as amended by this act, 20-195cc, as amended by this act, or 20-206ll, as amended by this act, and chapters 370 to 373, inclusive, 375, 378 to 381a, inclusive, 383 to 383c, inclusive, 384, 384a, 384b, 384d, 385, 393a, 395, 399 or 400a and section 20-206n, as amended by this act, or 20-206o shall, annually, during the month of such person's birth, apply for renewal of such license or certificate to the Department of Public Health, giving such person's name in full, such person's residence and business address and such other information as the department requests.

(2) Each person holding a license or certificate issued under section 19a-514, section 20-266o and chapters 384a, 384c, 386, 387, 388 and 398 shall apply for renewal of such license or certificate once every two years, during the month of such person's birth, giving such person's name in full, such person's residence and business address and such other information as the department requests.

(3) Each person holding a license or certificate issued pursuant to section 20-475 or 20-476 shall, annually, during the month of such

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person's birth, apply for renewal of such license or certificate to the department.

(4) Each entity holding a license issued pursuant to section 20-475 shall, annually, during the anniversary month of initial licensure, apply for renewal of such license or certificate to the department.

(5) Each person holding a license issued pursuant to section 20-162bb, as amended by this act, shall, annually, during the month of such person's birth, apply for renewal of such license to the Department of Public Health, upon payment of a fee of three hundred [fifteen] twenty dollars, giving such person's name in full, such person's residence and business address and such other information as the department requests.

(f) Any person or entity which fails to comply with the provisions of this section shall be notified by the department that such person's or entity's license or certificate shall become void ninety days after the time for its renewal under this section unless it is so renewed. Any such license shall become void upon the expiration of such ninety-day period.

(g) The Department of Public Health shall administer a secure on-line license renewal system for persons holding a license to practice medicine or surgery under chapter 370, dentistry under chapter 379, nursing under chapter 378 or nurse-midwifery under chapter 377. The department shall require such persons to renew their licenses using the on-line renewal system and to pay professional [service] services fees on-line by means of a credit card or electronic transfer of funds from a bank or credit union account, except in extenuating circumstances, including, but not limited to, circumstances in which a licensee does not have access to a credit card and submits a notarized affidavit affirming that fact, the department may allow the licensee to renew his or her license using a paper form prescribed by the department and

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pay professional service fees by check or money order.

Sec. 113. Subsection (a) of section 19a-515 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Each nursing home administrator's license issued pursuant to the provisions of sections 19a-511 to 19a-520, inclusive, shall be renewed once every two years, in accordance with section 19a-88, as amended by this act, except for cause, by the Department of Public Health, upon forms to be furnished by said department and upon the payment to said department, by each applicant for license renewal, of the sum of two hundred five dollars. Each such fee shall be remitted to the Department of Public Health on or before the date prescribed under section 19a-88, as amended by this act. Such renewals shall be granted unless said department finds the applicant has acted or failed to act in such a manner or under such circumstances as would constitute grounds for suspension or revocation of such license.

Sec. 114. Section 20-65k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The commissioner shall grant a license to practice athletic training to an applicant who presents evidence satisfactory to the commissioner of having met the requirements of section 20-65j. An application for such license shall be made on a form required by the commissioner. The fee for an initial license under this section shall be one hundred ninety dollars.

(b) A license to practice athletic training may be renewed in accordance with the provisions of section 19a-88, as amended by this act, provided any licensee applying for license renewal shall maintain certification as an athletic trainer by the Board of Certification, Inc., or its successor organization. The fee for such renewal shall be two

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hundred five dollars.

(c) The department may, upon receipt of an application for athletic training licensure, accompanied by the licensure application fee of one hundred ninety dollars, issue a temporary permit to a person who has met the requirements of subsection (a) of section 20-65j, except that the applicant has not yet sat for or received the results of the athletic training certification examination administered by the Board of Certification, Inc., or its successor organization. Such temporary permit shall authorize the permittee to practice athletic training under the supervision of a person licensed pursuant to subsection (a) of this section. Such practice shall be limited to those settings where the licensed supervisor is physically present on the premises and is immediately available to render assistance and supervision, as needed, to the permittee. Such temporary permit shall be valid for a period not to exceed one hundred twenty calendar days after the date of completion of the required course of study in athletic training and shall not be renewable. Such permit shall become void and shall not be reissued in the event that the permittee fails to pass the athletic training certification examination. No permit shall be issued to any person who has previously failed the athletic training certification examination or who is the subject of an unresolved complaint or pending professional disciplinary action. Violation of the restrictions on practice set forth in this section may constitute a basis for denial of licensure as an athletic trainer.

Sec. 115. Subsection (c) of section 20-74bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(c) Licenses shall be renewed annually in accordance with the provisions of section 19a-88, as amended by this act. The fee for renewal shall be one hundred five dollars.

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Sec. 116. Section 20-74f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The department shall issue a license to any person who meets the requirements of this chapter upon payment of a [two-hundred-dollar] license fee of two hundred five dollars. Any person who is issued a license as an occupational therapist under the terms of this chapter may use the words "occupational therapist", "licensed occupational therapist", or "occupational therapist registered" or [he] such person may use the letters "O.T.", "L.O.T.", or "O.T.R." in connection with [his] such person's name or place of business to denote [his] such person's registration hereunder. Any person who is issued a license as an occupational therapy assistant under the terms of this chapter may use the words "occupational therapy assistant", or [he] such person may use the letters "O.T.A.", "L.O.T.A.", or "C.O.T.A." in connection with [his] such person's name or place of business to denote [his] such person's registration thereunder. No person shall practice occupational therapy or hold himself or herself out as an occupational therapist or an occupational therapy assistant, or as being able to practice occupational therapy or to render occupational therapy services in this state unless [he] such person is licensed in accordance with the provisions of this chapter.

(b) No person, unless registered under this chapter as an occupational therapist or an occupational therapy assistant or whose registration has been suspended or revoked, shall use, in connection with [his] such person's name or place of business the words "occupational therapist", "licensed occupational therapist", "occupational therapist registered", "occupational therapy assistant", or the letters, "O.T.", "L.O.T.", "O.T.R.", "O.T.A.", "L.O.T.A.", or "C.O.T.A.", or any words, letters, abbreviations or insignia indicating or implying that [he] such person is an occupational therapist or an occupational therapy assistant or in any way, orally, in writing, in print or by sign,

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directly or by implication, represent himself or herself as an occupational therapist or an occupational therapy assistant. Any person who violates the provisions of this section shall be guilty of a class D felony. For the purposes of this section, each instance of patient contact or consultation which is in violation of any provision of this chapter shall constitute a separate offense. Failure to renew a license in a timely manner shall not constitute a violation for the purposes of this section.

Sec. 117. Subsections (g) to (n), inclusive, of section 20-74s of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(g) The commissioner shall grant a license as an alcohol and drug counselor to any applicant who furnishes satisfactory evidence that [he] such applicant has met the requirements of subsection (d) or (o) of this section. The commissioner shall develop and provide application forms. The application fee shall be one hundred ninety dollars.

(h) A license as an alcohol and drug counselor shall be renewed in accordance with the provisions of section 19a-88, as amended by this act, for a fee of one hundred ~~[ninety]~~ ninety-five dollars.

(i) The commissioner shall grant certification as a certified alcohol and drug counselor to any applicant who furnishes satisfactory evidence that [he] such applicant has met the requirements of subsection (e) or (o) of this section. The commissioner shall develop and provide application forms. The application fee shall be one hundred ninety dollars.

(j) A certificate as an alcohol and drug counselor may be renewed in accordance with the provisions of section 19a-88, as amended by this act, for a fee of one hundred ~~[ninety]~~ ninety-five dollars.

(k) The commissioner may contract with a qualified private

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organization for services that include (1) providing verification that applicants for licensure or certification have met the education, training and work experience requirements under this section; and (2) any other services that the commissioner may deem necessary.

(l) Any person who has attained a master's level degree and is certified by the Connecticut Certification Board as a substance abuse counselor on or before July 1, 2000, shall be deemed a licensed alcohol and drug counselor. Any person so deemed shall renew [his] such person's license pursuant to section 19a-88, as amended by this act, for a fee of one hundred [ninety] ninety-five dollars.

(m) Any person who has not attained a master's level degree and is certified by the Connecticut Certification Board as a substance abuse counselor on or before July 1, 2000, shall be deemed a certified alcohol and drug counselor. Any person so deemed shall renew [his] such person's certification pursuant to section 19a-88, as amended by this act, for a fee of one hundred [ninety] ninety-five dollars.

(n) Any person who is not certified by the Connecticut Certification Board as a substance abuse counselor on or before July 1, 2000, who (1) documents to the department that [he] such person has a minimum of five years full-time or eight years part-time paid work experience, under supervision, as an alcohol and drug counselor, and (2) successfully passes a commissioner-approved examination no later than July 1, 2000, shall be deemed a certified alcohol and drug counselor. Any person so deemed shall renew [his] such person's certification pursuant to section 19a-88, as amended by this act, for a fee of one hundred [ninety] ninety-five dollars.

Sec. 118. Section 20-149 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

A license under the provisions of this chapter shall be given under

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the hand of the Commissioner of Public Health or [his] the commissioner's designee. A fee shall be paid to the department, at the date of application for a license, as follows: For licensed optician, granting full responsibility, two hundred dollars. Such licenses shall be renewed annually in accordance with the provisions of section 19a-88, as amended by this act, and a fee shall be paid to the department at the date of renewal application as follows: For a licensed optician, two hundred five dollars.

Sec. 119. Subsection (f) of section 20-162o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(f) Licenses shall be renewed annually in accordance with the provisions of section 19a-88, as amended by this act. The fee for renewal shall be one hundred five dollars.

Sec. 120. Subsection (g) of section 20-162bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(g) Licenses shall be renewed annually in accordance with the provisions of section 19a-88, as amended by this act, for a fee of three hundred [fifteen] twenty dollars.

Sec. 121. Section 20-191a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

Each license issued under this chapter shall be renewed annually in accordance with the provisions of section 19a-88, as amended by this act. Thirty days prior to the expiration date of each license under [said] section 19a-88, as amended by this act, the department shall mail to the last-known address of each licensed psychologist an application for renewal in such form as said department determines. Each such application, on or before such expiration date, shall be returned to said

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department, together with a fee of the professional services fee for class I, as defined in section 33-182l, plus five dollars and the department shall thereupon issue a renewal license. In the event of failure of a psychologist to apply for such renewal license by such expiration date, [he] such psychologist may so apply subject to the provisions of subsection (b) of [said] section 19a-88, as amended by this act.

Sec. 122. Section 20-195c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Each applicant for licensure as a marital and family therapist shall present to the department satisfactory evidence that such applicant has: (1) Completed a graduate degree program specializing in marital and family therapy from a regionally accredited college or university or an accredited postgraduate clinical training program accredited by the Commission on Accreditation for Marriage and Family Therapy Education offered by a regionally accredited institution of higher education; (2) completed a supervised practicum or internship with emphasis in marital and family therapy supervised by the program granting the requisite degree or by an accredited postgraduate clinical training program, accredited by the Commission on Accreditation for Marriage and Family Therapy Education offered by a regionally accredited institution of higher education in which the student received a minimum of five hundred direct clinical hours that included one hundred hours of clinical supervision; (3) completed a minimum of twelve months of relevant postgraduate experience, including at least (A) one thousand hours of direct client contact offering marital and family therapy services subsequent to being awarded a master's degree or doctorate or subsequent to the training year specified in subdivision (2) of this subsection, and (B) one hundred hours of postgraduate clinical supervision provided by a licensed marital and family therapist; and (4) passed an examination

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prescribed by the department. The fee shall be three hundred fifteen dollars for each initial application.

(b) The department may grant licensure without examination, subject to payment of fees with respect to the initial application, to any applicant who is currently licensed or certified as a marital or marriage and family therapist in another state, territory or commonwealth of the United States, provided such state, territory or commonwealth maintains licensure or certification standards which, in the opinion of the department, are equivalent to or higher than the standards of this state. No license shall be issued under this section to any applicant against whom professional disciplinary action is pending or who is the subject of an unresolved complaint.

(c) Licenses issued under this section may be renewed annually in accordance with the provisions of section 19a-88, as amended by this act. The fee for such renewal shall be three hundred [~~fifteen~~] twenty dollars. Each licensed marital and family therapist applying for license renewal shall furnish evidence satisfactory to the commissioner of having participated in continuing education programs. The commissioner shall adopt regulations, in accordance with chapter 54, to (1) define basic requirements for continuing education programs, which shall include not less than one contact hour of training or education each registration period on the topic of cultural competency, (2) delineate qualifying programs, (3) establish a system of control and reporting, and (4) provide for waiver of the continuing education requirement for good cause.

(d) Notwithstanding the provisions of this section, an applicant who is currently licensed or certified as a marital or marriage and family therapist in another state, territory or commonwealth of the United States that does not maintain standards for licensure or certification that are equivalent to or higher than the standards in this state may substitute three years of licensed or certified work experience in the

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practice of marital and family therapy, as defined in section 20-195a, in lieu of the requirements of subdivisions (2) and (3) of subsection (a) of this section.

Sec. 123. Section 20-195o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Application for licensure shall be on forms prescribed and furnished by the commissioner. Each applicant shall furnish evidence satisfactory to the commissioner that he or she has met the requirements of section 20-195n. The application fee for a clinical social worker license shall be three hundred fifteen dollars. The application fee for a master social worker license shall be two hundred twenty dollars.

(b) Notwithstanding the provisions of section 20-195n concerning examinations, on or before October 1, 2015, the commissioner may issue a license without examination, to any master social worker applicant who demonstrates to the satisfaction of the commissioner that, on or before October 1, 2013, he or she held a master's degree from a social work program accredited by the Council on Social Work Education or, if educated outside the United States or its territories, completed an educational program deemed equivalent by the council.

(c) Each person licensed pursuant to this chapter may apply for renewal of such licensure in accordance with the provisions of subsection (e) of section 19a-88, as amended by this act. A fee of one hundred [ninety] ninety-five dollars shall accompany each renewal application for a licensed master social worker or a licensed clinical social worker. Each such applicant shall furnish evidence satisfactory to the commissioner of having satisfied the continuing education requirements prescribed in section 20-195u.

Sec. 124. Section 20-195cc of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The Commissioner of Public Health shall grant a license as a professional counselor to any applicant who furnishes evidence satisfactory to the commissioner that such applicant has met the requirements of section 20-195dd. The commissioner shall develop and provide application forms. The application fee shall be three hundred fifteen dollars.

(b) Licenses issued under this section may be renewed annually pursuant to section 19a-88, as amended by this act. The fee for such renewal shall be one hundred [ninety] ninety-five dollars. Each licensed professional counselor applying for license renewal shall furnish evidence satisfactory to the commissioner of having participated in continuing education programs. The commissioner shall adopt regulations, in accordance with chapter 54, to (1) define basic requirements for continuing education programs, which shall include not less than one contact hour of training or education each registration period on the topic of cultural competency, (2) delineate qualifying programs, (3) establish a system of control and reporting, and (4) provide for a waiver of the continuing education requirement for good cause.

Sec. 125. Section 20-201 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

Said department shall, annually in accordance with the provisions of section 19a-88, as amended by this act, issue to each licensed veterinarian in the state, presenting an application for renewal of his or her license accompanied by the professional services fee for class I, as defined in section 33-182l, plus five dollars, a receipt stating the fact of such payment, which receipt shall be a license to follow such practice for one year.

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Sec. 126. Subsection (b) of section 20-206b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(b) Licenses shall be renewed once every two years in accordance with the provisions of section 19a-88, as amended by this act. The fee for renewal shall be two hundred [fifty] fifty-five dollars. No license shall be issued under this section to any applicant against whom professional disciplinary action is pending or who is the subject of an unresolved complaint in this or any other state or jurisdiction. Any certificate granted by the department prior to June 1, 1993, shall be deemed a valid license permitting continuance of profession subject to the provisions of this chapter.

Sec. 127. Section 20-206n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The department may, upon receipt of an application and fee of one hundred ninety dollars, issue a certificate as a dietitian-nutritionist to any applicant who has presented to the commissioner satisfactory evidence that (1) such applicant is certified as a registered dietitian by the Commission on Dietetic Registration, or (2) such applicant has (A) successfully passed a written examination prescribed by the commissioner, and (B) received a master's degree or doctoral degree, from an institution of higher education accredited to grant such degree by a regional accrediting agency recognized by the United States Department of Education, with a major course of study which focused primarily on human nutrition or dietetics and which included a minimum of thirty graduate semester credits, twenty-one of which shall be in not fewer than five of the following content areas: (i) Human nutrition or nutrition in the life cycle, (ii) nutrition biochemistry, (iii) nutrition assessment, (iv) food composition or food science, (v) health education or nutrition counseling, (vi) nutrition in health and disease, and (vii) community nutrition or public health

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nutrition.

(b) No certificate shall be issued under this section to any applicant against whom a professional disciplinary action is pending or who is the subject of an unresolved professional complaint.

Sec. 128. Section 20-206r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

Certificates issued under section 20-206n, as amended by this act, or 20-206o shall be renewed annually, subject to the provisions of section 19a-88, as amended by this act, upon payment of a [one-hundred-dollar] renewal fee of one hundred five dollars.

Sec. 129. Subsection (e) of section 20-206bb of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(e) Licenses shall be renewed once every two years in accordance with the provisions of subsection (e) of section 19a-88, as amended by this act. The fee for renewal shall be two hundred [fifty] fifty-five dollars.

(1) Except as provided in subdivision (2) of this subsection, for registration periods beginning on and after October 1, 2014, a licensee applying for license renewal shall (A) maintain a certification by the National Certification Commission for Acupuncture and Oriental Medicine, or (B) earn not less than thirty contact hours of continuing education approved by the National Certification Commission for Acupuncture and Oriental Medicine within the preceding twenty-four-month period.

(2) Each licensee applying for license renewal pursuant to section 19a-88, as amended by this act, except a licensee applying for a license renewal for the first time, shall sign a statement attesting that he or she

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has satisfied the certification or continuing education requirements described in subdivision (1) of this subsection on a form prescribed by the department. Each licensee shall retain records of attendance or certificates of completion that demonstrate compliance with the continuing education or certification requirements described in subdivision (1) of this subsection for not less than five years following the date on which the continuing education was completed or the certification was renewed. Each licensee shall submit such records to the department for inspection not later than forty-five days after a request by the department for such records.

(3) In individual cases involving medical disability or illness, the commissioner may grant a waiver of the continuing education or certification requirements or an extension of time within which to fulfill such requirements of this subsection to any licensee, provided the licensee submits to the department an application for waiver or extension of time on a form prescribed by the commissioner, along with a certification by a licensed physician of the disability or illness and such other documentation as may be required by the department. The commissioner may grant a waiver or extension for a period not to exceed one registration period, except that the commissioner may grant additional waivers or extensions if the medical disability or illness upon which a waiver or extension is granted continues beyond the period of the waiver or extension and the licensee applies for an additional waiver or extension.

(4) A licensee whose license has become void pursuant to section 19a-88, as amended by this act, and who applies to the department for reinstatement of such license, shall submit evidence documenting valid acupuncture certification by the National Certification Commission for Acupuncture and Oriental Medicine or successful completion of fifteen contact hours of continuing education within the one-year period immediately preceding application for reinstatement.

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Sec. 130. Subsection (b) of section 20-206ll of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(b) The license may be renewed annually pursuant to section 19a-88, as amended by this act, for a fee of one hundred [fifty] fifty-five dollars.

Sec. 131. Section 20-222a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

Each embalmer's license, funeral director's license and inspection certificate issued pursuant to the provisions of this chapter shall be renewed, except for cause, by the Department of Public Health upon the payment to said Department of Public Health by each applicant for license renewal of the sum of one hundred [ten] fifteen dollars in the case of an embalmer, two hundred [thirty] thirty-five dollars in the case of a funeral director and for inspection certificate renewal the sum of one hundred [ninety] ninety-five dollars for each certificate to be renewed. Fees for renewal of inspection certificates shall be given to the Department of Public Health on or before July first in each year and the renewal of inspection certificates shall begin on July first of each year and shall be valid for one calendar year. Licenses shall be renewed in accordance with the provisions of section 19a-88, as amended by this act.

Sec. 132. Section 20-275 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Each person licensed under the provisions of this chapter shall renew such license once every two years with the department in accordance with the provisions of section 19a-88, as amended by this act, on forms provided by the department. The renewal fee shall be two hundred five dollars.

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(b) Each licensed electrologist applying for license renewal shall furnish evidence satisfactory to the Commissioner of Public Health of having participated in continuing education programs. The commissioner shall adopt regulations, in accordance with chapter 54, to (1) define basic requirements for continuing education programs, (2) delineate qualifying programs, (3) establish a system of control and reporting, and (4) provide for waiver of the continuing education requirement for good cause.

Sec. 133. Subsection (a) of section 20-395d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The fee for an initial license as an audiologist shall be two hundred dollars. Licenses shall be renewed in accordance with section 19a-88, as amended by this act, upon payment of a fee of two hundred five dollars.

Sec. 134. Subsection (a) of section 20-398 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) No person may engage in the practice of fitting or selling hearing aids, or display a sign or in any other way advertise or claim to be a person who sells or engages in the practice of fitting or selling hearing aids unless such person has obtained a license under this chapter or as an audiologist under sections 20-395a to 20-395g, inclusive. No person may receive a license, except as provided in subsection (b) of this section, unless such person has submitted proof satisfactory to the department that such person has completed a four-year course at an approved high school or has an equivalent education as determined by the department; has satisfactorily completed a course of study in the fitting and selling of hearing aids or a period of training approved by the department; and has satisfactorily passed a written, oral and

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practical examination given by the department. Application for the examination shall be on forms prescribed and furnished by the department. Examinations shall be given at least twice yearly. The fee for the examination shall be two hundred dollars; and for the initial license and each renewal thereof shall be two hundred [fifty] fifty-five dollars.

Sec. 135. Section 20-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

The fee for an initial license as provided for in section 20-411 as a speech and language pathologist shall be two hundred dollars. Licenses shall expire in accordance with section 19a-88, as amended by this act, and shall become invalid unless renewed. Renewal may be effected upon payment of a fee of two hundred five dollars and in accordance with section 19a-88, as amended by this act.

Sec. 136. (NEW) (*Effective July 1, 2015*) On or before the last day of January, April, July and October in each year, the Commissioner of Public Health shall certify the amount of revenue received as a result of any fee increase in the amount of five dollars that took effect July 1, 2015, pursuant to sections 19a-88, 19a-515, 20-65k, 20-74bb, 20-74f, 20-74s, 20-149, 20-162o, 20-162bb, 20-191a, 20-195c, 20-195o, 20-195cc, 20-201, 20-206b, 20-206n, 20-206r, 20-206bb, 20-206ll, 20-222a, 20-275, 20-395d, 20-398 and 20-412 of the general statutes, each as amended by this act, and transfer such amount to the professional assistance program account established in section 137 of this act.

Sec. 137. (NEW) (*Effective July 1, 2015*) There is established an account to be known as the "professional assistance program account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be paid by the Commissioner of Public Health to the assistance program for health

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care professionals established pursuant to section 19a-12a of the general statutes for the provision of education, prevention, intervention, referral assistance, rehabilitation or support services to health care professionals who have a chemical dependency, emotional or behavioral disorder or physical or mental illness.

Sec. 138. Subsection (a) of section 12-213 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(a) When used in this [part] chapter and in sections 139 to 141, inclusive, of this act, unless the context otherwise requires:

(1) "Taxpayer" and "company" mean any corporation, foreign municipal electric utility, as defined in section 12-59, electric distribution company, as defined in section 16-1, electric supplier, as defined in section 16-1, generation entity or affiliate, as defined in section 16-1, joint stock company or association or any fiduciary thereof and any dissolved corporation which continues to conduct business, but does not include a passive investment company or municipal utility, as defined in section 12-265;

(2) "Dissolved corporation" means any company which has terminated its corporate existence by resolution, expiration, decree or forfeiture;

(3) "Commissioner" means the Commissioner of Revenue Services;

(4) "Tax year" means the calendar year in which the tax is payable;

(5) "Income year" means the calendar year upon the basis of which net income is computed under this part, unless a fiscal year other than the calendar year has been established for federal income tax purposes, in which case it means the fiscal year so established or a period of less

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than twelve months ending as of the date on which liability under this chapter ceases to accrue by reason of dissolution, forfeiture, withdrawal, merger or consolidation;

(6) "Fiscal year" means the income year ending on the last day of any month other than December or an annual period which varies from fifty-two to fifty-three weeks elected by the taxpayer in accordance with the provisions of the Internal Revenue Code;

(7) "Paid" means "paid or accrued" or "paid or incurred", construed according to the method of accounting upon the basis of which net income is computed under this part;

(8) "Received" means "received" or "accrued", construed according to the method of accounting upon the basis of which net income is computed under this part;

(9) (A) "Gross income" means gross income, as defined in the Internal Revenue Code, and, in addition, means any interest or exempt interest dividends, as defined in Section 852(b)(5) of the Internal Revenue Code, received by the taxpayer or losses of other calendar or fiscal years, retroactive to include all calendar or fiscal years beginning after January 1, 1935, incurred by the taxpayer which are excluded from gross income for purposes of assessing the federal corporation net income tax, and in addition, notwithstanding any other provision of law, means interest or exempt interest dividends, as defined in said Section 852(b)(5) of the Internal Revenue Code, accrued on or after the application date, as defined in section 12-242ff, with respect to any obligation issued by or on behalf of the state, its agencies, authorities, commissions and other instrumentalities, or by or on behalf of its political subdivisions and their agencies, authorities, commissions and other instrumentalities;

(B) "Gross income" shall include, to the extent not properly

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includable in gross income for federal income tax purposes, an amount equal to (i) any distribution from a manufacturing reinvestment account not used in accordance with subdivision (3) of subsection (c) of section 32-9zz to the extent that a contribution to such account was subtracted from gross income pursuant to subparagraph (F) of subdivision (1) of subsection (a) of section 12-217 in computing net income for the current or a preceding income year, and (ii) any return of money from a manufacturing reinvestment account pursuant to subsection (d) of section 32-9zz to the extent that a contribution to such account was subtracted from gross income pursuant to subparagraph (F) of subdivision (1) of subsection (a) of section 12-217 in computing net income for the current or a preceding income year;

(C) "Gross income" shall not include the amount which for federal income tax purposes is treated as a dividend received by a domestic United States corporation from a foreign corporation on account of foreign taxes deemed paid by such domestic corporation, when such domestic corporation elects the foreign tax credit for federal income tax purposes;

(D) "Gross income" shall not include any amount which for federal income tax purposes is treated as a dividend received directly or indirectly by a taxpayer from a passive investment company;

(10) "Net income" means net earnings received during the income year and available for contributors of capital, whether they are creditors or stockholders, computed by subtracting from gross income the deductions allowed by the terms of section 12-217, as amended by this act, except that in the case of a domestic insurance company which is a life insurance company, "net income" means life insurance company taxable income (A) increased by any amount or amounts which have been deducted in the computation of gain or loss from operations in respect of (i) the life insurance company's share of tax-exempt interest, (ii) operations loss carry-backs and capital loss carry-

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backs, and (iii) operations loss carry-overs and capital loss carry-overs arising in any taxable year commencing prior to January 1, 1973, and (B) reduced by any amount or amounts which have been deducted as operations loss carry-backs or capital loss carry-backs in the computation of gain or loss from operations for any taxable year commencing on or after January 1, 1973, but only to the extent that such amount or amounts would, for federal tax purposes, have been deductible in the taxable year as operations loss carry-overs or capital loss carry-overs if they had not been deducted in a previous taxable year as carry-backs, and provided no expense related to income, the taxation of which by the state of Connecticut is prohibited by the law or Constitution of the United States, as applied, or by the law or Constitution of this state, as applied, shall be deducted under this chapter and provided further no item may, directly or indirectly be excluded or deducted more than once;

(11) "Life insurance company" has the same meaning as it has under the Internal Revenue Code;

(12) "Life insurance company taxable income" has the same meaning as it has under the Internal Revenue Code;

(13) "Life insurance company's share" has the same meaning as it has under the Internal Revenue Code;

(14) "Operations loss carry-over", with respect to a life insurance company, has the same meaning as it has under the Internal Revenue Code;

(15) "Operations loss carry-back", with respect to a life insurance company, has the same meaning as it has under the Internal Revenue Code;

(16) "Capital loss carry-over", with respect to a life insurance company, has the same meaning as it has under the Internal Revenue

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Code;

(17) "Capital loss carry-back", with respect to a life insurance company, has the same meaning as it has under the Internal Revenue Code;

(18) "Gain or loss from operations", with respect to a life insurance company, has the same meaning as it has under the Internal Revenue Code;

(19) "Fiduciary" means any receiver, liquidator, referee, trustee, assignee or other fiduciary or officer or agent appointed by any court or by any other authority, except the Banking Commissioner acting as receiver or liquidator under the authority of the provisions of sections 36a-210 and 36a-218 to 36a-239, inclusive;

(20) (A) "Carrying on or doing business" means and includes each and every act, power or privilege exercised or enjoyed in this state, as an incident to, or by virtue of, the powers and privileges acquired by the nature of any organization whether the form of existence is corporate, associate, joint stock company or fiduciary, and includes the direct or indirect engaging in, transacting or conducting of activity in this state by an electric supplier, as defined in section 16-1, or generation entity or affiliate, as defined in section 16-1, for the purpose of establishing or maintaining a market for the sale of electricity or of electric generation services, as defined in section 16-1, to end use customers located in this state through the use of the transmission or distribution facilities of an electric distribution company, as defined in section 16-1;

(B) A company that has contracted with a commercial printer for printing and distribution of printed material shall not be deemed to be carrying on or doing business in this state because of (i) the ownership or leasing by that company of tangible or intangible personal property

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located at the premises of the commercial printer in this state, (ii) the sale by that company of property of any kind produced or processed at and shipped or distributed from the premises of the commercial printer in this state, (iii) the activities of that company's employees or agents at the premises of the commercial printer in this state, which activities relate to quality control, distribution or printing services performed by the printer, or (iv) the activities of any kind performed by the commercial printer in this state for or on behalf of that company;

(C) A company that participates in a trade show or shows at the convention center, as defined in subdivision (3) of section 32-600, shall not be deemed to be carrying on or doing business in this state, regardless of whether the company has employees or other staff present at such trade shows, provided such company's activity at such trade shows is limited to displaying goods or promoting services, no sales are made, any orders received are sent outside this state for acceptance or rejection and are filled from outside this state, and provided further that such participation is not more than fourteen days, or part thereof, in the aggregate during the company's income year for federal income tax purposes;

(21) "Alternative energy system" means design systems, equipment or materials which utilize as their energy source solar, wind, water or biomass energy in providing space heating or cooling, water heating or generation of electricity, but shall not include wood-burning stoves;

(22) "S corporation" means any corporation which is an S corporation for federal income tax purposes and includes any subsidiary of such S corporation that is a qualified subchapter S subsidiary, as defined in Section 1361(b)(3)(B) of the Internal Revenue Code, all of whose assets, liabilities and items of income, deduction and credit are treated under the Internal Revenue Code, and shall be treated under this chapter, as assets, liabilities and such items, as the

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case may be, of such S corporation;

(23) "Internal Revenue Code" means the Internal Revenue Code of 1986, or any subsequent internal revenue code of the United States, as from time to time amended, effective and in force on the last day of the income year;

(24) "Partnership" means a partnership, as defined in the Internal Revenue Code, and includes a limited liability company that is treated as a partnership for federal income tax purposes;

(25) "Partner" means a partner, as defined in the Internal Revenue Code, and includes a member of a limited liability company that is treated as a partnership for federal income tax purposes;

(26) "Investment partnership" means a limited partnership that meets the gross income requirement of Section 851(b)(2) of the Internal Revenue Code, except that income and gains from commodities that are not described in Section 1221(1) of the Internal Revenue Code or from futures, forwards and options with respect to such commodities shall be included in income which qualifies to meet such gross income requirement, provided such commodities are of a kind customarily dealt with in an organized commodity exchange and the transaction is of a kind customarily consummated at such place, as required by Section 864(b)(2)(B)(iii) of the Internal Revenue Code. To the extent that such a partnership has income and gains from commodities that are not described in Section 1221(1) of the Internal Revenue Code or from futures, forwards and options with respect to such commodities, such income and gains must be derived by a partnership which is not a dealer in commodities and is trading for its own account as described in Section 864(b)(2)(B)(ii) of the Internal Revenue Code. The term "investment partnership" does not include a dealer, within the meaning of Section 1236 of the Internal Revenue Code, in stocks or securities;

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(27) "Passive investment company" means any corporation which is a related person to a financial service company, as defined in section 12-218b, as amended by this act, or to an insurance company, as defined in section 12-218b, as amended by this act, and (A) employs not less than five full-time equivalent employees in the state; (B) maintains an office in the state; and (C) confines its activities to the purchase, receipt, maintenance, management and sale of its intangible investments, and the collection and distribution of the income from such investments, including, but not limited to, interest and gains from the sale, transfer or assignment of such investments or from the foreclosure upon or sale, transfer or assignment of the collateral securing such investments. For purposes of this subdivision, "intangible investments" shall be limited to loans secured by real property, as defined in section 12-218b, as amended by this act, including a line of credit which is a loan secured by real property and which permits future advances by the passive investment company; the collateral or an interest in the collateral that secured such loans if the sale of such collateral or interest is actively marketed by or on behalf of the passive investment company; and any short-term investment of cash held by the passive investment company which cash is reasonably necessary for the operations of such passive investment company;

(28) (A) "Captive real estate investment trust" means, except as provided in subparagraph (B) of this subdivision, a corporation, a trust or an association (i) that is considered a real estate investment trust for the taxable year under Section 856 of the Internal Revenue Code; (ii) that is not regularly traded on an established securities market; (iii) in which more than fifty per cent of the voting power, beneficial interests or shares are owned or controlled, directly or constructively, by a single entity that is subject to Subchapter C of Chapter 1 of the Internal Revenue Code; and (iv) that is not a qualified real estate investment trust, as defined in subdivision (3) of subsection (a) of section 12-217.

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(B) "Captive real estate investment trust" does not include a corporation, a trust or an association, in which more than fifty per cent of the entity's voting power, beneficial interests or shares are owned by a single entity described in subparagraph (A)(iii) of this subdivision that is owned or controlled, directly or constructively, by (i) a corporation, a trust or an association that is considered a real estate investment trust under Section 856 of the Internal Revenue Code; (ii) a person exempt from taxation under Section 501 of the Internal Revenue Code; (iii) a listed property trust or other foreign real estate investment trust that is organized in a country that has a tax treaty with the United States Treasury Department governing the tax treatment of these trusts; or (iv) a real estate investment trust that is intended to become regularly traded on an established securities market and that satisfies the requirements of Sections 856(a)(5) and 856(a)(6) of the Internal Revenue Code, as determined under Section 856(h) of the Internal Revenue Code.

(C) For purposes of this subdivision, the constructive ownership rules of Section 318 of the Internal Revenue Code, as modified by Section 856(d)(5) of the Internal Revenue Code, apply to the determination of the ownership of stock, assets or net profits of any person; [.]

(29) "Combined group" means the group of all companies that have common ownership and are engaged in a unitary business, where at least one company is subject to tax under this chapter;

(30) "Combined group's net income" means the amount calculated under subsection (a) of section 139 of this act;

(31) "Common ownership" means that more than fifty per cent of the voting control of each member of a combined group is directly or indirectly owned by a common owner or owners, either corporate or noncorporate, whether or not the owner or owners are members of the

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combined group. Whether voting control is indirectly owned shall be determined in accordance with Section 318 of the Internal Revenue Code;

(32) "Unitary business" means a single economic enterprise that is made up either of separate parts of a single business entity or of a group of business entities under common ownership, which enterprise is sufficiently interdependent, integrated or interrelated through its activities so as to provide mutual benefit and produce a significant sharing or exchange of value among such entities, or a significant flow of value among the separate parts. For purposes of this chapter and sections 139 to 141, inclusive, of this act, (A) any business conducted by a pass-through entity shall be treated as conducted by its members, whether directly held or indirectly held through a series of pass-through entities, to the extent of the member's distributive share of the pass-through entity's income, regardless of the percentage of the member's ownership interest or its distributive or any other share of pass-through entity income, and (B) any business conducted directly or indirectly by one corporation is unitary with that portion of a business conducted by another corporation through its direct or indirect interest in a pass-through entity if there is a mutual benefit and a significant sharing of exchange or flow of value between the two parts of the business and the two corporations are members of the same group of business entities under common ownership;

(33) "Designated taxable member" means, if the combined group has a common parent corporation and that common parent corporation is a taxable member, the common parent corporation and, in all other cases, the taxable member of the combined group that such group selects, in the manner prescribed by section 12-222, as amended by this act, as its designated taxable member or, in the discretion of the commissioner or upon the failure of such group to select its designated taxable member in the manner prescribed by section 12-222, as

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amended by this act, the taxable member of the combined group selected by the commissioner as the designated taxable member;

(34) "Group income year" means, if two or more members in the combined group file in the same federal consolidated tax return, the same income year as that used on the federal consolidated tax return and, in all other cases, the income year of the designated taxable member;

(35) "Nontaxable member" means a combined group member that is not a taxable member, but does not include a company that is exempt from the tax imposed by this chapter under subdivision (2) of subsection (a) of section 12-214;

(36) "Taxable member" means a combined group member that is subject to tax pursuant to this chapter;

(37) "Pass-through entity" means a partnership or an S corporation.

Sec. 139. (NEW) (*Effective from passage and applicable to income years commencing on or after January 1, 2015*) (a) For purposes of this section, section 140 of this act and chapter 208 of the general statutes, the combined group's net income shall be the aggregate net income or loss of each taxable member and nontaxable member of the combined group derived from a unitary business, which shall be determined as follows:

(1) For any member incorporated in the United States, included in a consolidated federal corporate income tax return and filing a federal corporate income tax return, the income to be included in calculating the combined group's net income shall be such member's gross income, less the deductions provided under section 12-217 of the general statutes, as amended by this act, as if the member were not consolidated for federal tax purposes.

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(2) For any member not included in a consolidated federal corporate income tax return but required to file its own federal corporate income tax return, the income to be included in calculating the combined group's net income shall be such member's gross income, less the deductions provided under section 12-217 of the general statutes, as amended by this act.

(3) For any member not incorporated in the United States, not included in a consolidated federal corporate income tax return and not required to file its own federal corporate income tax return, the income to be included in the combined group's net income shall be determined from a profit and loss statement that shall be prepared for each foreign branch or corporation in the currency in which the books of account of the branch or corporation are regularly maintained, adjusted to conform it to the accounting principles generally accepted in the United States for the presentation of such statements and further adjusted to take into account any book-tax differences required by federal or Connecticut law. The profit and loss statement of each such member of the combined group and the apportionment factors related thereto, whether United States or foreign, shall be translated into or from the currency in which the parent company maintains its books and records on any reasonable basis consistently applied on a year-to-year or entity-by-entity basis. Income shall be expressed in United States dollars. In lieu of these procedures and subject to the determination of the commissioner that the income to be reported reasonably approximates income as determined under chapter 208 of the general statutes, income may be determined on any reasonable basis consistently applied on a year-to-year or entity-by-entity basis.

(4) If the unitary business has income from an entity that is treated as a pass-through entity, the combined group's net income shall include its member's direct and indirect distributive share of the pass-through entity's unitary business income.

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(5) All dividends paid by one member to another member of the combined group shall be eliminated from the income of the recipient.

(6) Except as otherwise provided by regulation, business income from an intercompany transaction among members of the same combined group shall be deferred in a manner similar to the deferral under 26 CFR 1.1502-13. Upon the occurrence of either of the following events, deferred business income resulting from an intercompany transaction among members of a combined group shall be restored to the income of the seller and shall be included in the combined group's net income as if the seller had earned the income immediately before the event:

(A) The object of a deferred intercompany transaction is: (i) Resold by the buyer to an entity that is not a member of the combined group, (ii) resold by the buyer to an entity that is a member of the combined group for use outside the unitary business in which the buyer and seller are engaged, or (iii) converted by the buyer to a use outside the unitary business in which the buyer and seller are engaged; or

(B) The buyer and seller are no longer members of the same combined group, regardless of whether the members remain unitary.

(7) A charitable expense incurred by a member of a combined group shall, to the extent allowable as a deduction pursuant to Section 170 of the Internal Revenue Code, be subtracted first from the combined group's net income, subject to the income limitations of said section applied to the entire business income of the group. Any charitable deduction disallowed under the foregoing rule, but allowed as a carryover deduction in a subsequent year, shall be treated as originally incurred in the subsequent year by the same member and the rules of this section shall apply in the subsequent year in determining the allowable deduction for that year.

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(8) Gain or loss from the sale or exchange of capital assets, property described by Section 1231(a)(3) of the Internal Revenue Code and property subject to an involuntary conversion shall be removed from the net income of each member of a combined group and shall be included in the combined group's net income as follows:

(A) For each class of gain or loss, whether short-term capital, long-term capital, Section 1231 of the Internal Revenue Code gain or loss, or gain or loss from involuntary conversions, all members' business gain and loss for the class shall be combined, without netting among such classes, and each class of net business gain or loss shall be apportioned to each member under subsection (b) of this section; and

(B) Any resulting income or loss apportioned to this state, as long as the loss is not subject to the limitations of Section 1211 of the Internal Revenue Code, of a taxable member produced by the application of subparagraph (A) of this subdivision shall then be applied to all other income or loss of that member apportioned to this state. Any resulting loss of a member apportioned to this state that is subject to the limitations of said Section 1211 shall be carried forward by that member and shall be treated as short-term capital loss apportioned to this state and incurred by that member for the year for which the carryover applies.

(9) Any expense of any member of the combined group that is directly or indirectly attributable to the income of any member of the combined group, which income this state is prohibited from taxing pursuant to the laws or Constitution of the United States, shall be disallowed as a deduction for purposes of determining the combined group's net income.

(b) A taxable member of a combined group shall determine its apportionment percentage as follows:

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(1) Each taxable member shall determine its apportionment percentage based on the otherwise applicable apportionment formula provided in chapter 208 of the general statutes. In computing its denominators for all factors, the taxable member shall use the combined group's denominator for that factor. In computing the numerator of its receipts factor, each taxable member shall add to such numerator its share of receipts of nontaxable members assignable to this state, as provided in subdivision (3) of this subsection.

(2) The combined group shall determine its property and payroll factor denominators using the factors from all members, whether or not a member would otherwise apportion its income using such property and payroll factors.

(3) Receipts assignable to this state of each nontaxable member shall be determined based upon the apportionment formula that would be applicable to such member if it were a taxable member and shall be aggregated. Each taxable member of the combined group shall include in the numerator of its receipts factor a portion of the aggregate receipts assignable to this state of nontaxable members based on a ratio, the numerator of which is such taxable member's receipts assignable to this state, without regard to this subsection, and the denominator of which is the aggregate receipts assignable to this state of all the taxable members of the combined group, without regard to this subsection.

(4) In determining the numerator and denominator of the apportionment factors of taxable members, transactions between or among members of such combined group shall be eliminated.

(5) If any member of a combined group required to file a combined unitary tax return pursuant to section 12-222 of the general statutes, as amended by this act, is taxable without this state, each taxable member shall be entitled to apportion its net income in accordance with this

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section.

(c) To calculate each taxable member's net income or loss apportioned to this state, each taxable member shall apply its apportionment percentage, as determined pursuant to subsection (b) of this section, to the combined group's net income.

(d) After calculating its net income or loss apportioned to this state, pursuant to subsection (c) of this section, each taxable member of a combined group required to file a combined unitary tax return pursuant to section 12-222 of the general statutes, as amended by this act, may deduct a net operating loss from its net income apportioned to this state as follows:

(1) For income years beginning on or after January 1, 2015, if the computation of a combined group's net income results in a net operating loss, a taxable member of such group may carry over its net loss apportioned to this state, as calculated under subsection (c) of this section, derived from the unitary business in a future income year to the extent that the carryover and deduction is otherwise consistent with subparagraph (A) of subdivision (4) of subsection (a) of section 12-217 of the general statutes, as amended by this act. Any taxable member that has more than one operating loss carryover shall apply the carryovers in the order that the operating loss was incurred, with the oldest carryover to be deducted first.

(2) Where a taxable member of a combined group has an operating loss carryover derived from a loss incurred by a combined group in an income year beginning on or after January 1, 2015, then the taxable member may share the operating loss carryover with other taxable members of the combined group if such other taxable members were members of the combined group in the income year that the loss was incurred. Any amount of operating loss carryover that is deducted by another taxable member of the combined group shall reduce the

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amount of operating loss carryover that may be carried over by the taxable member that originally incurred the loss.

(3) Where a taxable member of a combined group has an operating loss carryover derived from a loss incurred in an income year beginning prior to January 1, 2015, or derived from an income year during which the taxable member was not a member of such combined group, the carryover shall remain available to be deducted by that taxable member or other group members that, in the year the loss was incurred, were part of the same combined group as such taxable member under section 12-223a of the general statutes, as amended by this act, or same unitary group as such taxable member under subsection (d) of section 12-218d of the general statutes, revision of 1958, revised to January 1, 2015. Such carryover shall not be deductible by any other members of the combined group.

(e) Each taxable member shall multiply its income or loss apportioned to this state, as calculated under subsection (c) of this section and as further modified by subsection (d) of this section, by the tax rate set forth in section 12-214 of the general statutes, as amended by this act.

(f) The additional tax base of taxable and nontaxable members of a combined group required to file a combined unitary tax return pursuant to section 12-222 of the general statutes, as amended by this act, shall be calculated as follows:

(1) Except as otherwise provided in subdivision (2) of this subsection, members of the combined group shall calculate the combined group's additional tax base by aggregating their separate additional tax bases under subsection (a) of section 12-219 of the general statutes, provided intercorporate stockholdings in the combined group shall be eliminated and provided no deduction shall be allowed under subparagraph (B)(ii) of subdivision (1) of subsection

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(a) of section 12-219 of the general statutes for such intercorporate stockholdings. In calculating the combined group's additional tax base, the separate additional tax bases of nontaxable members shall be included, as if those nontaxable members were taxable members. The amount calculated under this subdivision shall be apportioned to those members pursuant to subdivision (1) of subsection (g) of this section.

(2) Taxable members of the combined group that are financial service companies, as defined in section 12-218b of the general statutes, as amended by this act, shall calculate their additional tax liability under subsection (d) of section 12-219 of the general statutes and shall not be included in the calculation of the combined group's additional tax base set forth in subdivision (1) of this subsection.

(g) A taxable member of a combined group required to file a combined unitary tax return pursuant to section 12-222 of the general statutes, as amended by this act, shall determine its apportionment percentage under section 12-219a of the general statutes, as amended by this act, as follows:

(1) A taxable member whose separate additional tax base is included in the calculation of the combined group's additional tax base under subdivision (1) of subsection (f) of this section shall apportion the combined group's additional tax base using the otherwise applicable apportionment formula provided in section 12-219a of the general statutes, as amended by this act. However, the denominator of such apportionment fraction shall be the sum of subdivisions (1) and (2) of subsection (a) of said section 12-219a for all members whose separate additional tax bases are included in the calculation of the combined group's additional tax base under subdivision (1) of subsection (f) of this section. The numerator of such apportionment fraction shall be the sum of subparagraph (A) of subdivision (1) of subsection (a) of said section 12-219a and subparagraph (A) of subdivision (2) of subsection (a) of said section 12-219a for such taxable

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member.

(2) Taxable members of the combined group that are financial service companies, as defined in section 12-218b of the general statutes, as amended by this act, shall each have an additional tax liability as described in subdivision (2) of subsection (h) of this section.

(h) (1) A taxable member whose separate additional tax base is included in the calculation of the combined group's additional tax base under subdivision (1) of subsection (f) of this section shall multiply the combined group's additional tax base, as calculated under subdivision (1) of subsection (f) of this section, by such member's apportionment fraction determined in subdivision (1) of subsection (g) of this section, by the tax rate set forth in subsection (a) of section 12-219 of the general statutes. In no event shall the aggregate tax so calculated for all members of the combined group exceed one million dollars, nor shall a tax credit allowed against the tax imposed by chapter 208 of the general statutes reduce a taxable member's tax calculated under this subsection to an amount less than two hundred fifty dollars.

(2) Taxable members of the combined group that are financial service companies, as defined in section 12-218b of the general statutes, as amended by this act, shall each have an additional tax liability of two hundred fifty dollars. In no event shall a tax credit allowed against the tax imposed by chapter 208 of the general statutes reduce a financial service company's tax calculated under this subsection to an amount less than two hundred fifty dollars.

(3) To the extent that the aggregate amount of tax calculated on each taxable member's additional tax base exceeds one million dollars, each taxable member will prorate its tax, in proportion to the group's tax calculated without regard to the one-million-dollar cap, such that the group's aggregate additional tax equals one million dollars.

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(i) If the aggregate amount of tax calculated on each taxable member's apportioned net income under subsection (e) of this section equals or exceeds the aggregate amount of tax calculated on each taxable member's apportioned additional tax base under subsection (h) of this section, each taxable member shall be subject to tax on its net income. If the aggregate amount of tax calculated on each taxable member's apportioned additional tax base under subsection (h) of this section exceeds the aggregate amount of tax calculated on each taxable member's apportioned net income under subsection (e) of this section, each taxable member shall be subject to tax on its additional tax base.

(j) (1) Each taxable member of a combined group required to file a combined unitary tax return pursuant to section 12-222 of the general statutes, as amended by this act, shall separately apply the provisions of sections 12-217ee and 12-217zz of the general statutes, as amended by this act, in determining the amount of tax credit available to such member.

(2) If a taxable member of a combined group earns a tax credit in an income year beginning on or after January 1, 2015, then the taxable member may share the credit with other taxable members of the combined group. Any amount of credit that is utilized by another taxable member of the combined group shall reduce the amount of credit carryover that may be carried over by the taxable member that originally earned the credit. If a taxable member of a combined group has a tax credit carryover derived from an income year beginning on or after January 1, 2015, then the taxable member may share the carryover credit with other taxable members of the combined group, if such other taxable members were members of the combined group in the income year in which the credit was earned.

(3) If a taxable member of a combined group has a tax credit carryover derived from an income year beginning prior to January 1, 2015, or derived from an income year during which the taxable

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member was not a member of such combined group, the credit carryover shall remain available to be utilized by such taxable member or other group members which, in the year the credit was earned, were part of the same combined group as such taxable member under section 12-223a of the general statutes, as amended by this act, or the same unitary group as such taxable member under section 12-218d of the general statutes, revision of 1958, revised to January 1, 2015.

(4) To the extent a taxable member has more than one corporation business tax credit that it may utilize in an income year, whether such credits were earned by said member or are available to said member in accordance with subdivisions (2) and (3) of this subsection, the credits shall be claimed in the same order as provided in section 12-217aa of the general statutes.

Sec. 140. (NEW) (*Effective from passage and applicable to income years commencing on or after January 1, 2015*) (a) For purposes of this section, "affiliated group" means an affiliated group as defined in Section 1504 of the Internal Revenue Code, except such affiliated group shall include all domestic corporations that are commonly owned, directly or indirectly, by any member of such affiliated group, without regard to whether the affiliated group includes (1) corporations included in more than one federal consolidated return, (2) corporations engaged in one or more unitary businesses, or (3) corporations that are not engaged in a unitary business with any other member of the affiliated group. Such affiliated group shall also include any member of the combined group, determined on a world-wide basis, incorporated in a tax haven as determined by the commissioner in accordance with subdivision (4) of subsection (b) of this section.

(b) The designated taxable member of a combined group may elect to have the combined group determined on a world-wide basis or an affiliated group basis. If no such election is made, the combined group shall be determined on a water's-edge basis and will include only

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taxable members and those nontaxable members described in any one or more of the categories set forth in subdivisions (1) to (3), inclusive, of this subsection:

(1) Any member incorporated in the United States, or formed under the laws of the United States, any state, the District of Columbia, or any territory or possession of the United States, excluding such a member if eighty per cent or more of both its property and payroll during the income year are located outside the United States, the District of Columbia, and any territory or possession of the United States;

(2) Any member, wherever incorporated or formed, if twenty per cent or more of both its property and payroll during the income year are located in the United States, the District of Columbia, or any territory or possession of the United States; or

(3) Any member that is incorporated in a jurisdiction that is determined by the commissioner to be a tax haven as that term is defined in subdivision (4) of this subsection, unless it is proven to the satisfaction of the commissioner that such member is incorporated in a tax haven for a legitimate business purpose.

(4) For purposes of subdivision (3) of this subsection, "tax haven" means a jurisdiction that (A) has laws or practices that prevent effective exchange of information for tax purposes with other governments on taxpayers benefiting from the tax regime; (B) has a tax regime which lacks transparency; (C) facilitates the establishment of foreign-owned entities without the need for a local substantive presence or prohibits these entities from having any commercial impact on the local economy; (D) explicitly or implicitly excludes the jurisdiction's resident taxpayers from taking advantage of the tax regime benefits or prohibits enterprises that benefit from the regime from operating in the jurisdiction's domestic market; or (E) has created

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a tax regime which is favorable for tax avoidance, based upon an overall assessment of relevant factors, including whether the jurisdiction has a significant untaxed offshore financial or services sector relative to its overall economy. Not later than September 30, 2015, the commissioner shall publish a list of jurisdictions that the commissioner determines to be tax havens. The list shall be applicable to income years commencing on or after January 1, 2015, and shall remain in effect until superseded by the publication of a revised list by the commissioner.

(c) A world-wide election or an affiliated group election is effective only if made on a timely-filed, original return for an income year by the designated taxable member of the combined group. Such election is binding for, and applicable to, the income year for which it is made and for the ten immediately succeeding income years.

(d) If the designated taxable member elects to determine the members of a combined group on an affiliated group basis, the taxable members shall take into account the net income or loss and apportionment factors of all of the members of its affiliated group, regardless of whether such members are engaged in a unitary business, that are subject to tax or would be subject to tax under chapter 208 of the general statutes, if doing business in this state.

Sec. 141. (NEW) (*Effective from passage and applicable to income years commencing on or after January 1, 2015*) (a) For purposes of this section, "net deferred tax liability" means deferred tax liabilities that exceed the deferred tax assets of the combined group, as computed in accordance with generally accepted accounting principles, and "net deferred tax asset" means that deferred tax assets exceed the deferred tax liabilities of the unitary group, as computed in accordance with generally accepted accounting principles.

(b) Only publicly traded companies, including affiliated

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corporations participating in the filing of a publicly traded company's financial statements prepared in accordance with generally accepted accounting principles, as of the effective date of this section, shall be eligible for this deduction.

(c) If the provisions of sections 139 and 140 of this act result in an aggregate increase to the members' net deferred tax liability or an aggregate decrease to the members' net deferred tax asset, the unitary group shall be entitled to a deduction, as determined in this section.

(d) For the seven-year period beginning with the unitary group's first income year that begins in 2018, a unitary group shall be entitled to a deduction from unitary group net income equal to one-seventh of the amount necessary to offset the increase in the net deferred tax liability or decrease in the net deferred tax asset, or the aggregate change thereof if the net income of the unitary group changes from a net deferred tax asset to a net deferred tax liability, as computed in accordance with generally accepted accounting principles, that would result from the imposition of the unitary reporting requirements under sections 139 and 140 of this act, but for the deduction provided under this section. Such increase in the net deferred tax liability or decrease in the net deferred tax asset or the aggregate change thereof shall be computed based on the change that would result from the imposition of the unitary reporting requirements under sections 139 and 140 of this act, but for the deduction provided under this section as of the effective date of this section.

(e) The deduction calculated under this section shall not be reduced as a result of any events happening subsequent to such calculation, including, but not limited to, any disposition or abandonment of assets. Such deduction shall be calculated without regard to the federal tax effect and shall not alter the tax basis of any asset. If the deduction under this section is greater than unitary group net income, any excess deduction shall be carried forward and applied as a deduction to

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unitary group net income in future income years until fully utilized.

(f) Any combined group intending to claim a deduction under this section shall file a statement with the commissioner on or before July 1, 2016, specifying the total amount of the deduction which the combined group claims. The statement shall be made on such form and in such manner as prescribed by the commissioner and shall contain such information or calculations as the commissioner may specify. No deduction shall be allowed under this section for any income year except to the extent claimed on or before July 1, 2016, in the manner prescribed. Nothing in this subsection shall limit the authority of the commissioner to review or redetermine the proper amount of any deduction claimed, whether on the statement required under this subsection or on a tax return for any income year.

Sec. 142. Section 12-214 of the general statutes is amended by adding subsection (c) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (c) Each taxable member of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, shall calculate such member's tax under subsection (a) of this section, by multiplying such member's net income apportioned to this state, as provided in subsection (c) of section 139 of this act, by the tax rate set forth in this section.

Sec. 143. Section 12-217 of the general statutes is amended by adding subsections (e) and (f) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (e) Where a combined group is required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, the combined group's net income shall be computed as provided in subsection (a) of section 139 of this act.

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(NEW) (f) Where a combined group is required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, a taxable member's net operating loss apportioned to this state shall be deducted and carried over by the taxable member as provided in subsection (d) of section 139 of this act.

Sec. 144. Subsection (b) of section 12-217n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(b) For purposes of this section:

(1) "Research and development expenses" means research or experimental expenditures deductible under Section 174 of the Internal Revenue Code of 1986, as in effect on May 28, 1993, determined without regard to Section 280C(c) thereof or any elections made by a taxpayer to amortize such expenses on its federal income tax return that were otherwise deductible, and basic research payments as defined under Section 41 of said Internal Revenue Code to the extent not deducted under said Section 174, provided: (A) Such expenditures and payments are paid or incurred for such research and experimentation and basic research conducted in this state; and (B) such expenditures and payments are not funded, within the meaning of Section 41(d)(4)(H) of said Internal Revenue Code, by any grant, contract, or otherwise by a person or governmental entity other than the taxpayer unless such other person is included in a combined return with the person paying or incurring such expenses;

(2) "Combined return" means a combined [corporation business tax return under section 12-223a] unitary tax return under section 12-222, as amended by this act;

(3) "Commissioner" means the Commissioner of Economic and

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(4) "Qualified small business" means a company that (A) has gross income for the previous income year that does not exceed one hundred million dollars, and (B) has not, in the determination of the commissioner, met the gross income test through transactions with a related person, as defined in section 12-217w.

Sec. 145. Subsection (e) of section 12-217t of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(e) In the case of taxpayers filing a combined unitary tax return pursuant to section [12-223a] 12-222, as amended by this act, the credit provided by this section shall be allowed on a combined basis, such that the amount of personal property taxes paid by such taxpayers with respect to such equipment may be claimed as a tax credit against the combined unitary tax liability of such taxpayers as determined under this chapter. Credits available to taxpayers which are subject to tax under this chapter but not subject to tax under chapter 207, 208a, 209, 210, 211 or 212 or the tax imposed on health care centers under the provisions of section 12-202a shall be used prior to credits of companies included in such combined return which are also subject to tax under said chapter 207, 208a, 209, 210, 211 or 212 or the tax imposed upon health centers pursuant to the provisions of section 12-202a.

Sec. 146. Subsection (l) of section 12-217u of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(l) (1) In the case of a financial institution included in a combined

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unitary tax return under section [12-223a] 12-222, as amended by this act, a credit allowed under subsection (b) or (f) of this section may be taken against the tax of the combined unitary group. (2) The credit allowed to a financial institution under subsection (b) or (f) of this section may be taken by any corporation which is eligible to elect to file a combined unitary tax return with a group with which the financial institution is eligible to file a combined unitary tax return, provided the aggregate credit taken by all such corporations in any income year shall not exceed the aggregate credit for which such group would have been eligible if it had filed a combined unitary tax return.

Sec. 147. Subsection (c) of section 12-217gg of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(c) (1) For the purposes of this chapter, each constituent corporation shall be deemed to have itself conducted its pro rata share of the business conducted by the sponsor.

(2) The pro rata share of the business conducted by the sponsor that shall be deemed to have been conducted by each constituent corporation shall be the same percentage as such constituent corporation's distributive share of the profit or loss of the sponsor for any relevant income year.

(3) The limitation of section 12-217zz, as amended by this act, shall be applied on the return of each constituent corporation or on the combined unitary tax return filed by two or more constituent corporations.

Sec. 148. Subsection (h) of section 12-217gg of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1,*

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2015):

(h) The credits allowed under this section may be used by constituent corporations joining in a combined [corporation business] unitary tax return under section [12-223a] 12-222, as amended by this act.

Sec. 149. Section 12-218 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(a) Any taxpayer which is taxable both within and without this state shall apportion its net income as provided in this section. For purposes of apportionment of income under this section, a taxpayer is taxable in another state if in such state such taxpayer conducts business and is subject to a net income tax, a franchise tax for the privilege of doing business, or a corporate stock tax, or if such state has jurisdiction to subject such taxpayer to such a tax, regardless of whether such state does, in fact, impose such a tax.

(b) The net income of the taxpayer, when derived from business other than the manufacture, sale or use of tangible personal or real property, shall be apportioned within and without the state by means of an apportionment fraction, the numerator of which shall represent the gross receipts from business carried on within Connecticut and the denominator shall represent the gross receipts from business carried on everywhere, except that any gross receipts attributable to an international banking facility, as defined in section 12-217, as amended by this act, shall not be included in the numerator or the denominator. Gross receipts as used in this subsection has the same meaning as used in subdivision (3) of subsection (c) of this section.

(c) Except as otherwise provided in subsection (k) or (l) of this section, the net income of the taxpayer when derived from the

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manufacture, sale or use of tangible personal or real property, shall be apportioned within and without the state by means of an apportionment fraction, to be computed as the sum of the property factor, the payroll factor and twice the receipts factor, divided by four.

(1) The first of these fractions, the property factor, shall represent that part of the average monthly net book value of the total tangible property held and owned by the taxpayer during the income year which is held within the state, without deduction on account of any encumbrance thereon, and the value of tangible property rented to the taxpayer computed by multiplying the gross rents payable during the income year or period by eight. For the purpose of this section, gross rents shall be the actual sum of money or other consideration payable, directly or indirectly, by the taxpayer or for its benefit for the use or possession of the property, excluding royalties, but including interest, taxes, insurance, repairs or any other amount required to be paid by the terms of a lease or other arrangement and a proportionate part of the cost of any improvement to the real property made by or on behalf of the taxpayer which reverts to the owner or lessor upon termination of a lease or other arrangement, based on the unexpired term of the lease commencing with the date the improvement is completed, provided, where a building is erected on leased land by or on behalf of the taxpayer, the value of the land is determined by multiplying the gross rent by eight, and the value of the building is determined in the same manner as if owned by the taxpayer. (2) The second fraction, the payroll factor, shall represent the part of the total wages, salaries and other compensation to employees paid by the taxpayer during the income year which was paid in this state, excluding any such wages, salaries or other compensation attributable to the production of gross income of an international banking facility as defined in section 12-217. Compensation is paid in this state if (A) the individual's service is performed entirely within the state; or (B) the individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service

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within the state; or (C) some of the service is performed in the state and (i) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or (ii) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state. (3) The third fraction, the receipts factor, shall represent the part of the taxpayer's gross receipts from sales or other sources during the income year, computed according to the method of accounting used in the computation of its entire net income, which is assignable to the state, and excluding any gross receipts attributable to an international banking facility as defined in section 12-217, as amended by this act, but including receipts from sales of tangible property if the property is delivered or shipped to a purchaser within this state, other than a company which qualifies as a Domestic International Sales Corporation (DISC) as defined in Section 992 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and as to which a valid election under Subsection (b) of said Section 992 to be treated as a DISC is effective, regardless of the f.o.b. point or other conditions of the sale, receipts from services performed within the state, rentals and royalties from properties situated within the state, royalties from the use of patents or copyrights within the state, interest managed or controlled within the state, net gains from the sale or other disposition of intangible assets managed or controlled within the state, net gains from the sale or other disposition of tangible assets situated within the state and all other receipts earned within the state.

(d) Any motor bus company which is taxable both within and without this state shall apportion its net income derived from carrying of passengers for hire by means of an apportionment fraction, the numerator of which shall represent the total number of miles operated within this state and the denominator of which shall represent the total

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number of miles operated everywhere, but income derived by motor bus companies from sources other than the carrying of passengers for hire shall be apportioned as herein otherwise provided.

(e) Any motor carrier which transports property for hire and which is taxable both within and without this state shall apportion its net income derived from carrying of property for hire by means of an apportionment fraction, the numerator of which shall represent the total number of miles operated within this state and the denominator of which shall represent the total number of miles operated everywhere, but income derived by motor carriers from sources other than the carrying of property for hire shall be apportioned as herein otherwise provided.

(f) (1) Each taxpayer that provides management, distribution or administrative services, as defined in this subsection, to or on behalf of a regulated investment company, as defined in Section 851 of the Internal Revenue Code shall apportion its net income derived, directly or indirectly, from providing management, distribution or administrative services to or on behalf of a regulated investment company, including net income received directly or indirectly from trustees, and sponsors or participants of employee benefit plans which have accounts in a regulated investment company, in the manner provided in this subsection. Income derived by such taxpayer from sources other than the providing of management, distribution or administrative services to or on behalf of a regulated investment company shall be apportioned as provided in this chapter.

(2) The numerator of the apportionment fraction shall consist of the sum of the Connecticut receipts, as described in subdivision (3) of this subsection. The denominator of the apportionment fraction shall consist of the total receipts from the sale of management, distribution or administrative services to or on behalf of all the regulated investment companies. For purposes of this subsection, "receipts"

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means receipts computed according to the method of accounting used by the taxpayer in the computation of net income.

(3) For purposes of this subsection, Connecticut receipts shall be determined by multiplying receipts from the rendering of management, distribution or administrative services to or on behalf of each separate regulated investment company by a fraction (A) the numerator of which shall be the average of (i) the number of shares on the first day of such regulated investment company's taxable year, for federal income tax purposes, which ends within or at the same time as the taxable year of the taxpayer, that are owned by shareholders of such regulated investment company then domiciled in this state and (ii) the number of shares on the last day of such regulated investment company's taxable year, for federal income tax purposes, which ends within or at the same time as the taxable year of the taxpayer, that are owned by shareholders of such regulated investment company then domiciled in this state; and (B) the denominator of which shall be the average of the number of shares that are owned by shareholders of such regulated investment company on such dates.

(4) (A) For purposes of this subsection, "management services" includes, but is not limited to, the rendering of investment advice directly or indirectly to a regulated investment company, making determinations as to when sales and purchases of securities are to be made on behalf of the regulated investment company, or the selling or purchasing of securities constituting assets of a regulated investment company, and related activities, but only where such activity or activities are performed (i) pursuant to a contract with the regulated investment company entered into pursuant to 15 USC 80a-15(a), as from time to time amended, (ii) for a person that has entered into such contract with the regulated investment company, or (iii) for a person that is affiliated with a person that has entered into such contract with a regulated investment company.

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(B) For purposes of this subsection, "distribution services" includes, but is not limited to, the services of advertising, servicing, marketing or selling shares of a regulated investment company, but, in the case of advertising, servicing or marketing shares, only where such service is performed by a person that is, or, in the case of a closed end company, was, either engaged in the service of selling such shares or affiliated with a person that is engaged in the service of selling such shares. In the case of an open end company, such service of selling shares shall be performed pursuant to a contract entered into pursuant to 15 USC 80a-15(b), as from time to time amended.

(C) For purposes of this subsection, "administrative services" includes, but is not limited to, clerical, fund or shareholder accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial, internal auditing, legal and tax services performed for a regulated investment company but only if the provider of such service or services during the income year in which such service or services are provided also provides, or is affiliated with a person that provides, management or distribution services to such regulated investment company.

(D) For purposes of this subsection, a person is "affiliated" with another person if each person is a member of the same affiliated group, as defined under Section 1504 of the Internal Revenue Code without regard to subsection (b) of said section.

(E) For purposes of this subsection, the domicile of a shareholder shall be presumed to be such shareholder's mailing address as shown in the records of the regulated investment company except that for purposes of this subsection, if the shareholder of record is an insurance company which holds the shares of the regulated investment company as depositor for the benefit of a separate account, then the taxpayer may elect to treat as the shareholders the contract owners or policyholders of the contracts or policies supported by such separate

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account. An election made under this subparagraph shall apply to all shareholders that are insurance companies and shall be irrevocable for, and applicable for, five successive income years. In any year that such an election is applicable, it shall be presumed that the domicile of a shareholder is the mailing address of the contract owner or policyholder as shown in the records of the insurance company.

(g) (1) Each taxpayer that provides securities brokerage services, as defined in this subsection, shall apportion its net income derived, directly or indirectly, from rendering securities brokerage services in the manner provided in this subsection. Income derived by such taxpayer from sources other than the rendering of securities brokerage services shall be apportioned as provided in this chapter.

(2) The numerator of the apportionment fraction shall consist of the brokerage commissions and total margin interest paid on behalf of brokerage accounts owned by the taxpayer's customers who are domiciled in this state during such taxpayer's income year, computed according to the method of accounting used in the computation of net income. The denominator of the apportionment fraction shall consist of brokerage commissions and total margin interest paid on behalf of brokerage accounts owned by all of the taxpayer's customers, wherever domiciled, during such taxpayer's income year, computed according to the method of accounting used in the computation of net income.

(3) For purposes of this subsection:

(A) "Security brokerage services" means services and activities including all aspects of the purchasing and selling of securities rendered by a broker, as defined in 15 USC 78c(a)(4) and registered under the provisions of 15 USC 78a to 78kk, inclusive, as from time to time amended, to effectuate transactions in securities for the account of others, and a dealer, as defined in 15 USC 78c(a)(5) and registered

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under the provisions of 15 USC 78a to 78kk, inclusive, as from time to time amended, to buy and sell securities, through a broker or otherwise. Security brokerage services shall not include services rendered by any person buying or selling securities for such person's own account, either individually or in some fiduciary capacity, but not as part of a regular business carried on by such person.

(B) "Securities" means security, as defined in 15 USC 78c(a)(10), as from time to time amended.

(C) "Brokerage commission" means all compensation received for effecting purchases and sales for the account or on order of others, whether in a principal or agency transaction, and whether charged explicitly or implicitly as a fee, commission, spread, markup or otherwise.

(4) For purposes of this subsection, the domicile of a customer shall be presumed to be such customer's mailing address as shown in the records of the taxpayer.

(h) (1) Any company that is (A) a limited partner in a partnership, other than an investment partnership, that does business, owns or leases property or maintains an office within this state and (B) not otherwise carrying on or doing business in this state shall pay the tax imposed under section 12-214, as amended by this act, solely on its distributive share as a partner of the income or loss of such partnership to the extent such income or loss is derived from or connected with sources within this state, except that, if the commissioner determines that the company and the partnership are, in substance, parts of a unitary business engaged in a single business enterprise or if the company is a member of a combined group that files a combined unitary tax return, the company shall be taxed in accordance with the provisions of subdivision (3) of this subsection and not in accordance with the provisions of this subdivision, provided, in lieu of the

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payment of tax based solely on its distributive share, such company may elect for any particular income year, on or before the due date or, if applicable the extended due date, of its corporation business tax return for such income year, to apportion its net income within and without the state under the provisions of this chapter.

(2) Any company that is (A) a limited partner (i) in an investment partnership or (ii) in a limited partnership, other than an investment partnership, that does business, owns or leases property or maintains an office within this state and (B) otherwise carrying on or doing business in this state shall apportion its net income, including its distributive share as a partner of such partnership income or loss, within and without the state under the provisions of this chapter, except that the numerator and the denominator of its payroll factor, property factor, and receipts factor shall include its proportionate part, as a partner, of the numerator and the denominator of such partnership's payroll factor, property factor and receipts factor, respectively. For purposes of this section, such partnership shall compute its apportionment fraction and the numerator and the denominator of its payroll factor, property factor and receipts factor, as if it were a company taxable both within and without this state.

(3) Any company that is a general partner in a partnership that does business, owns or leases property or maintains an office within this state shall, whether or not it is otherwise carrying on or doing business in this state, apportion its net income, including its distributive share as a partner of such partnership income or loss, within and without the state under the provisions of this chapter, except that the numerator and the denominator of its payroll factor, property factor and receipts factor shall include its proportionate part, as a partner, of the numerator and the denominator of such partnership's payroll factor, property factor and receipts factor, respectively. For purposes of this section, such partnership shall compute its apportionment fraction and

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the numerator and the denominator of its payroll factor, property factor and receipts factor, as if it were a company taxable both within and without this state.

(i) The provisions of this section shall not apply to insurance companies.

(j) (1) Any financial service company as defined in section 12-218b, as amended by this act, that has net income derived from credit card activities, as defined in this subsection, shall apportion its net income derived from credit card activities in the manner provided in this subsection. Income derived by such taxpayer from sources other than credit card activities shall be apportioned as provided in this chapter.

(2) The numerator of the apportionment fraction shall consist of the Connecticut receipts, as described in subdivision (3) of this subsection. The denominator of the apportionment fraction shall consist of (A) the total amount of interest and fees or penalties in the nature of interest from credit card receivables, (B) receipts from fees charged to card holders, including, but not limited to, annual fees, irrespective of the billing address of the card holder, (C) net gains from the sale of credit card receivables, irrespective of the billing address of the card holder, and (D) all credit card issuer's reimbursement fees, irrespective of the billing address of the card holder.

(3) For purposes of this subsection, "Connecticut receipts" shall be determined by adding (A) interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to card holders, including, but not limited to, annual fees, where the billing address of the card holder is in this state and (B) the product of (i) the sum of net gains from the sale of credit card receivables and all credit card issuer's reimbursement fees multiplied by (ii) a fraction, the numerator of which shall be interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged

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to card holders, including, but not limited to, annual fees, where the billing address of the card holder is in this state, and the denominator of which shall be the total amount of interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to card holders, including, but not limited to, annual fees, irrespective of the billing address of the card holder.

(4) For purposes of this subsection:

(A) "Credit card" means a credit, travel, or entertainment card;

(B) "Receipts" means receipts computed according to the method of accounting used by the taxpayer in the computation of net income;

(C) "Credit card issuer's reimbursement fee" means the fee that a taxpayer receives from a merchant's bank because one of the persons to whom the taxpayer or a related person, as defined in section 12-218b, as amended by this act, has issued a credit card has charged merchandise or services to the credit card;

(D) "Net income derived from credit card activities" means (i) interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to card holders, including, but not limited to, annual fees, net gains from the sale of credit card receivables, credit card issuer's reimbursement fees, and credit card receivables servicing fees received in connection with credit cards issued by the taxpayer or a related person, as defined in section 12-218b, as amended by this act, less (ii) expenses related to such income, to the extent deductible under this chapter;

(E) "Billing address" shall be presumed to be the location indicated in the books and records of the taxpayer as the address where any notice, statement or bill relating to a card holder is to be mailed, as of the date of such mailing; and

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(F) "Credit card activities" means those activities involving the underwriting and approval of credit card relationships or other business activities generally associated with the conduct of business by an issuer of credit cards from which it derives income.

(5) The Commissioner of Revenue Services may adopt regulations, in accordance with chapter 54, to permit a financial service company that is an owner of a financial asset securitization investment trust, as defined in Section 860H(a) of the Internal Revenue Code, to elect to apportion its share of the net income from credit card activities carried on by such trust, and to provide rules for apportioning such share of net income that are consistent with this subsection.

(k) (1) For income years commencing on or after January 1, 2001, the net income of a taxpayer which is primarily engaged in activities that, in accordance with the North American Industrial Classification System, United States Manual, United States Office of Management and Budget, 1997 edition, would be included in Sector 31, 32 or 33, shall be apportioned within and without the state by means of the apportionment fraction described in subdivision (2) of this subsection provided, in the income year commencing on January 1, 2001, each such taxpayer shall not take such apportionment fraction into account for purposes of installment payments on estimated tax under section 12-242d, as amended by this act, for calendar quarters ending prior to July 1, 2001, but shall make such payments in accordance with the apportionment fraction applicable to the income year commencing January 1, 2000.

(2) The numerator of the apportionment fraction shall consist of the taxpayer's gross receipts, as described in subdivision (3) of subsection (c) of this section, which are assignable to the state, as provided in subdivision (3) of subsection (c) of this section. The denominator of the apportionment fraction shall consist of the taxpayer's total gross receipts, as described in subdivision (3) of subsection (c) of this section,

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whether or not assignable to the state.

(3) Any taxpayer which is described in subdivision (1) of this subsection and seventy-five per cent or more of whose total gross receipts, as described in subdivision (3) of subsection (c) of this section, during the income year are from the sale of tangible personal property directly, or in the case of a subcontractor, indirectly, to the United States government may elect, on or before the due date or, if applicable, the extended due date, of its corporation business tax return for the income year, to apportion its net income within and without the state by means of the apportionment fraction described in subsection (c) of this section. The election, if made by the taxpayer, shall be irrevocable for, and applicable for, five successive income years.

(l) (1) For income years commencing on or after October 1, 2001, any broadcaster which is taxable both within and without this state shall apportion its net income derived from the broadcast of video or audio programming, whether through the public airwaves, by cable, by direct or indirect satellite transmission or by any other means of communication, through an over-the-air television or radio network, through a television or radio station or through a cable network or cable television system and, if such broadcaster is a cable network, all net income derived from activities related to or arising out of the foregoing, including, but not limited to, broadcasting, entertainment, publishing, whether electronically or in print, electronic commerce and licensing of intellectual property created in the pursuit of such activities, by means of the apportionment fraction described in subdivision (3) of this subsection, and any eligible production entity which is taxable both within and without this state shall apportion its net income derived from video or audio programming production services by means of the apportionment fraction described in subdivision (4) of this subsection.

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(2) For purposes of this subsection:

(A) "Video or audio programming" means any and all performances, events or productions, including without limitation news, sporting events, plays, stories and other entertainment, literary, commercial, educational or artistic works, telecast or otherwise made available for video or audio exhibition through live transmission or through the use of video tape, disc or any other type of format or medium;

(B) A "subscriber" to a cable television system is an individual residence or other outlet which is the ultimate recipient of the transmission;

(C) "Telecast" or "broadcast" means the transmission of video or audio programming by an electronic or other signal conducted by radiowaves or microwaves, by wires, lines, coaxial cables, wave guides or fiber optics, by satellite transmissions directly or indirectly to viewers or listeners or by any other means of communication;

(D) "Eligible production entity" means a corporation which provides video or audio programming production services and which is affiliated, within the meaning of Sections 1501 to 1504 of the Internal Revenue Code and the regulations promulgated thereunder, with a broadcaster;

(E) "Release" or "in release" means the placing of video or audio programming into service. A video or audio program is placed into service when it is first broadcast to the primary audience for which the program was created. For example, video programming is placed in service when it is first publicly telecast for entertainment, educational, commercial, artistic or other purpose. Each episode of a television or radio series is placed in service when it is first broadcast; and

(F) "Broadcaster" means a corporation that is engaged in the

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business of broadcasting video or audio programming, whether through the public airwaves, by cable, by direct or indirect satellite transmission or by any other means of communication, through an over-the-air television or radio network, through a television or radio station or through a cable network or cable television system, and that is primarily engaged in activities that, in accordance with the North American Industry Classification System, United States Manual, 1997 edition, are included in industry group 5131 or 5132.

(3) (A) Except as provided in subparagraph (B) of this subdivision with respect to the determination of the apportionment fraction for net income derived from the activities referred to in subdivision (1) of subsection (l) of this section, the numerator of the apportionment fraction for a broadcaster shall consist of the broadcaster's gross receipts, as described in subdivision (3) of subsection (c) of this section, which are assignable to the state, as provided in subdivision (3) of subsection (c) of this section. Except as provided in subparagraph (C) of this subdivision with respect to the determination of the apportionment fraction for the net income derived from the activities referred to in subdivision (1) of subsection (l) of this section, the denominator of the apportionment fraction for a broadcaster shall consist of the broadcaster's total gross receipts, as described in subdivision (3) of subsection (c) of this section, whether or not assignable to the state.

(B) The numerator of the apportionment fraction for a broadcaster shall include the gross receipts of the taxpayer from sources within this state determined as follows:

(i) Gross receipts, including without limitation, advertising revenue, affiliate fees and subscriber fees, received by a broadcaster from video or audio programming in release to or by a broadcaster for telecast which is attributed to this state.

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(ii) Gross receipts, including without limitation, advertising revenue, received by an over-the-air television or radio network or a television or radio station from video or audio programming in release to or by such network or station for telecast shall be attributed to this state in the same ratio that the audience for such over-the-air network or station located in this state bears to the total audience for such over-the-air network or station inside and outside of the United States. For purposes of this subparagraph, the audience shall be determined either by reference to the books and records of the taxpayer or by reference to the applicable year's published rating statistics, provided the method used by the taxpayer is consistently used from year to year for such purpose and fairly represents the taxpayer's activity in the state.

(iii) Gross receipts including, without limitation, advertising revenue, affiliate fees and subscriber fees, received by a cable network or a cable television system from video or audio programming in release to or by such cable network or cable television system for telecast and other receipts that are derived from the activities referred to in subdivision (1) of this subsection shall be attributed to this state in the same ratio that the number of subscribers for such cable network or cable television system located in this state bears to the total of such subscribers of such cable network or cable television system inside and outside of the United States. For purpose of this subparagraph, the number of subscribers of a cable network shall be measured by reference to the number of subscribers of cable television systems that are affiliated with such network and that receive video or audio programming of such network. For purposes of this subparagraph, the number of subscribers of a cable television system shall be determined either by reference to the books and records of the taxpayer or by reference to the applicable year's published rating statistics located in published surveys, provided the method used by the taxpayer is consistently used from year to year for such purpose and fairly represents the taxpayer's activities in the state.

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(C) The denominator of the apportionment fraction of a broadcaster shall include gross receipts of the broadcaster that are derived from the activities referred to in subdivision (1) of subsection (l) of this section, whether or not assignable to the state.

(4) (A) Except as provided in subparagraph (B) of this subdivision, with respect to the determination of the apportionment fraction for net income derived from video or audio programming production services, the numerator of the apportionment fraction for an eligible production entity shall consist of the eligible production entity's gross receipts, as described in subdivision (3) of subsection (c) of this section, which are assignable to the state, as provided in subdivision (3) of subsection (c) of this section. Except as provided in subparagraph (C) of this subdivision, with respect to the determination of the apportionment fraction for net income derived from video or audio programming production services, the denominator of the apportionment fraction for an eligible production entity shall consist of the eligible production entity's total gross receipts, as described in subdivision (3) of subsection (c) of this section, whether or not assignable to the state.

(B) The numerator of the apportionment fraction for an eligible production entity shall include gross receipts of the entity that are derived from video or audio programming production services relating to events which occur within this state.

(C) The denominator of the apportionment fraction for an eligible production entity shall include gross receipts of the entity that are derived from video or audio programming production services relating to events which occur within or without this state.

(m) Each taxable member of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, shall, if one or more members of such group are taxable

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without this state, apportion its net income as provided in subsections (b) and (c) of section 139 of this act.

Sec. 150. Section 12-218b of the general statutes is amended by adding subsection (m) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (m) Each financial service company that is a member of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, shall apportion its net income as provided in subsections (b) and (c) of section 139 of this act.

Sec. 151. Subsection (c) of section 12-218c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(c) (1) The adjustments required in subsection (b) of this section shall not apply if the corporation establishes by clear and convincing evidence that the adjustments are unreasonable, or the corporation and the Commissioner of Revenue Services agree in writing to the application or use of an alternative method of apportionment under section 12-221a, as amended by this act. Nothing in this subdivision shall be construed to limit or negate the commissioner's authority to otherwise enter into agreements and compromises otherwise allowed by law.

(2) The adjustments required in subsection (b) of this section shall not apply to such portion of interest expenses and costs and intangible expenses and costs that the corporation can establish by the preponderance of the evidence meets both of the following: (A) The related member during the same income year directly or indirectly paid, accrued or incurred such portion to a person who is not a related

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member, and (B) the transaction giving rise to the interest expenses and costs or the intangible expenses and costs between the corporation and the related member did not have as a principal purpose the avoidance of any portion of the tax due under this chapter.

(3) The adjustments required in subsection (b) of this section shall apply except to the extent that increased tax, if any, attributable to such adjustments would have been avoided if both the corporation and the related member had been eligible to make and had timely made the election to file a combined return under subsection (a) of section 12-223a, as amended by this act.

(4) The adjustments required in subsection (b) of this section shall not apply if the corporation and the related member are both members of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act.

Sec. 152. Subsection (d) of section 12-218d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(d) The adjustments required in subsection (b) of this section shall not apply [if] in any of the following circumstances:

(1) [the] The corporation establishes by clear and convincing evidence, as determined by the commissioner, that the adjustments are unreasonable. [,]

(2) [the] The corporation and the commissioner agree in writing to the application or use an alternative method of determining the combined measure of the tax, provided that the Commissioner of Revenue Services shall consider approval of such petition only in the event that the petitioners have clearly established to the satisfaction of said commissioner that there are substantial intercorporate business

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transactions among such included corporations and that the proposed alternative method of determining the combined measure of the tax accurately reflects the activity, business, income or capital of the taxpayers within the state. [, or]

(3) [the] The corporation elects, on forms authorized for such purpose by the commissioner, to calculate its tax on a unitary basis including all members of the unitary group provided [that] there are substantial intercorporate business transactions among such included corporations. Such election to file on a unitary basis shall be irrevocable for and applicable for five successive income years, but shall not be applicable to income years commencing on or after January 1, 2015. Nothing in this subdivision shall be construed to limit or negate the commissioner's authority to otherwise enter into agreements and compromises otherwise allowed by law.

(4) The corporation and the related member are both members of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act.

Sec. 153. Section 12-219 of the general statutes is amended by adding subsection (e) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (e) The additional tax base of taxable and nontaxable members of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, shall be calculated as provided in subsection (f) of section 139 of this act.

Sec. 154. Section 12-219a of the general statutes is amended by adding subsection (d) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (d) The additional tax base of taxable and nontaxable members of a combined group required to file a combined unitary tax

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return pursuant to section 12-222, as amended by this act, shall be apportioned as provided in subsection (g) of section 139 of this act.

Sec. 155. Section 12-221a of the general statutes is amended by adding subsection (c) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (c) The provisions of this section shall also apply to a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act.

Sec. 156. Section 12-222 of the general statutes is amended by adding subsection (g) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (g) (1) A combined group shall file a combined unitary tax return under this chapter in the form and manner prescribed by the Commissioner of Revenue Services. The designated taxable member of a combined group shall file the combined unitary tax return on behalf of the taxable members of the combined group and shall pay the tax on behalf of such taxable members. A designated taxable member shall not be liable to, and shall be entitled to recover a payment made pursuant to this subdivision from, the taxable member on whose behalf the payment was made.

(2) If a member of a combined group has a different income year than the group income year, such member with a different income year shall report amounts from its return for its income year that ends during the group income year, provided no such reporting of amounts shall be required of such member until its first income year beginning on or after January 1, 2015.

(3) Notwithstanding the provisions of subdivision (1) of this subsection, each taxable member of a combined group is jointly and severally liable for the tax due from any taxable member under this

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chapter, whether or not such tax has been self-assessed, and for any interest, penalties or additions to tax due from any taxable member under this chapter.

(4) In all cases where a combined group is eligible to select the designated taxable member of the combined group, notice of the selection shall be submitted in written form to the commissioner not later than the due date, or, if an extension of time to file has been requested and granted, not later than the extended due date of the combined unitary tax return for the initial income year that such a return is required. The subsequent selection of another designated taxable member shall be subject to the approval of the commissioner.

(5) For purposes of this chapter, the designated taxable member is authorized to do the following acts on behalf of taxable and nontaxable members of the combined group, including, but not limited to: (A) Signing the combined unitary tax return, including any amendments to such return; (B) applying for extensions of time to file the return; (C) before the expiration of the time prescribed in section 12-233 for the examination of the return or the assessment of tax, consenting to an examination or assessment after such time and prior to the expiration of the period agreed upon; (D) making offers of compromise under section 12-2d; (E) entering into closing agreements under section 12-2e; and (F) receiving a refund or credit of a tax overpayment under this chapter.

(6) For purposes of this chapter, the commissioner may, at the commissioner's sole discretion: (A) Send any notice to either the designated taxable member or a taxable member or members of the combined group; (B) make any deficiency assessment against either the designated taxable member or a taxable member or members of the combined group; (C) refund or credit any overpayment to either the designated taxable member or a taxable member or members of the combined group; (D) require any payment to be made by electronic

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funds transfer; and (E) require the combined unitary tax return to be electronically filed.

Sec. 157. Section 12-223a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(a) [Any] Subject to the provisions of subsection (e) of this section, any taxpayer included in a consolidated return with one or more other corporations for federal income tax purposes may elect to file a combined return under this chapter together with such other companies subject to the tax imposed thereunder as are included in the federal consolidated corporation income tax return and such combined return shall be filed in such form and setting forth such information as the Commissioner of Revenue Services may require. Notice of an election made pursuant to the provisions of this subsection and consent to such election must be submitted in written form to the Commissioner of Revenue Services by each corporation so electing not later than the due date, or if an extension of time to file has been requested and granted, the extended due date of the returns due from the electing corporations for the initial income year for which the election to file a combined return is made. Such election shall be in effect for such initial income year and for each succeeding income years unless and until such election is revoked in accordance with the provisions of subsection (d) of this section.

(b) [Any] Subject to the provisions of subsection (e) of this section, any taxpayer, other than a corporation filing a combined return with one or more other corporations under subsection (a) of this section, which owns or controls either directly or indirectly substantially all the capital stock of one or more corporations, or substantially all the capital stock of which is owned or controlled either directly or indirectly by one or more other corporations or by interests which own or control either directly or indirectly substantially all the capital stock

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of one or more other corporations, may, in the discretion of the Commissioner of Revenue Services, be required or permitted by written approval of the Commissioner of Revenue Services to make a return on a combined basis covering any such other corporations and setting forth such information as the Commissioner of Revenue Services may require, provided no combined return covering any corporation not subject to tax under this chapter shall be required unless the Commissioner of Revenue Services deems such a return necessary, because of intercompany transactions or some agreement, understanding, arrangement or transaction referred to in section 12-226a, in order properly to reflect the tax liability under this part.

(c) (1) (A) In the case of a combined return, the tax shall be measured by the sum of the separate net income or loss of each corporation included or the minimum tax base of the included corporations but only to the extent that said income, loss or minimum tax base of any included corporation is separately apportioned to Connecticut in accordance with the provisions of section 12-218, as amended by this act, 12-218b, as amended by this act, 12-219a, as amended by this act, or 12-244, whichever is applicable. In computing said net income or loss, intercorporate dividends shall be eliminated, and in computing the combined additional tax base, intercorporate stockholdings shall be eliminated.

(B) In computing said net income or loss, any intangible expenses and costs, as defined in section 12-218c, as amended by this act, any interest expenses and costs, as defined in section 12-218c, as amended by this act, and any income attributable to such intangible expenses and costs or to such interest expenses and costs shall be eliminated, provided the corporation that is required to make adjustments under section 12-218c, as amended by this act, for such intangible expenses and costs or for such interest expenses and costs, and the related member or members, as defined in section 12-218c, as amended by this

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act, are included in such combined return. If any such income and any such expenses and costs are eliminated as provided in this subparagraph, the intangible property, as defined in section 12-218c, as amended by this act, of the corporation eliminating such income shall not be taken into account in apportioning under the provisions of section 12-219a, as amended by this act, the tax calculated under subsection (a) of section 12-219 of such corporation.

(2) If the method of determining the combined measure of such tax in accordance with this subsection for two or more affiliated companies validly electing to file a combined return under the provisions of subsection (a) of this section is deemed by such companies to unfairly attribute an undue proportion of their total income or minimum tax base to this state, said companies may submit a petition in writing to the Commissioner of Revenue Services for approval of an alternate method of determining the combined measure of their tax not later than sixty days prior to the due date of the combined return to which the petition applies, determined with regard to any extension of time for filing such return, and said commissioner shall grant or deny such approval before said due date. In deciding whether or not the companies included in such combined return should be granted approval to employ the alternate method proposed in such petition, the Commissioner of Revenue Services shall consider approval only in the event that the petitioners have clearly established to the satisfaction of said commissioner that all the companies included in such combined return are, in substance, parts of a unitary business engaged in a single business enterprise and further that there are substantial intercorporate business transactions among such included companies.

(3) Upon the filing of a combined return under subsection (a) or (b) of this section, combined returns shall be filed for all succeeding income years or periods for those corporations reporting therein,

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provided, in the case of corporations filing under subsection (a) of this section, such corporations are included in a federal consolidated corporation income tax return filed for the succeeding income years and, in the case of a corporation filing under subsection (b) of this section, the aforesaid ownership or control continues in full force and effect and is not extended to other corporations, and further, provided no substantial change is made in the nature or locations of the operations of such corporations.

(d) Notwithstanding the provisions of subsections (a) and (c) of this section, any taxpayer which has elected to file a combined return under this chapter as provided in said subsection (a), may subsequently revoke its election to file a combined corporation business tax return and elect to file a separate corporation business tax return under this chapter, although continuing to be included in a federal consolidated corporation income tax return with other companies subject to tax under this chapter, provided such election shall not be effective before the fifth income year immediately following the initial income year in which the corporation elected to file a combined return under this chapter. Notice of an election made pursuant to the provisions of this subsection and consent to such election must be submitted in written form to the Commissioner of Revenue Services by each corporation that had been included in such combined return not later than the due date, or if an extension of time to file has been requested and granted, extended due date of the separate returns due from the electing corporations for the initial income year for which the election to file separate returns is made. The election to file separate returns shall be irrevocable for and applicable for five successive income years.

(e) The provisions of this section shall not apply to income years commencing on or after January 1, 2015.

Sec. 158. Section 12-223b of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(a) Intercompany rents shall not be included in the computation of the value of property rented as a property factor in the apportionment fraction if the lessor and lessee are included in a combined return as provided in section 12-223a, as amended by this act.

(b) Intercompany business receipts, receipts by a corporation included in a combined return under section 12-223a, as amended by this act, from any other corporation included in such return, shall not be included in the computation of the receipts factor of the apportionment fraction.

Sec. 159. Section 12-223c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

Each corporation included in a combined return under section 12-223a, as amended by this act, shall pay the minimum tax of two hundred fifty dollars prescribed under section 12-219, as amended by this act. No tax credit allowed against the tax imposed by this chapter shall reduce an included corporation's tax calculated under section 12-219, as amended by this act, to an amount less than two hundred fifty dollars.

Sec. 160. Section 12-223e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

If revision shall be made of a combined return under section 12-223a, as amended by this act, for the purpose of the tax of two or more corporations, or of an assessment based upon such a return, the Commissioner of Revenue Services shall have power to readjust the taxes of each taxpayer included in such return, or, if revision is made

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of a return or an assessment against a taxpayer which might have been included in a combined return when the tax was originally reported or assessed, the Commissioner of Revenue Services shall have power to resettle the tax against such taxpayer and any other taxpayers which might have been included in such report upon a combined basis, and shall adjust the taxes of each such taxpayer accordingly.

Sec. 161. Section 12-223f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(a) Notwithstanding the provisions of sections 12-223a to 12-223e, inclusive, as amended by this act, the tax due in relation to any corporations which have filed a combined return for any income year with other corporations for the tax imposed under this chapter in accordance with section 12-223a, as amended by this act, shall be determined as follows: (1) The tax which would be due from each such corporation if it were filing separately under this chapter shall be determined, and the total for all corporations included in the combined return shall be added together; (2) the tax which would be jointly due from all corporations included in the combined return in accordance with the provisions of said sections 12-223a to 12-223e, inclusive, shall be determined; and (3) the total determined pursuant to subdivision (2) of this section shall be subtracted from the amount determined pursuant to subdivision (1) of this section. The resulting amount, in an amount not to exceed five hundred thousand dollars, shall be added to the amount determined to be due pursuant to said sections 12-223a to 12-223e, inclusive, and shall be due and payable as a part of the tax imposed pursuant to this chapter.

(b) The provisions of this section shall not apply to income years commencing on or after January 1, 2015.

Sec. 162. Section 12-242d of the general statutes is amended by

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adding subsection (j) as follows (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(NEW) (j) (1) The provisions of this section shall apply to taxable members of a combined group required to file a combined unitary tax return pursuant to section 12-222, as amended by this act, except as otherwise provided in subdivisions (3) and (4) of this subsection.

(2) The designated taxable member of a combined group shall be responsible for paying estimated tax installments, at the times and in the amounts specified in this section, on behalf of the taxable members of the combined group and in the form and manner prescribed by the Commissioner of Revenue Services.

(3) For combined groups whose 2015 group income year commences in January, February or March, the due date of the first required installment is extended to the due date of the second required installment. The due date for the first and second required installments of estimated tax for a combined group whose 2015 group income year commences in January or February shall be July 15, 2015, and the amount of the first and second required installments shall be seventy per cent of the required annual payment. The due date for the first and second required installments of estimated tax for a combined group whose 2015 group income year commences in March shall be August 15, 2015, and the amount of the first and second required installments shall be seventy per cent of the required annual payment.

(4) Notwithstanding the provisions of subsection (e) of this section, where the preceding income year, as the term is used in said subsection, is an income year commencing on or after January 1, 2014, but prior to January 1, 2015, the required annual payment of a combined group is the lesser of (A) ninety per cent of the tax shown on the combined unitary tax return for the group income year commencing on or after January 1, 2015, but prior to January 1, 2016,

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or, if no return is filed, ninety per cent of the tax for such year computed in accordance with section 139 of this act, or (B) (i) if such preceding income year was an income year of twelve months and if the taxable members filed separate returns for such preceding income year showing a liability for tax, the sum of one hundred per cent of the tax shown on each such return for such preceding income year of each such taxable member, without regard to any credit under chapter 208, or (ii) if the preceding income year was an income year of twelve months and if the taxable members filed a return pursuant to section 12-223a, as amended by this act, for such preceding income year showing a liability for tax, one hundred per cent of the tax shown on such return for such preceding income year, without regard to any credit under chapter 208.

Sec. 163. Subsection (f) of section 38a-88a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to income years commencing on or after January 1, 2015*):

(f) (1) The Commissioner of Revenue Services may treat one or more corporations that are properly included in a combined [corporation business] unitary tax return under section 12-223 as one taxpayer in determining whether the appropriate requirements under this section are met. Where corporations are treated as one taxpayer for purposes of this subsection, then the credit shall be allowed only against the amount of the combined unitary tax for all corporations properly included in a combined unitary return that, under the provisions of subdivision (2) of this subsection, is attributable to the corporations treated as one taxpayer.

(2) The amount of the combined unitary tax for all corporations properly included in a combined [corporation business] unitary tax return that is attributable to the corporations that are treated as one taxpayer under the provisions of this subsection shall be in the same

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ratio to such combined unitary tax that the net income apportioned to this state of each corporation treated as one taxpayer bears to the net income apportioned to this state, in the aggregate, of all corporations included in such combined unitary return. Solely for the purpose of computing such ratio, any net loss apportioned to this state by a corporation treated as one taxpayer or by a corporation included in such combined unitary tax return shall be disregarded.

Sec. 164. Section 4-30a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

(a) (1) For the purposes of this section, "combined revenue" means revenue in any given fiscal year from estimated and final payments of the personal income tax imposed under chapter 229 plus the revenue from the corporation business tax imposed under chapter 208.

(2) There is established a Budget Reserve Fund and a Restricted Grants Fund for the purposes of this section.

~~[(a)]~~ (3) After the accounts for the General Fund have been closed for each fiscal year and the Comptroller has determined the amount of unappropriated surplus in [said fund] the General Fund, after any amounts required by provision of law to be transferred for other purposes have been deducted, the amount of such surplus and the amount transferred to the Restricted Grants Fund pursuant to subdivision (4) of this subsection shall be transferred by the State Treasurer to [a special fund to be known as] the Budget Reserve Fund.  
[When]

(4) (A) Commencing in the fiscal year ending June 30, 2021,

(i) If, under the consensus revenue estimate maintained or revised not later than January fifteenth annually pursuant to subsection (b) of section 2-36c, as amended by this act, the year-end projection of combined revenue for the current fiscal year is greater than the

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threshold level for deposits to the Budget Reserve Fund reported pursuant to subsection (f) of section 2-36c, as amended by this act, for the current fiscal year, the amount that is projected to be over the threshold level for deposits to the Budget Reserve Fund shall be transferred by the State Treasurer from the General Fund to the Restricted Grants Fund not later than January thirty-first.

(ii) If, under the consensus revenue estimate maintained or revised not later than April thirtieth annually pursuant to subsection (b) of section 2-36c, as amended by this act, the year-end projection of combined revenue is revised upward, the difference in the combined revenue projection from January fifteenth to April thirtieth shall be transferred by the State Treasurer from the General Fund to the Restricted Grants Fund not later than May fifteenth. If such year-end projection is revised downward, the difference in the combined revenue projection from January fifteenth to April thirtieth shall be transferred back to the General Fund from the Restricted Grants Fund not later than May fifteenth, unless the revised combined revenue projection is less than the threshold level for deposits to the Budget Reserve Fund reported pursuant to subsection (f) of section 2-36c, as amended by this act, in which case only the difference between the combined revenue projection from January fifteenth and the calculated threshold for deposits to the Budget Reserve Fund shall be transferred back to the General Fund from the Restricted Grants Fund.

(B) (i) If, under the consensus revenue estimate maintained or revised not later than January fifteenth annually pursuant to subsection (b) of section 2-36c, as amended by this act, the year-end projection of combined revenue for the current fiscal year is equal to or less than the threshold level for deposits to the Budget Reserve Fund reported pursuant to subsection (f) of section 2-36c, as amended by this act, for the current fiscal year, no transfer to the Restricted Grants Fund shall be made.

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(ii) If, under the consensus revenue estimate maintained or revised not later than April thirtieth annually pursuant to subsection (b) of section 2-36c, as amended by this act, the year-end projection of combined revenue is revised upward to an amount greater than the threshold level for deposits to the Budget Reserve Fund reported pursuant to subsection (f) of section 2-36c, as amended by this act, the difference between the combined revenue projection in April and the calculated threshold for deposits to the Budget Reserve Fund shall be transferred by the State Treasurer from the General Fund to the Restricted Grants Fund not later than May fifteenth. If such year-end projection is revised upward but not to an amount greater than the threshold level for deposits to the Budget Reserve Fund calculated pursuant to subsection (f) of section 2-36c, as amended by this act, or is revised downward or remains unchanged, no transfer shall be made.

(C) If the consensus revenue estimate on either January fifteenth or April thirtieth projects a year-end General Fund deficit for the current fiscal year, no transfer to the Restricted Grants Fund shall be made.

(5) Commencing in the fiscal year ending June 30, 2020, the Comptroller shall certify the threshold level for deposits to the Budget Reserve Fund pursuant to section 3-115, as amended by this act, by determining: (A) Combined revenue for each of the prior twenty fiscal years; (B) the ten-year average for the current fiscal year; (C) the ten-year average for each of the ten fiscal years preceding the current fiscal year; (D) the differential for each of the ten fiscal years preceding the current fiscal year; (E) the average of the differentials calculated pursuant to subparagraph (D) of this subdivision; and (F) the number calculated in subparagraph (E) of this subdivision and adding the number one. The threshold level for deposits to the Budget Reserve Fund shall be the number calculated by multiplying the number calculated under subparagraph (B) of this subdivision by the number calculated under subparagraph (F) of this subdivision. For the

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purposes of this subdivision, "ten-year average" means the average of combined revenue from the ten fiscal years preceding any given fiscal year; and "differential" means the difference between the actual combined revenue from any given fiscal year and the ten-year average for that same fiscal year, divided by the ten-year average for that fiscal year.

(6) Whenever the amount in [said fund] the Budget Reserve Fund equals [ten] fifteen per cent or more of the net General Fund appropriations for the [fiscal year in progress] current fiscal year, no further transfers shall be made by the Treasurer to [said fund] the Budget Reserve Fund and the amount of such surplus in excess of that transferred to said fund shall be deemed to be appropriated to the State Employees Retirement Fund, in addition to the contributions required pursuant to section 5-156a, but not exceeding five per cent of the unfunded past service liability of the system as set forth in the most recent actuarial valuation certified by the Retirement Commission. [Such] Commencing in the fiscal year ending June 30, 2021: Whenever the amount in the Budget Reserve Fund equals ten per cent or more but less than fifteen per cent of the net General Fund appropriation for the current fiscal year, fifteen per cent of any amount transferred to the Budget Reserve Fund shall be transferred to the State Employees Retirement Fund; whenever the amount in the Budget Reserve Fund equals five per cent or more but less than ten per cent of the net General Fund appropriation for the current fiscal year, ten per cent of any amount transferred to the Budget Reserve Fund shall be transferred to the State Employees Retirement Fund; and whenever the amount in the Budget Reserve Fund is less than five per cent of the net General Fund appropriation for the current fiscal year, five per cent of any amount transferred to the Budget Reserve Fund shall be transferred to the State Employees Retirement Fund.

(7) Any surplus in excess of the amounts transferred to the Budget

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Reserve Fund and the state employees retirement system shall be deemed to be appropriated for: [(1)] (A) Redeeming prior to maturity any outstanding indebtedness of the state selected by the Treasurer in the best interests of the state; [(2)] (B) purchasing outstanding indebtedness of the state in the open market at such prices and on such terms and conditions as the Treasurer shall determine to be in the best interests of the state for the purpose of extinguishing or defeasing such debt; [(3)] (C) providing for the defeasance of any outstanding indebtedness of the state selected by the Treasurer in the best interests of the state by irrevocably placing with an escrow agent in trust an amount to be used solely for, and sufficient to satisfy, scheduled payments of both interest and principal on such indebtedness; or [(4)] (D) any combination of [these] the methods set forth in subparagraph (A), (B) or (C) of this subdivision. Pending the use or application of such amount for the payment of interest and principal, such amount may be invested in [(A)] (i) direct obligations of the United States government, including state and local government treasury securities that the United States Treasury issues specifically to provide state and local governments with required cash flows at yields that do not exceed Internal Revenue Service arbitrage limits, [(B)] (ii) obligations guaranteed by the United States government, and [(C)] (iii) securities backed by United States government obligations as collateral and for which interest and principal payments on the collateral generally flow immediately through to the security holder.

(b) Moneys in [said] the Budget Reserve Fund shall be maintained and invested for the purpose of reducing revenue volatility in the General Fund and reducing the need for increases in tax revenue and reductions in state aid due to economic changes, and shall be expended only as provided in this subsection. [When] Whenever in any fiscal year the Comptroller has determined the amount of a deficit applicable with respect to the immediately preceding fiscal year, to the extent necessary, the amount of funds credited to [said] the Budget

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Reserve Fund shall be deemed to be appropriated for purposes of funding such deficit. Commencing in the fiscal year ending June 30, 2021, if the consensus revenue estimate on April thirtieth pursuant to section 2-36c, as amended by this act, projects a two per cent decline in General Fund tax revenues from the current fiscal year to the subsequent fiscal year, the General Assembly may transfer funds from the Budget Reserve Fund to the General Fund in each of the subsequent three fiscal years.

(c) The Treasurer is authorized to invest all or any part of [said fund] the Budget Reserve Fund or the Restricted Grants Fund in accordance with the provisions of section 3-31a. The interest derived from the investment of said [fund] funds shall be credited to the General Fund.

(d) No bill which, if passed, would reduce or eliminate the amount of any deposit to the Budget Reserve Fund or the Restricted Grants Fund as set forth in this section, shall be enacted by the General Assembly without an affirmative vote of at least three-fifths of the members of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and at least three-fifths of the members of the joint standing committee of the General Assembly having cognizance of matters relating to state finance, revenue and bonding.

(e) Not later than December 15, 2024, and every five years thereafter, the Secretary of the Office of Policy and Management, the director of the legislative Office of Fiscal Analysis and the State Comptroller shall each submit a report, in accordance with section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to revenue and the Governor on the Budget Reserve Fund deposit formula set forth in this section. The reports shall include an analysis of the formula's impact on General Fund tax revenue volatility, the adequacy of deposits required by the formula to replace

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potential future revenue declines resulting from economic downturns, the amount of additional payments toward unfunded liability made as a result of the formula, and an analysis of the adequacy of the maximum cap on Budget Reserve Fund balances. The reports shall include recommended changes, if any, to the deposit formula or maximum balance cap that are consistent with the purposes of the Budget Reserve Fund as set forth in subsection (b) of this section.

Sec. 165. Section 4-85 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

(a) Before an appropriation becomes available for expenditure, each budgeted agency shall submit to the Governor through the Secretary of the Office of Policy and Management, not less than twenty days before the beginning of the fiscal year for which such appropriation was made, a requisition for the allotment of the amount estimated to be necessary to carry out the purposes of such appropriation during each quarter of such fiscal year. Commencing with the fiscal year ending June 30, 2011, the initial allotment requisition for each line item appropriated to the legislative branch and to the judicial branch for any fiscal year shall be based upon the amount appropriated to such line item for such fiscal year minus any amount of budgeted reductions to be achieved by such branch for such fiscal year pursuant to subsection (c) of section 2-35, as amended by this act. Appropriations for capital outlays may be allotted in any manner the Governor deems advisable. Such requisition shall contain any further information required by the Secretary of the Office of Policy and Management. The Governor shall approve such requisitions, subject to the provisions of subsection (b) of this section.

(b) Any allotment requisition and any allotment in force shall be subject to the following: (1) If the Governor determines that due to a change in circumstances since the budget was adopted certain reductions should be made in allotment requisitions or allotments in

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force or that estimated budget resources during the fiscal year will be insufficient to finance all appropriations in full, the Governor may modify such allotment requisitions or allotments in force to the extent the Governor deems necessary. Before such modifications are effected the Governor shall file a report with the joint standing committee having cognizance of matters relating to appropriations and the budgets of state agencies and the joint standing committee having cognizance of matters relating to state finance, revenue and bonding describing the change in circumstances which makes it necessary that certain reductions should be made or the basis for [his] the Governor's determination that estimated budget resources will be insufficient to finance all appropriations in full. (2) If the cumulative monthly financial statement issued by the Comptroller pursuant to section 3-115, as amended by this act, includes a projected General Fund deficit greater than one per cent of the total of General Fund appropriations, the Governor, within thirty days following the issuance of such statement, shall file a report with such joint standing committees, including a plan which [he] the Governor shall implement to modify such allotments to the extent necessary to prevent a deficit. No modification of an allotment requisition or an allotment in force made by the Governor pursuant to this subsection shall result in a reduction of more than three per cent of the total appropriation from any fund or more than five per cent of any appropriation, except such limitations shall not apply in time of war, invasion or emergency caused by natural disaster. If the Comptroller has projected a General Fund deficit greater than one per cent of the total of General Fund appropriations and any funds have been transferred to the Restricted Grants Fund pursuant to section 4-30a, as amended by this act, the Governor may direct the Treasurer to transfer those funds to the General Fund as part of the Governor's plan to prevent a deficit pursuant to this section.

(c) If a plan submitted in accordance with subsection (b) of this

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section indicates that a reduction of more than three per cent of the total appropriation from any fund or more than five per cent of any appropriation is required to prevent a deficit, the Governor may request that the Finance Advisory Committee approve any such reduction, provided any modification which would result in a reduction of more than five per cent of total appropriations shall require the approval of the General Assembly.

(d) The secretary shall submit copies of allotment requisitions thus approved or modified or allotments in force thus modified, with the reasons for any modifications, to the administrative heads of the budgeted agencies concerned, to the Comptroller and to the joint standing committee of the General Assembly having cognizance of appropriations and matters relating to the budgets of state agencies, through the Office of Fiscal Analysis. The Comptroller shall set up such allotments on the Comptroller's books and be governed thereby in the control of expenditures of budgeted agencies.

(e) The provisions of this section shall not be construed to authorize the Governor to reduce allotment requisitions or allotments in force concerning (1) aid to municipalities; or (2) any budgeted agency of the legislative or judicial branch, except that the Governor may propose an aggregate allotment reduction of a specified amount in accordance with this section for the legislative or judicial branch. If the Governor proposes to reduce allotment requisitions or allotments in force for any budgeted agency of the legislative or judicial branch, the Secretary of the Office of Policy and Management shall, at least five days before the effective date of such proposed reductions, notify the president pro tempore of the Senate and the speaker of the House of Representatives of any such proposal affecting the legislative branch and the Chief Justice of the Supreme Court of any such proposal affecting the judicial branch. Such notification shall include the amounts, effective dates and reasons necessitating the proposed reductions. Not later than three

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days after receipt of such notification, the president pro tempore or the speaker, or both, or the Chief Justice, as appropriate, may notify the Secretary of the Office of Policy and Management and the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, in writing, of any objection to the proposed reductions. The committee may hold a public hearing on such proposed reductions. Such proposed reductions shall become effective unless they are rejected by a two-thirds vote of the members of the committee not later than fifteen days after receipt of the notification of objection to the proposed reductions. If the committee rejects such proposed reductions, the Secretary of the Office of Policy and Management shall present an alternative plan to achieve such reductions to the president pro tempore and the speaker for any such proposal affecting the legislative branch or to the Chief Justice for any such proposal affecting the judicial branch. If proposed reductions in allotment requisitions or allotments in force for any budgeted agency of the legislative or judicial branch are not rejected, such reductions shall be achieved as determined by the Joint Committee on Legislative Management or the Chief Justice, as appropriate. The Joint Committee on Legislative Management or the Chief Justice, as appropriate, shall submit such reductions to the Governor through the Secretary of the Office of Policy and Management not later than ten days after the proposed reductions become effective.

Sec. 166. Section 3-115 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

The Comptroller shall prepare all accounting statements relating to the financial condition of the state as a whole, the condition and operation of state funds, appropriations, reserves and costs of operations; shall furnish such statements when they are required for administrative purposes; and shall issue cumulative monthly financial

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statements concerning the state's General Fund which shall include a statement of revenues and expenditures to the end of the last-completed month together with the statement of estimated revenue by source to the end of the fiscal year and the statement of appropriation requirements of the state's General Fund to the end of the fiscal year furnished pursuant to section 4-66 and itemized as far as practicable for each budgeted agency, including estimates of lapsing appropriations, unallocated lapsing balances and unallocated appropriation requirements. The Comptroller shall provide such statements, in the same form and in the same categories as appears in the budget act enacted by the General Assembly, on or before the first day of the following month. The Comptroller shall submit a copy of the monthly trial balance and monthly analysis of expenditure run to the legislative Office of Fiscal Analysis. On or before September thirtieth, annually, the Comptroller shall submit a report, prepared in accordance with generally accepted accounting principles, to the Governor which shall include (1) a statement of all appropriations and expenditures of the public funds during the fiscal year next preceding itemized by each appropriation account of each budgeted agency; (2) a statement of the revenues of the state classified as far as practicable as to budgeted agencies, sources and funds during such year; (3) a statement setting forth the total tax receipts of the state during such year; (4) a balance sheet setting forth, as of the close of such year, the financial condition of the state as to its funds; (5) a statement certifying the threshold level for deposits to the Budget Reserve Fund under subdivision (5) of subsection (a) of section 4-30a, as amended by this act, for the current fiscal year; and (6) such other information as will, in the Comptroller's opinion, be of interest to the public or as will convey to the General Assembly and the Governor the essential facts as to the financial condition and operations of the state government. The annual report of the Comptroller shall be published and made available to the public on or before the thirty-first day of December.

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Sec. 167. Section 2-35 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

(a) All bills carrying or requiring appropriations and favorably reported by any other committee, except for payment of claims against the state, shall, before passage, be referred to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, unless such reference is dispensed with by a vote of at least two-thirds of each house of the General Assembly. Resolutions paying the contingent expenses of the Senate and House of Representatives shall be referred to said committee. Said committee may originate and report any bill which it deems necessary and shall, in each odd-numbered year, report such appropriation bills as it deems necessary for carrying on the departments of the state government and for providing for such institutions or persons as are proper subjects for state aid under the provisions of the statutes, for the ensuing biennium. In each even-numbered year, the committee shall originate and report at least one bill which adjusts expenditures for the ensuing fiscal year in such manner as it deems appropriate. Each appropriation bill shall specify the particular purpose for which appropriation is made and shall be itemized as far as practicable. The state budget act may contain any legislation necessary to implement its appropriations provisions, provided no other general legislation shall be made a part of such act.

(b) The state budget act passed by the legislature for funding the expenses of operations of the state government in the ensuing biennium shall contain a statement of estimated revenue, based upon the most recent consensus revenue estimate or the revised consensus revenue estimate issued pursuant to section 2-36c, as amended by this act, itemized by major source, for each appropriated fund. Commencing in the fiscal year ending June 30, 2020, such itemization shall include the estimate for each major component of the personal

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income tax imposed pursuant to chapter 229 as follows: Withholding payments, estimated payments and final payments. The statement of estimated revenue applicable to each such fund shall include, for any fiscal year, an estimate of total revenue with respect to such fund, which amount shall be reduced by (1) an estimate of total refunds of taxes to be paid from such revenue in accordance with the authorization in section 12-39f, and (2) an estimate of total refunds of payments to be paid from such revenue in accordance with the provisions of sections 3-70a and 4-37. Such statement of estimated revenue, including the estimated refunds of taxes to be offset against such revenue, shall be supplied by the joint standing committee of the General Assembly having cognizance of matters relating to state finance, revenue and bonding. The total estimated revenue for each fund, as adjusted in accordance with this section, shall not be less than the total net appropriations made from each fund plus, for the fiscal year ending June 30, 2014, and each fiscal year thereafter, the amount necessary to extinguish any unassigned negative balance in each fund as reported in the most recently audited comprehensive annual financial report issued by the Comptroller prior to the start of the fiscal year, reduced, in the case of the General Fund, by (A) the negative unassigned fund balance, as reported by the Comptroller for the fiscal year ending June 30, 2013, then unamortized pursuant to section 3-115b, and (B) any funds from other resources deposited in the General Fund for the purpose of reducing the negative unassigned balance of the fund. On or before July first of each fiscal year said committee shall, if any revisions in such estimates are required by virtue of legislative amendments to the revenue measures proposed by said committee, changes in conditions or receipt of new information since the original estimate was supplied, meet and revise such estimates and, through its cochairpersons, report to the Comptroller any such revisions.

(c) If the state budget act passed by the legislature for funding the

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expenses of operations of the state government in the ensuing biennium or making adjustments to a previously adopted biennial budget contains state-wide budgeted reductions not allocated by a budgeted agency, such act shall specify the amount of such budgeted reductions to be achieved in each branch of state government.

Sec. 168. Section 2-36c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

(a) Not later than November tenth annually, the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall issue the consensus revenue estimate for the current biennium and the next ensuing three fiscal years. Such revenue shall be itemized in accordance with the provisions of subsection (b) of section 2-35, as amended by this act. If no agreement on a revenue estimate is reached by November tenth, (1) the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall each issue an estimate of state revenues for the current biennium and the next ensuing three fiscal years, and (2) the Comptroller shall, not later than November twentieth, issue the consensus revenue estimate for the current biennium and the next ensuing three fiscal years. In issuing the consensus revenue estimate required by this subsection, the Comptroller shall consider such revenue estimates provided by the Office of Policy and Management and the legislative Office of Fiscal Analysis, and shall issue the consensus revenue estimate based on such revenue estimates, in an amount that is equal to or between such revenue estimates.

(b) Not later than January fifteenth annually and April thirtieth annually, the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall issue revisions to the consensus revenue estimate developed pursuant to subsection (a) of this section, or a statement that no revisions are

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necessary. If no agreement on revisions to the consensus revenue estimate is reached by the required date, (1) the Secretary of the Office of Policy and Management and the director of the Office of Fiscal Analysis shall each issue a revised estimate of state revenues for the current biennium and the next ensuing three fiscal years, and (2) the Comptroller shall, not later than five days after the failure to issue revisions to the consensus revenue estimate, issue the revised consensus revenue estimate. In issuing the revised consensus revenue estimate required by this subsection, the Comptroller shall consider such revised revenue estimates provided by the Office of Policy and Management and the legislative Office of Fiscal Analysis, and shall issue the revised consensus revenue estimate based on such revised revenue estimates, in an amount that is equal to or between such revised revenue estimates.

(c) If (1) a revised consensus revenue estimate pursuant to subsection (b) of this section is issued in January or April of any fiscal year, (2) such revised consensus revenue estimate has changed from the previous consensus revenue estimate or revised consensus revenue estimate to forecast a deficit or an increase in a deficit either of which is greater than one per cent of the total of General Fund appropriations for the current year, (3) a budget for the prospective fiscal year has not become law, and (4) the General Assembly is in session, then the General Assembly and the Governor shall take such action as provided in subsection (d) of this section.

(d) (1) The joint standing committees of the General Assembly having cognizance of matters relating to appropriations and finance, revenue and bonding shall, on or before the tenth business day after a revised consensus revenue estimate is issued in April pursuant to subsection (c) of this section, prepare and vote on adjusted appropriation and revenue plans, if necessary to address such revised consensus revenue estimate.

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(2) The Governor shall provide the General Assembly with a budget document, prepared in accordance with the requirements of section 4-74, if necessary to address the most recent consensus revenue estimate or revised consensus revenue estimate issued pursuant to subsection (b) or (c) of this section. The budget document required by this subdivision shall be issued not later than twenty-five calendar days after a revised consensus revenue estimate is issued in January, and not later than ten calendar days after a revised consensus revenue estimate is issued in April.

(e) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, if any deadline imposed pursuant to said subsections (a) to (d), inclusive, falls on a Saturday, Sunday or legal holiday, such deadline shall be extended to the next business day.

(f) (1) Commencing in the fiscal year ending June 30, 2020, not later than November tenth annually, the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall each report the threshold level for deposits to the Budget Reserve Fund in the current fiscal year as certified by the Comptroller on September thirtieth pursuant to section 3-115, as amended by this act, unless any public act that has been enacted has an estimated revenue impact pursuant to section 2-24a, as amended by this act, of greater than one per cent of tax revenue from the estimated and final portion of the personal income tax imposed under chapter 229 or one per cent of tax revenue from the corporation business tax imposed under chapter 208, in which case the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis shall report a threshold level for deposits to the Budget Reserve Fund that is adjusted to account for such revenue impact.

(2) If any revision in the January or April consensus revenue estimate for the current fiscal year impacts the estimated and final payments portion of the personal income tax imposed under chapter

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229 or the corporation business tax imposed under chapter 208, the Secretary of the Office of Policy and Management and the director of the legislative Office of Fiscal Analysis may recalculate any adjustment made to the threshold level for deposits to the Budget Reserve Fund pursuant to subdivision (1) of this subsection and shall report such revised threshold in the January and April consensus revenue estimates, if applicable.

(3) Any such adjustment may be continued to be made to the threshold level for deposits to the Budget Reserve Fund certified pursuant to section 3-115, as amended by this act, until ten fiscal years have passed from the date of implementation of a public act that created the revenue impact or until there is no longer a revenue impact pursuant to section 2-24a, as amended by this act, of greater than one per cent of tax revenue from the estimated and final portion of the personal income tax imposed under chapter 229 or one per cent of tax revenue from the corporation business tax imposed under chapter 208, whichever occurs first. The Secretary and director shall detail any such adjustment in the report with information on how the Secretary and director determined the revenue impact and how the Secretary and director used that information to adjust the threshold level for deposits to the Budget Reserve Fund. The Secretary and director of the legislative Office of Fiscal Analysis shall each also report the estimated threshold level for deposits to the Budget Reserve Fund for the next ensuing three fiscal years in accordance with the formula set forth in subdivision (1) of this subsection.

Sec. 169. Section 2-24a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2019*):

No bill without a fiscal note appended thereto which, if passed, would require the expenditure of state or municipal funds or affect state or municipal revenue in the current fiscal year or any of the next ensuing five fiscal years shall be acted upon by either house of the

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General Assembly unless said requirement of a fiscal note is dispensed with by a vote of at least two-thirds of such house. Such fiscal note shall clearly identify the cost and revenue impact to the state and municipalities in the current fiscal year and in each of the next ensuing five fiscal years. If the bill has any impact on the personal income tax imposed under chapter 229 or the corporation business tax imposed under chapter 208, or both, such fiscal note shall clearly identify any resulting impact on the deposits to the Budget Reserve Fund pursuant to section 4-30a, as amended by this act.

Sec. 170. Subsection (a) of section 29-5 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) The Commissioner of Emergency Services and Public Protection may, within available appropriations, appoint suitable persons from the regular state police force as resident state policemen in addition to the regular state police force to be employed and empowered as state policemen in any town or two or more adjoining towns lacking an organized police force, and such officers may be detailed by said commissioner as resident state policemen for regular assignment to such towns, provided each town shall pay ~~[sixty]~~ eighty-five per cent of the cost of compensation, maintenance and other expenses of the first two state policemen detailed to such town, and one hundred per cent of such costs of compensation, maintenance and other expenses for any additional state policemen detailed to such town, [and on and after July 1, 2011, each town shall pay seventy per cent of such regular cost and other expenses and] provided further such town shall pay one hundred per cent of any overtime costs and such portion of fringe benefits directly associated with such overtime costs. Such town or towns and the Commissioner of Emergency Services and Public Protection are authorized to enter into agreements and contracts for such police services, with the approval of the Attorney General, for

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periods not exceeding two years.

Sec. 171. Section 38a-88a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) As used in this section:

(1) "Facility" means an insurance business facility;

(2) "Insurance business" means a business with a North American Industry Classification System code of 524113 to 524298, inclusive, that is engaged in the business of insuring risks or of providing services necessary to the business of insuring risks;

(3) "New job" means a job that did not exist in the business of a subject insurance business in this state prior to the subject insurance business's application to the commissioner for an eligibility certificate under this section for a new facility and that is filled by a new employee, but does not include a job created when an employee is shifted from an existing location of the subject insurance business in this state to a new facility;

(4) "New employee" means a person who resides in Connecticut and is hired by a subject insurance business to fill a position for a new job or a person shifted from an existing location of the subject insurance business outside this state to a new facility in this state, provided (A) in no case shall the total number of new employees allowed for purposes of this credit exceed the total increase in the taxpayer's employment in this state, which increase shall be the difference between (i) the number of employees employed by the subject insurance business in this state at the time of application for an eligibility certificate to the commissioner plus the number of new employees who would be eligible for inclusion under the credit allowed under this section without regard to this calculation, and (ii) the highest number of employees employed by the subject insurance

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business in this state in the year preceding the subject insurance business's application for an eligibility certificate to the commissioner, and (B) a person shall be deemed to be a "new employee" only if such person's duties in connection with the operation of the facility are on a regular, full-time, or equivalent thereof, and permanent basis;

(5) "New facility" means a facility which (A) is acquired by, leased to, or constructed by, a subject insurance business on or after the date of the subject insurance business's application to the commissioner for an eligibility certificate under this section, unless, upon application of the subject insurance business and upon good and sufficient cause shown, the commissioner waives the requirement that such activity take place after the application, and (B) was not in service or use during the one-year period immediately prior to the date of the subject insurance business's application to said commissioner for an eligibility certificate under this section, unless upon application of the subject insurance business and upon good and sufficient cause shown, the commissioner consents to waiving the one-year period;

(6) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the taxpayer or subject insurance business, as the case may be, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer or subject insurance business, as the case may be, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the taxpayer or subject insurance business, as the case may be, or (D) a member of the same controlled group as the taxpayer or subject insurance business, as the case may be. For purposes of this section, "control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation

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entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of Section 267(c) of said internal revenue code;

(7) "Moneys of the taxpayer" means all amounts invested in a fund, directly or indirectly, on behalf of a taxpayer, including but not limited to (A) direct investments made by the taxpayer, and (B) loans made to the fund for the benefit of the taxpayer which loans are guaranteed by the taxpayer, provided no amounts represented by any such loan shall be used for the purpose of obtaining any tax credit by any person making such loan against any tax levied by this state;

(8) "Income year" means (A) with respect to corporations subject to taxation under chapter 208, the income year as determined under said chapter, (B) with respect to insurance companies, hospital and medical services corporations subject to taxation under chapter 207, the income year as determined under said chapter, and (C) with respect to taxpayers subject to taxation under chapter 229, the taxable year determined under chapter 229;

(9) "Taxpayer" means any person as defined in section 12-1, whether or not subject to any taxes levied by this state; and

(10) "Commissioner" means the Commissioner of Economic and Community Development.

(b) (1) On or before July 1, 2000, the commissioner shall register

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managers of funds created for the purpose of investing in insurance businesses. Any manager registered under this subsection shall have its primary place of business in this state. Each applicant shall submit an application under oath to the commissioner to be registered and shall furnish evidence satisfactory to the commissioner of its financial responsibility, integrity, and professional competence to manage investments. Failure to maintain adequate fiduciary standards shall constitute cause for the commissioner to revoke, after hearing, any registration granted under this section. The fund manager shall make a report on or before the first day of March in each year, under oath, to the Commissioner of Revenue Services specifying the name, address and Social Security number or employer identification number of each investor, the year during which each investment was made by each investor, the amount of each investment and a description of the fund's investment objectives and relative performance.

(2) There shall be allowed as a credit against the tax imposed under chapter 207, 208 or 229 or section 38a-743 an amount equal to the following percentage of the moneys of the taxpayer invested through a fund manager in an insurance business with respect to the following income years of the taxpayer: (A) With respect to the income year in which the investment in the subject insurance business was made and the two next succeeding income years, zero per cent; (B) with respect to the third full income year succeeding the year in which the investment in the subject insurance business was made and the three next succeeding income years, ten per cent; (C) with respect to the seventh full income year succeeding the year in which the investment in the subject insurance business was made and the two next succeeding income years, twenty per cent. The sum of all tax credit granted pursuant to the provisions of this subsection shall not exceed fifteen million dollars with respect to investments made by a fund or funds in any single insurance business, and with respect to all investments made by a fund shall not exceed the total amount

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originally invested in such fund. Any fund manager may apply to the Commissioner of Economic and Community Development for a credit that exceeds the limitations established by this subdivision. The commissioner shall evaluate the benefits of such application and make recommendations to the General Assembly if he determines that the proposal would be of economic benefit to the state.

(3) The credit allowed by this subsection may be claimed only by a taxpayer who has invested in an insurance business through a fund (A) which has a total asset value of not less than thirty million dollars for the income year for which the initial credit is taken; (B) has not less than three investors who are not related persons with respect to each other or to any insurance business in which any investment is made other than through the fund at the date the investment is made; and (C) which invests only in insurance businesses that are not related persons with respect to each other.

(4) The credit allowed by this subsection may be claimed only with respect to a subject insurance business which (A) occupies the new facility for which an eligibility certificate has been issued by the commissioner and with respect to which the certification required under subdivision (6) of this subsection has been issued as its home office, and (B) employs not less than twenty-five per cent of its total work force in new jobs.

(5) The credit allowed by this subsection may be claimed only with respect to an income year for which a certification of continued eligibility required under subdivision (6) of this subsection has been issued. If, with respect to any year for which a tax credit is claimed, any subject insurance business ceases at any time to employ at least twenty-five per cent of its total work force in new jobs, then, except as provided in subdivision (6) of this subsection, the entitlement to the credit allowed by this subsection shall not be allowed for the taxable year in which such employment ceases, and there shall not be a pro

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rata application of the credit to such taxable year; provided, if the reason for such cessation is the dissolution, liquidation or reorganization of such insurance business in a bankruptcy or delinquency proceeding, as defined in section 38a-905, the credit shall be allowed.

(6) The commissioner, upon application, shall issue an eligibility certificate for an insurance business occupying a new facility in this state and employing new employees, after it has been established, to his satisfaction, that subject insurance business has complied with the provisions of this subsection. If the commissioner determines that such requirements have been met as a result of transactions with a related person for other than bona fide business purposes, he shall deny such application. The commissioner shall require the subject insurance business to submit annually such information as may be necessary to determine whether the appropriate occupancy and employment requirements have been met at all times during an income year. If the commissioner determines that such requirements have been so met, he shall issue a certification of continued eligibility to that effect to the subject insurance business on or before the first day of the third month following the close of the subject insurance business's income year.

(7) The commissioner shall, upon request, provide a copy of the eligibility certificate and the certification required under subdivision (6) of this subsection to the Commissioner of Revenue Services.

(8) (A) If (i) the number of new employees on account of which a taxpayer claimed the credit allowed by this subsection decreases to less than twenty-five per cent of its total work force for more than sixty days during any of the taxable years for which a credit is claimed, (ii) those employees are not replaced by other employees who have not been shifted from an existing location of the subject insurance business in this state, and (iii) the subject insurance business has relocated operations conducted in the new facility to a location outside this state,

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the taxpayer shall be required to recapture a percentage, as determined under the provisions of subparagraph (B) of this subdivision, of the credit allowed under this subsection on its tax return and no subsequent credit shall be allowed. If the credit claimed by the taxpayer under this subsection is attributable to investments made in more than one insurance business, the credit recaptured and disallowed under this subdivision shall be that portion of the credit attributable to the investment in the insurance business as described in subparagraphs (A)(i) to (A)(iii), inclusive, of this subdivision.

(B) If the taxpayer is required under the provisions of subparagraph (A) of this subdivision to recapture a portion of the credit during (i) the first year such credit was claimed, then ninety per cent of the credit allowed shall be recaptured on the tax return required to be filed for such year, (ii) the second of such years, then sixty-five per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year, (iii) the third of such years, then fifty per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year, (iv) the fourth of such years, then thirty per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year, (v) the fifth of such years, then twenty per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year, and (vi) the sixth or subsequent of such years, then ten per cent of the credit allowed for the entire period of eligibility shall be recaptured on the tax return required to be filed for such year. Any credit recaptured pursuant to this subdivision shall not be in excess of the credit that would be allowed for the applicable investment. The Commissioner of Revenue Services may recapture such credits from the taxpayer who has claimed such credits. If the commissioner is unable to recapture all or part of such credits from such taxpayer, the commissioner may seek to recapture such credits from any taxpayer

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who has assigned such credits to another taxpayer. If the commissioner is unable to recapture all or part of such credits from any such taxpayer, the commissioner may recapture such credits from the fund.

(C) The recapture provisions of this subdivision shall not apply and tax credits may continue to be claimed under this subsection if, for the entire period that the credit is applicable, such decrease in the percentage of total work force employed in this state does not result in an actual decrease in the number of persons employed by the subject insurance business in this state on a regular, full-time, or equivalent thereof, and permanent basis as compared to the number of new employees on account of which the taxpayer claimed the credit allowed by this subsection.

(c) (1) As used in this subsection:

(A) "Allocation date" means the date an [insurance reinvestment] invest CT fund receives an investment of eligible capital equaling the amount of credits against the tax imposed under chapter 207 and section 38a-743 allocated to taxpayers who invest in such [insurance reinvestment] invest CT fund;

(B) "Cybersecurity business" means an eligible business primarily engaged in providing information technology products, goods or services intended to detect, prevent or respond to activity intended to result in unauthorized access to, exfiltration of, manipulation of, or impairment to the integrity, confidentiality or availability of an information technology system or information stored on, or transiting, an information technology system;

[(B)] (C) "Eligible business" means a business that has its principal business operations in Connecticut, has fewer than two hundred fifty employees at the time of investment and not more than ten million

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dollars in net income in the previous year;

[(C)] (D) "Eligible capital" means an investment of cash by a taxpayer in an [insurance reinvestment] invest CT fund that fully funds the purchase price of an equity interest in the [insurance reinvestment] invest CT fund or an eligible debt instrument issued by an [insurance reinvestment] invest CT fund, at par value or a premium, that (i) has an original maturity date of at least five years after the date of issuance, (ii) has a repayment schedule that is not faster than a level principal amortization over five years, and (iii) has no interest, distribution or payment features tied to the [insurance reinvestment] invest CT fund's profitability or the success of the investments;

[(D)] (E) "Green technology business" means an eligible business with not less than twenty-five per cent of its employment positions being positions in which green technology is employed or developed and may include the occupation codes identified as green jobs by the Department of Economic and Community Development and the Labor Department for such purposes;

[(E)] (F) "Income year" means the income year as determined in chapter 207 for the taxpayer;

[(F) "Insurance reinvestment fund"] (G) "Invest CT fund" means a Connecticut partnership, corporation, trust or limited liability company, whether organized on a profit or not-for-profit basis, that (i) is managed by at least two principals or persons that have at least four years of experience each in managing venture capital or private equity funds, with at least fifty million dollars of such funds from people unaffiliated with the manager, (ii) has received an equity investment of capital other than eligible capital equal to no less than five per cent of the total amount of the eligible capital to be invested in such [insurance reinvestment] invest CT fund on or before June 30, 2015, and equal to

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not less than ten per cent of the total amount of eligible capital to be invested in such invest CT fund on or after September 1, 2015, and (iii) is not, or will not be after the receipt of eligible capital, controlled by or under common control with, one or more insurance companies. An investment of eligible capital shall not result in insurance company control unless such investment exceeds forty million dollars per taxpayer and results in insurance companies having the right to vote more than fifty per cent of the equity interests of the [insurance reinvestment] invest CT fund cash invested in such [insurance reinvestment] invest CT fund, provided this provision shall not prohibit the interim control of an [insurance reinvestment] invest CT fund by one or more insurance companies upon a breach of any payment obligation of the [insurance reinvestment] invest CT fund or contractual or other agreement by the [insurance reinvestment] invest CT fund that is designed to ensure compliance with this section; and

[(G)] (H) "Principal business operations" means at least eighty per cent of the business organization's employees reside in the state or eighty per cent of the business payroll is paid to individuals living in this state.

(2) A taxpayer that makes an investment of eligible capital shall, in the year of investment, earn a vested credit against the premium tax imposed pursuant to chapter 207 and section 38a-743. Such credit shall be available as follows: (A) [Commencing] With respect to investments of eligible capital made on or before June 30, 2015, (i) commencing with the tax return due for the first to third, inclusive, tax years, zero per cent; [(B)] (ii) commencing with the tax return due for the fourth to seventh, inclusive, tax years, not more than ten per cent; and [(C)] (iii) commencing with the tax return due for the eighth to tenth, inclusive, tax years, not more than twenty per cent; and (B) with respect to investments of eligible capital made on or after September 1, 2015, (i) commencing with the tax return due for the first to fifth, inclusive, tax

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years, zero per cent; and (ii) commencing with the tax return due for the sixth to tenth, inclusive, tax years, not more than twenty per cent. The maximum amount of eligible capital for which credits may be allowed under this subsection shall not result in more than forty million dollars of tax credits being used in any one year exclusive of any carried forward credits and no fund shall apply for more than the total amount of credits available under this section.

(3) On or before July 1, 2010, the Commissioner of Economic and Community Development shall begin to accept applications for certification as an [insurance reinvestment] invest CT fund and for allocations of tax credits under this subsection with allocation dates of June 30, 2015, or earlier. On and after September 1, 2015, the Commissioner shall accept applications for certification as an invest CT Fund and for allocations of tax credits under this subsection with allocation dates of September 1, 2015, or later. Applications shall include: (A) The amount of eligible capital the applicant will raise; (B) a nonrefundable application fee of seven thousand five hundred dollars; (C) evidence of satisfaction of the requirements of the definition of ["insurance reinvestment fund"] "invest CT fund" pursuant to subparagraph [(F)] (G) of subdivision (1) of this subsection; (D) an affidavit by each taxpayer committing an investment of eligible capital; (E) a business plan detailing (i) the approximate percentage of eligible capital the applicant will invest in eligible businesses by the third, fifth, seventh and ninth anniversaries of its allocation date, (ii) the industry segments listed by the North American Industrial Classification System code and percentage of eligible capital in which the applicant will invest, (iii) the number of jobs that will be created or retained as a result of the applicant's investments once all eligible capital has been invested, (iv) the percentage of eligible capital to be invested in eligible businesses primarily engaged in conducting research and development or manufacturing, processing or assembling technology-based products;

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and (v) a revenue impact assessment demonstrating that the applicant's business plan has a revenue neutral or positive impact on the state; (F) a commitment to invest at least twenty-five per cent of its eligible capital in green technology businesses; [and] (G) with respect to applications submitted on or before June 30, 2015, a commitment to invest, by the third anniversary of its allocation date, three per cent of its eligible capital in preseed investments, and with respect to applications submitted on or after September 1, 2015, a commitment to invest, by the fourth anniversary of the allocation date, seven per cent of its eligible capital in preseed investments, in consultation with Connecticut Innovations, Incorporated, pursuant to the corporation's program for preseed financing established pursuant to section 32-41x; and (H) with respect to applications submitted on or after September 1, 2015, a commitment to invest at least three per cent of its eligible capital in cybersecurity businesses and at least twenty-five per cent of its eligible capital in eligible businesses located in municipalities with a population greater than eighty thousand. The commissioner may require the applicant to obtain a revenue impact assessment conducted by an independent third party.

(4) Applications for tax credits pursuant to this subsection shall be accepted and approved on a first-come, first-served basis with all applications received on the same date deemed to be received simultaneously and approvals being made on a pro rata basis if such applications exceed the amount of remaining credits.

(5) The commissioner shall issue an allocation of credits subject to confirmation by the fund on a form prescribed by the commissioner [by the fund] that an investment of eligible capital was received within five business days. If an [insurance reinvestment] invest CT fund does not receive an investment of eligible capital equaling the amount of credits against the tax imposed under chapter 207 and section 38a-743 allocated to a taxpayer, for which it filed an affidavit with its

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application prior to the fifth business day after receipt of certification, the [insurance reinvestment] invest CT fund shall notify the commissioner by overnight common carrier delivery service and that portion of eligible capital allocated to the insurance company shall be forfeited. Such [insurance reinvestment] invest CT fund and forfeiting taxpayer shall each be assessed a twenty-five-thousand-dollar administrative penalty. The commissioner shall reallocate the forfeited eligible capital among all other remaining taxpayers that invested eligible capital.

(6) To continue to be certified, an [insurance reinvestment] invest CT fund shall (A) be in compliance with the investment parameters set forth in its business plan, provided an [insurance reinvestment] invest CT fund may apply to the commissioner to amend its business plan based on unavoidable or reasonably unanticipated changes to various conditions, including, but not limited to, the general economic climate of the state or particular sectors of the economy, technological advances and high employment and revenue growth opportunities, with approval for such changes not to be unreasonably withheld by the commissioner; (B) be in compliance with the revenue impact assessment provided in the application demonstrating that the fund's business plan continues to have a revenue neutral or positive impact on the state; (C) [have invested sixty per cent of its eligible capital in eligible businesses by the fourth anniversary of its allocation date; and (D)] have invested one hundred per cent of its eligible capital in eligible businesses by the tenth anniversary of its allocation date, with a minimum of twenty-five per cent of eligible capital invested in green technology businesses; (D) for allocation dates of June 30, 2015, or earlier: (i) Have invested sixty per cent of its eligible capital in eligible businesses by the fourth anniversary of such allocation date, and (ii) have invested a minimum of three per cent of such eligible capital in preseed investments, as described in subdivision (3) of this subsection, by the third anniversary of such allocation date; and (E) for allocation

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dates of September 1, 2015, or later: (i) Have invested sixty per cent of its eligible capital in eligible businesses by the sixth anniversary of such allocation date, (ii) have invested a minimum of seven per cent of its eligible capital in preseed investments, as described in subdivision (3) of this subsection, by the fourth anniversary of such allocation date, (iii) have invested a minimum of three per cent of its eligible capital in cybersecurity businesses, and (iv) have invested a minimum of twenty-five per cent of its eligible capital in eligible businesses located in municipalities with a population greater than eighty thousand. An [insurance reinvestment] invest CT fund shall only invest eligible capital in eligible businesses, bank deposits, certificates of deposit or other fixed income securities and may not invest more than fifteen per cent of its eligible capital in any one eligible business without prior approval of the commissioner.

(7) Not later than January thirty-first annually, each [insurance reinvestment] invest CT fund shall report to the commissioner: (A) The amount of eligible capital remaining at the end of the preceding year; (B) each investment in an eligible business during the preceding year and, with respect to each eligible business, its location and North American Industrial Classification System code; (C) the percentage of eligible capital invested in green technology businesses, preseed investments, cybersecurity businesses and eligible businesses located in municipalities with a population greater than eighty thousand; and (D) distributions made by the [insurance reinvestment] invest CT fund in the preceding year. In the annual report due in the third, fifth, seventh and ninth years after its allocation date, each [insurance reinvestment] invest CT fund shall also report to the commissioner its compliance with the investment parameters set forth in its business plan and the revenue impact assessment provided in the application demonstrating that the fund's business plan continues to have a revenue neutral or positive impact on the state. Each [insurance reinvestment] invest CT fund shall provide to the commissioner

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annual audited financial statements.

(8) To make a distribution or payment, an [insurance reinvestment] invest CT fund certified by the commissioner on or before June 30, 2015, must have invested one hundred per cent of its eligible capital in eligible businesses, with a minimum of twenty-five per cent of eligible capital invested in green technology businesses and a minimum of three per cent of eligible capital invested in preseed investment, as described in subdivision (3) of this subsection, with principal business operations in this state at the time of such determination except: (A) Distributions related to the payment of any projected increase in federal or state taxes, including penalties and interest related to state and federal income taxes, of the equity owners of the [insurance reinvestment] invest CT fund resulting from the earnings or other tax liability of the [insurance reinvestment] invest CT fund to the extent that the increase is related to the ownership, management or operation of the [insurance reinvestment] invest CT fund; (B) payments of interest and principal on the debt of the [insurance reinvestment] invest CT fund, provided after such payment, the [insurance reinvestment] invest CT fund still has cash and other marketable securities in an amount that, when added to the cumulative investments it has made in eligible recipients, equals not less than sixty per cent of the eligible capital invested in such reinvestment fund; or (C) payments related to the reasonable costs and expenses of forming, syndicating, managing and operating the fund, provided the distribution or payment is not made directly or indirectly to an insurance company that has invested eligible capital in the [insurance reinvestment] invest CT fund, including: (i) Reasonable and necessary fees paid for professional services, including legal and accounting services, related to the formation and operation of the [insurance reinvestment] invest CT fund; and (ii) an annual management fee in an amount that does not exceed two and one-half per cent of the eligible capital of the [insurance reinvestment] invest CT fund. The state shall

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receive a share of any distribution, except as set forth in subparagraphs (A), (B) and (C) of this [subsection] subdivision and distributions made to return any equity capital invested in the [insurance reinvestment] invest CT fund that is not eligible capital, in the following percentages: (I) Ten per cent when less than eighty per cent but more than sixty per cent of the jobs set forth in the [insurance reinvestment] invest CT fund's business plan are created or retained, and (II) twenty per cent when sixty per cent or less of the jobs set forth in the [insurance reinvestment] invest CT fund's business plan are created or retained.

(9) To make a distribution or payment, an invest CT fund certified by the commissioner on or after September 1, 2015, must have invested one hundred per cent of its eligible capital in eligible businesses, with a minimum of twenty-five per cent of eligible capital invested in green technology businesses, a minimum of seven per cent of eligible capital invested in preseed investments, as described in subdivision (3) of this subsection, a minimum of three per cent of eligible capital invested in cybersecurity businesses, and a minimum of twenty-five per cent of eligible capital invested in businesses located in municipalities with a population greater than eighty thousand, with principal business operations in this state at the time of such determination, except: (A) Distributions related to the payment of any projected increase in federal or state taxes, including penalties and interest related to state and federal income taxes, of the equity owners of the invest CT fund resulting from the earnings or other tax liability of the invest CT fund to the extent that the increase is related to the ownership, management or operation of the invest CT fund; (B) payments of interest and principal on the debt of the invest CT fund, provided after such payment, the invest CT fund still has cash and other marketable securities in an amount that, when added to the cumulative investments it has made in eligible recipients, equals not less than sixty per cent of the eligible capital invested in such reinvestment fund; or (C) payments related to the reasonable costs and expenses of forming,

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syndicating, managing and operating the fund, provided the distribution or payment is not made directly or indirectly to an insurance company that has invested eligible capital in the invest CT fund, including: (i) Reasonable and necessary fees paid for professional services, including legal and accounting services, related to the formation and operation of the invest CT fund; and (ii) an annual management fee in an amount that does not exceed two and one-half per cent of the eligible capital of the invest CT fund. The state shall receive a share of any distribution, except as set forth in subparagraphs (A), (B) and (C) of this subdivision and distributions made to return any equity capital invested in the invest CT fund that is not eligible capital, in the following percentages: (I) Ten per cent when less than eighty per cent but more than sixty per cent of the jobs set forth in the invest CT fund's business plan are created or retained, and (II) twenty per cent when sixty per cent or less of the jobs set forth in the invest CT fund's business plan are created or retained.

~~[(9)]~~ (10) The commissioner shall review each annual report to ensure compliance with subdivisions (6), (7), ~~[and] (8) and (9)~~ of this subsection. A material variation ~~[of] from~~ subdivision (6), (7), ~~[or] (8) or (9)~~ of this subsection is grounds for decertification of the ~~[insurance reinvestment] invest CT~~ fund. If the commissioner determines that an ~~[insurance reinvestment] invest CT~~ fund is not in compliance with subdivision (6), (7), ~~[or] (8) or (9)~~ of this subsection or the investment parameters of its business plan, the commissioner shall notify the officers of the ~~[insurance reinvestment] invest CT~~ fund, in writing, that the ~~[insurance reinvestment] invest CT~~ fund may be subject to decertification after the one hundred twentieth day after the date of mailing the notice, unless the deficiencies are waived by the commissioner or are corrected and the ~~[insurance reinvestment] invest CT~~ fund returns to compliance with subdivisions (6), (7), ~~[and] (8) and (9)~~ of this subsection.

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~~[(10)]~~ (11) Decertification of an ~~[insurance reinvestment]~~ invest CT fund shall cause the forfeiture of future credits against the tax imposed by chapter 207 and section 38a-743 to be claimed with respect to an ~~[insurance reinvestment]~~ invest CT fund when (A) such decertification occurs on or before the fourth anniversary of ~~[the fund's allocation date]~~ an allocation date of June 30, 2015, or earlier, or on or before the sixth anniversary of an allocation date of September 1, 2015, or later, and (B) such fund has invested less than sixty per cent of its eligible capital in eligible businesses by said anniversary. The commissioner shall send written notice to the last-known address of each taxpayer whose credit against the tax imposed by chapter 207 is subject to recapture or forfeiture.

(d) The tax credit allowed by this section shall only be available for investments (1) in funds that are not open to additional investments or investors beyond the amount subscribed at the formation of the fund, or (2) under subsection (c) of this section, in ~~[insurance reinvestment]~~ invest CT funds that are not open to additional investments or investors after submission of the ~~[insurance reinvestments]~~ invest CT fund's application to the commissioner pursuant to subsection (c) of this section. On and after June 30, 2010, no eligibility certificate shall be provided under subdivision (6) of subsection (b) of this section for investments made in an insurance business. On or after July 1, 2011, no credit shall be allowed under subdivision (2) or (6) of subsection (b) of this section for an investment of less than one million dollars for which the commissioner has issued an eligibility certificate. A fund manager who has received an eligibility certificate but is not yet eligible to receive a certificate of continued eligibility shall provide documentation satisfactory to the commissioner not later than June 30, 2011, of its investment of one million dollars or more. Such documentation shall include, but is not limited to, cancelled checks, wire transfers, investment agreements or other documentation as the commissioner may request. On and after July 1, 2011, the

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commissioner shall revoke the certificate of eligibility for any insurance business for which its fund manager failed to provide sufficient documentation of said investment of not less than one million dollars. Any credit allowed under subsection (b) or subsection (g) of this section that has not been claimed prior to January 1, 2010, may be carried forward pursuant to subsection (i) of this section.

(e) The maximum amount of credit allowed under subsection (c) of this section shall be [two hundred] three hundred fifty million dollars in aggregate and forty million dollars per year.

(f) (1) The Commissioner of Revenue Services may treat one or more corporations that are properly included in a combined corporation business tax return under section 12-223 as one taxpayer in determining whether the appropriate requirements under this section are met. Where corporations are treated as one taxpayer for purposes of this subsection, then the credit shall be allowed only against the amount of the combined tax for all corporations properly included in a combined return that, under the provisions of subdivision (2) of this subsection, is attributable to the corporations treated as one taxpayer. (2) The amount of the combined tax for all corporations properly included in a combined corporation business tax return that is attributable to the corporations that are treated as one taxpayer under the provisions of this subsection shall be in the same ratio to such combined tax that the net income apportioned to this state of each corporation treated as one taxpayer bears to the net income apportioned to this state, in the aggregate, of all corporations included in such combined return. Solely for the purpose of computing such ratio, any net loss apportioned to this state by a corporation treated as one taxpayer or by a corporation included in such combined return shall be disregarded.

(g) Any taxpayer allowed a credit under subsection (b) of this section may assign such credit to another person, provided such

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person may claim such credit only with respect to a calendar year for which the assigning taxpayer would have been eligible to claim such credit. The fund manager shall include in the report filed with the Commissioner of Revenue Services in accordance with subdivision (1) of subsection (b) of this section information requested by the commissioner regarding such assignments including the current holders of credits as of the end of the preceding calendar year. Any taxpayer allowed a credit under subsection (c) of this section may transfer such credit to an affiliate of such taxpayer.

(h) No taxpayer shall be eligible for a credit under this section and either section 12-217e or section 12-217m for the same investment. No two taxpayers shall be eligible for any tax credit with respect to the same investment, employee or facility.

(i) Any tax credit not used in the income year for which it was allowed may be carried forward for the five immediately succeeding income years until the full credit has been allowed.

(j) The commissioner, with the approval of the Commissioner of Revenue Services and the Secretary of the Office of Policy and Management, may adopt regulations in accordance with chapter 54 to carry out the purposes of this section.

Sec. 172. (NEW) (*Effective October 1, 2015*) (a) As used in this section:

(1) "Ambulatory surgical center" means an entity included within the definition of said term that is set forth in 42 CFR 416.2 and that is licensed by the Department of Public Health as an outpatient surgical facility, and any other ambulatory surgical center that is Medicare certified;

(2) "Commissioner" means the Commissioner of Revenue Services; and

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(3) "Department" means the Department of Revenue Services.

(b) (1) For each calendar quarter commencing on or after October 1, 2015, there is hereby imposed a tax on each ambulatory surgical center in this state to be paid each calendar quarter. The tax imposed by this section shall be at the rate of six per cent of the gross receipts of each ambulatory surgical center.

(2) Each ambulatory surgical center shall, on or before January 31, 2016, and thereafter on or before the last day of January, April, July and October of each year, render to the commissioner a return, on forms prescribed or furnished by the commissioner, reporting the name and location of such ambulatory surgical center, the entire amount of gross receipts generated by such ambulatory surgical center during the calendar quarter ending on the last day of the preceding month and such other information as the commissioner deems necessary for the proper administration of this section. The tax imposed under this section shall be due and payable on the due date of such return. Each ambulatory surgical center shall be required to file such return electronically with the department and to make payment of such tax by electronic funds transfer in the manner provided by chapter 228g of the general statutes, regardless of whether such ambulatory surgical center would have otherwise been required to file such return electronically or to make such tax payment by electronic funds transfer under the provisions of chapter 228g of the general statutes.

(c) Whenever the tax imposed under this section is not paid when due, a penalty of ten per cent of the amount due and unpaid or fifty dollars, whichever is greater, shall be imposed and interest at the rate of one per cent per month or fraction thereof shall accrue on such tax from the due date of such tax until the date of payment.

(d) The provisions of section 12-548, sections 12-550 to 12-554,

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inclusive, and section 12-555a of the general statutes shall apply to the provisions of this section in the same manner and with the same force and effect as if the language of said sections had been incorporated in full into this section and had expressly referred to the tax imposed under this section, except to the extent that any provision is inconsistent with a provision in this section.

(e) For the fiscal year ending June 30, 2016, and each fiscal year thereafter, the Comptroller is authorized to record as revenue for each fiscal year the amount of tax imposed under the provisions of this section prior to the end of each fiscal year and which tax is received by the Commissioner of Revenue Services not later than five business days after the last day of July immediately following the end of each fiscal year.

Sec. 173. (*Effective from passage*) Not later than June 30, 2016, the Comptroller may designate up to \$25,000,000 of the resources of the General Fund for the fiscal year ending June 30, 2016, to be accounted for as revenue of the General Fund for the fiscal year ending June 30, 2017.

Sec. 174. Subsections (d) and (e) of section 12-391 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to estates of decedents dying on or after January 1, 2016*):

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

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

(C) With respect to the estates of decedents who die on or after January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the transfer of the estate of each person who at the time of death was a resident of this state. The amount of the tax shall be determined using the schedule in subsection (g) of this section. A credit shall be allowed against such tax for (i) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2005, that are includable in the gross estate of the decedent, provided such credit shall not exceed the amount of tax imposed by this section.

(D) With respect to the estates of decedents who die on or after January 1, 2016, a tax is imposed upon the transfer of the estate of each person who at the time of death was a resident of this state. The amount of the tax shall be determined using the schedule in subsection (g) of this section. A credit shall be allowed against such tax for (i) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended

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by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2005, that are includable in the gross estate of the decedent, provided such credit shall not exceed the amount of tax imposed by this section. In no event shall the amount of tax payable under this section exceed twenty million dollars. Such twenty million dollar limit shall be reduced by the amount of (I) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2016, and (II) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2016, that are includable in the gross estate of the decedent, but in no event shall the amount be reduced below zero.

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

(3) For a resident estate, the state shall have the power to levy the estate tax upon real property situated in this state, tangible personal property having an actual situs in this state and intangible personal property included in the gross estate of the decedent, regardless of where it is located. The state is permitted to calculate the estate tax and levy said tax to the fullest extent permitted by the Constitution of the United States.

(e) (1) (A) With respect to the estates of decedents who die on or after January 1, 2005, but prior to January 1, 2010, a tax is imposed

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upon the transfer of the estate of each person who at the time of death was a nonresident of this state. The amount of such tax shall be computed by multiplying (i) the amount of tax determined using the schedule in subsection (g) of this section by (ii) a fraction, the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate tax purposes, and the denominator of which is the value of the decedent's gross estate. A credit shall be allowed against such tax for any taxes paid to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made on or after January 1, 2005, but prior to January 1, 2010.

(B) With respect to the estates of decedents who die on or after January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the transfer of the estate of each person who at the time of death was a nonresident of this state. The amount of such tax shall be computed by multiplying (i) the amount of tax determined using the schedule in subsection (g) of this section by (ii) a fraction, the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate tax purposes, and the denominator of which is the value of the decedent's gross estate. A credit shall be allowed against such tax for any taxes paid to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made on or after January 1, 2005, provided such credit shall not exceed the amount of tax imposed by this section.

(C) With respect to the estates of decedents who die on or after January 1, 2016, a tax is imposed upon the transfer of the estate of each person who at the time of death was a nonresident of this state. The amount of such tax shall be computed by multiplying (i) the amount of tax determined using the schedule in subsection (g) of this section by (ii) a fraction, the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate

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tax purposes, and the denominator of which is the value of the decedent's gross estate. A credit shall be allowed against such tax for any taxes paid to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made on or after January 1, 2005, provided such credit shall not exceed the amount of tax imposed by this section. In no event shall the amount of tax payable under this section exceed twenty million dollars. Such twenty million dollar limit shall be reduced by the amount of (I) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2016, and (II) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2016, that are includable in the gross estate of the decedent, but in no event shall the amount be reduced below zero.

(2) For a nonresident estate, the state shall have the power to levy the estate tax upon all real property situated in this state and tangible personal property having an actual situs in this state. The state is permitted to calculate the estate tax and levy said tax to the fullest extent permitted by the Constitution of the United States.

Sec. 175. Section 12-642 of the general statutes is amended by adding subsection (c) as follows (*Effective from passage and applicable to gifts made during calendar years commencing on or after January 1, 2015*):

(NEW) (c) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2016, the aggregate amount of tax imposed by section 12-640 for all calendar years commencing on or after January 1, 2016, shall not exceed twenty million dollars.

Sec. 176. Section 12-296 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015, and*

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*applicable to sales occurring on or after said date):*

A tax is imposed on all cigarettes held in this state by any person for sale, said tax to be at the rate of one hundred [seventy] eighty-two and one-half mills for each cigarette and the payment thereof shall be for the account of the purchaser or consumer of such cigarettes and shall be evidenced by the affixing of stamps to the packages containing the cigarettes as provided in this chapter.

Sec. 177. Section 12-316 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015, and applicable to sales occurring on or after said date*):

A tax is hereby imposed at the rate of one hundred [seventy] eighty-two and one-half mills for each cigarette upon the storage or use within this state of any unstamped cigarettes in the possession of any person other than a licensed distributor or dealer, or a carrier for transit from without this state to a licensed distributor or dealer within this state. Any person, including distributors, dealers, carriers, warehousemen and consumers, last having possession of unstamped cigarettes in this state shall be liable for the tax on such cigarettes if such cigarettes are unaccounted for in transit, storage or otherwise, and in such event a presumption shall exist for the purpose of taxation that such cigarettes were used and consumed in Connecticut.

Sec. 178. (*Effective from passage*) (a) An excise tax is hereby imposed upon each distributor and each dealer, as each is defined in section 12-285 of the general statutes and licensed pursuant to chapter 214 of the general statutes, in the amount of twelve and one-half mills per cigarette, as defined in section 12-285 of the general statutes, in such distributor's or such dealer's inventory as of the close of business on (1) September 30, 2015, or, if the business closes after eleven fifty-nine o'clock p.m. on such date, at eleven fifty-nine o'clock p.m. on such date, and (2) June 30, 2016, or, if the business closes after eleven fifty-

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nine o'clock p.m. on such date, at eleven fifty-nine o'clock p.m. on such date.

(b) Each such licensed distributor or dealer shall, not later than forty-five days after the applicable date specified in subdivision (1) or (2) of subsection (a) of this section, file with the Commissioner of Revenue Services, on forms prescribed by said commissioner, a report that shows the number of cigarettes in inventory as of the close of business on September 30, 2015, or June 30, 2016, as applicable, or, if the business closes after eleven fifty-nine o'clock p.m. on such date, at eleven fifty-nine o'clock p.m. on such date, upon which inventory the tax under subsection (a) of this section shall be imposed. The tax shall be due and payable on the due date of such report. If any distributor or dealer required to file a report pursuant to this section fails to file such report on or before such forty-fifth day, the commissioner shall make an estimate of the number of cigarettes in such distributor's or dealer's inventory as of the close of business on the applicable date specified in subdivision (1) or (2) of subsection (a) of this section, based upon any information that is in the commissioner's possession or that may come into the commissioner's possession. The provisions of chapter 214 of the general statutes pertaining to failure to file returns, examination of returns by the commissioner, the issuance of deficiency assessments or assessments where no return has been filed, the collection of tax, the imposition of penalties and the accrual of interest shall apply to the distributors and dealers required to pay the tax imposed under this section. Failure of any distributor or dealer to file such report when due shall be sufficient reason to revoke such distributor's or dealer's license under the provisions of said chapter 214 and to revoke any other state license or permit issued by the Department of Revenue Services and held by such distributor or dealer. If, in the discretion of the commissioner, the enforcement of this section would otherwise be adversely affected, the commissioner shall not renew the dealer's license of any dealer who fails to file such report, or the distributor's

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license of any distributor who fails to file such report, until such report is filed.

Sec. 179. Section 12-296 of the general statutes, as amended by section 176 of this act, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016, and applicable to sales occurring on or after said date*):

A tax is imposed on all cigarettes held in this state by any person for sale, said tax to be at the rate of one hundred [eighty-two and one-half] ninety-five mills for each cigarette and the payment thereof shall be for the account of the purchaser or consumer of such cigarettes and shall be evidenced by the affixing of stamps to the packages containing the cigarettes as provided in this chapter.

Sec. 180. Section 12-316 of the general statutes, as amended by section 177 of this act, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016, and applicable to sales occurring on or after said date*):

A tax is hereby imposed at the rate of one hundred [eighty-two and one-half] ninety-five mills for each cigarette upon the storage or use within this state of any unstamped cigarettes in the possession of any person other than a licensed distributor or dealer, or a carrier for transit from without this state to a licensed distributor or dealer within this state. Any person, including distributors, dealers, carriers, warehousemen and consumers, last having possession of unstamped cigarettes in this state shall be liable for the tax on such cigarettes if such cigarettes are unaccounted for in transit, storage or otherwise, and in such event a presumption shall exist for the purpose of taxation that such cigarettes were used and consumed in Connecticut.

Sec. 181. (*Effective from passage*) The sum of \$7,000,000 shall be transferred from the State Banking Fund, established under section

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36a-65 of the general statutes, and credited to the resources of the General fund for the fiscal year ending June 30, 2016.

Sec. 182. (*Effective from passage*) The sum of \$7,000,000 shall be transferred from the State Banking Fund, established under section 36a-65 of the general statutes, and credited to the resources of the General fund for the fiscal year ending June 30, 2017.

Sec. 183. (NEW) (*Effective July 1, 2016*) (a) For purposes of this section:

(1) "College and hospital property" means all real property described in subsection (a) of section 12-20a of the general statutes, as amended by this act;

(2) "District" means any district, as defined in section 7-324 of the general statutes;

(3) "Qualified college and hospital property" means college and hospital property described in subparagraph (B) of subdivision (2) of subsection (b) of this section;

(4) "Qualified state, municipal or tribal property" means state, municipal or tribal property described in subparagraphs (A) to (G), inclusive, of subdivision (1) of subsection (b) of this section;

(5) "Municipality" means any town, city, borough, consolidated town and city and consolidated town and borough;

(6) "Select college and hospital property" means college and hospital property described in subparagraph (A) of subdivision (2) of subsection (b) of this section;

(7) "Select payment in lieu of taxes account" means the account established pursuant to section 184 of this act;

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(8) "Select state property" means state property described in subparagraph (H) of subdivision (1) of subsection (b) of this section;

(9) "State, municipal or tribal property" means all real property described in subsection (a) of section 12-19a of the general statutes, as amended by this act;

(10) "Tier one districts or municipalities" means the ten districts or municipalities with the highest percentage of tax exempt property on the list of municipalities prepared by the Secretary of the Office of Policy and Management pursuant to subsection (c) of this section and having a mill rate of twenty-five mills or more;

(11) "Tier two districts or municipalities" means the next twenty-five districts or municipalities after tier one districts or municipalities with the highest percentage of tax exempt property on the list of municipalities prepared by the Secretary of the Office of Policy and Management pursuant to subsection (c) of this section and having a mill rate of twenty-five mills or more;

(12) "Tier three districts or municipalities" means all districts and municipalities not included in tier one districts or municipalities or tier two districts or municipalities;

(13) "Tier one municipalities" means the ten municipalities with the highest percentage of tax exempt property on the list of municipalities prepared by the Secretary of the Office of Policy and Management pursuant to subsection (c) of this section and having a mill rate of twenty-five mills or more;

(14) "Tier two municipalities" means the next twenty-five municipalities after tier one municipalities with the highest percentage of tax exempt property on the list of municipalities prepared by the Secretary of the Office of Policy and Management pursuant to subsection (c) of this section and having a mill rate of twenty-five mills

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or more; and

(15) "Tier three municipalities" means all municipalities not included in tier one municipalities or tier two municipalities.

(b) Notwithstanding the provisions of sections 12-19a and 12-20a of the general statutes, as amended by this act, all funds appropriated for state grants in lieu of taxes shall be payable to municipalities and districts pursuant to the provisions of this section. On or before January first, annually, the Secretary of the Office of Policy and Management shall determine the amount due, as a state grant in lieu of taxes, to each municipality and district in this state wherein college and hospital property is located and to each municipality in this state wherein state, municipal or tribal property, except that which was acquired and used for highways and bridges, but not excepting property acquired and used for highway administration or maintenance purposes, is located.

(1) The grant payable to any municipality for state, municipal or tribal property under the provisions of this section in the fiscal year ending June 30, 2017, and each fiscal year thereafter shall be equal to the total of:

(A) One hundred per cent of the property taxes that would have been paid with respect to any facility designated by the Commissioner of Correction, on or before August first of each year, to be a correctional facility administered under the auspices of the Department of Correction or a juvenile detention center under direction of the Department of Children and Families that was used for incarcerative purposes during the preceding fiscal year. If a list containing the name and location of such designated facilities and information concerning their use for purposes of incarceration during the preceding fiscal year is not available from the Secretary of the State on August first of any year, the Commissioner of Correction shall, on

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said date, certify to the Secretary of the Office of Policy and Management a list containing such information;

(B) One hundred per cent of the property taxes that would have been paid with respect to that portion of the John Dempsey Hospital located at The University of Connecticut Health Center in Farmington that is used as a permanent medical ward for prisoners under the custody of the Department of Correction. Nothing in this section shall be construed as designating any portion of The University of Connecticut Health Center John Dempsey Hospital as a correctional facility;

(C) One hundred per cent of the property taxes that would have been paid on any land designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation on or after June 8, 1999;

(D) Subject to the provisions of subsection (c) of section 12-19a of the general statutes, sixty-five per cent of the property taxes that would have been paid with respect to the buildings and grounds comprising Connecticut Valley Hospital in Middletown;

(E) With respect to any municipality in which more than fifty per cent of the property is state-owned real property, one hundred per cent of the property taxes that would have been paid with respect to such state-owned property;

(F) Forty-five per cent of the property taxes that would have been paid with respect to all municipally owned airports; except for the exemption applicable to such property, on the assessment list in such municipality for the assessment date two years prior to the commencement of the state fiscal year in which such grant is payable. The grant provided pursuant to this section for any municipally owned airport shall be paid to any municipality in which the airport is

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located, except that the grant applicable to Sikorsky Airport shall be paid one-half to the town of Stratford and one-half to the city of Bridgeport;

(G) Forty-five per cent of the property taxes that would have been paid with respect to any land designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into trust by the federal government for the Mohegan Tribe of Indians of Connecticut, provided the real property subject to this subparagraph shall be the land only, and shall not include the assessed value of any structures, buildings or other improvements on such land; and

(H) Forty-five per cent of the property taxes that would have been paid with respect to all other state-owned real property.

(2) (A) The grant payable to any municipality or district for college and hospital property under the provisions of this section in the fiscal year ending June 30, 2017, and each fiscal year thereafter shall be equal to the total of seventy-seven per cent of the property taxes that, except for any exemption applicable to any institution of higher education or general hospital facility under the provisions of section 12-81 of the general statutes, would have been paid with respect to college and hospital property on the assessment list in such municipality or district for the assessment date two years prior to the commencement of the state fiscal year in which such grant is payable; and

(B) Notwithstanding the provisions of subparagraph (A) of this subdivision, the grant payable to any municipality or district with respect to a campus of the United States Department of Veterans Affairs Connecticut Healthcare Systems shall be one hundred per cent.

(c) The Secretary of the Office of Policy and Management shall list municipalities, boroughs and districts based on the percentage of real

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property on the 2012 grand list of each municipality that is exempt from property tax under any provision of the general statutes other than that property described in subparagraph (A) of subdivision (1) of subsection (b) of this section. Boroughs and districts shall have the same ranking as the town, city, consolidated town and city or consolidated town and borough in which such borough or district is located.

(d) For the fiscal year ending June 30, 2017, in the event that the total of grants payable to each municipality and district in accordance with the provisions of subsection (b) of this section exceeds the amount appropriated for the purposes of said subsection (b) for said fiscal year: (1) The amount of the grant payable to each municipality for state, municipal or tribal property and to each municipality or district for college and hospital property shall be reduced proportionately, provided the percentage of the property taxes payable to a municipality or district with respect to such property shall not be lower than the percentage paid to the municipality or district for such property for the fiscal year ending June 30, 2015; and (2) certain municipalities and districts shall receive an additional payment in lieu of taxes grant payable from the select payment in lieu of taxes account. The total amount of the grant payment is as follows:

Municipality/District	Grant Amount
Ansonia	20,543
Bridgeport	3,236,058
Chaplin	11,177
Danbury	620,540
Deep River	1,961
Derby	138,841
East Granby	9,904
East Hartford	214,997
Hamden	620,903

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Hartford	12,422,113
Killingly	46,615
Ledyard	3,012
Litchfield	13,907
Mansfield	2,630,447
Meriden	259,564
Middletown	727,324
Montville	26,217
New Britain	2,085,537
New Haven	15,246,372
New London	1,356,780
Newington	176,884
North Canaan	4,393
Norwich	259,862
Plainfield	16,116
Simsbury	21,671
Stafford	43,057
Stamford	552,292
Suffield	53,767
Wallingford	61,586
Waterbury	3,284,145
West Hartford	211,483
West Haven	339,563
Windham	1,248,096
Windsor	9,660
Windsor Locks	32,533
Borough of Danielson (Killingly)	2,232
Borough of Litchfield	143
Middletown: South Fire District	1,172
Plainfield - Plainfield Fire District	309
West Haven First Center (D1)	1,187
West Haven: Allingtown FD (D3)	53,053

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West Haven: West Shore FD (D2)

35,065

(e) (1) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, in the event that the total of grants payable to each municipality and district in accordance with the provisions of subsection (b) of this section exceeds the amount appropriated for the purposes of said subsection (b) for said fiscal years:

(A) The amount of the grant payable to each municipality for qualified state, municipal or tribal property and to each municipality or district for qualified college and hospital property shall be reduced proportionately, provided the percentage of the property taxes payable to a municipality or district with respect to such property shall not be lower than the percentage paid to the municipality or district for such property for the fiscal year ending June 30, 2015;

(B) The amount of the grant payable to each municipality or district for select college and hospital property shall be reduced as follows: (i) Tier one districts or municipalities shall each receive a grant in lieu of taxes equal to forty-two per cent of the property taxes that would have been paid to such municipality or district on select college and hospital property; (ii) tier two districts or municipalities shall each receive a grant in lieu of taxes equal to thirty-seven per cent of the property taxes that would have been paid to such municipality or district on select college and hospital property; and (iii) tier three districts or municipalities shall each receive a grant in lieu of taxes equal to thirty-two per cent of the property taxes that would have been paid to such municipality or district on select college and hospital property. Grants in excess of thirty-two per cent of the property taxes that would have been paid to tier one districts or municipalities and to tier two districts or municipalities on select college and hospital property shall be payable from the select payment in lieu of taxes account; and

(C) The amount of the grant payable to each municipality for select

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state property shall be reduced as follows: (i) Tier one municipalities shall each receive a grant in lieu of taxes equal to thirty-two per cent of the property taxes that would have been paid to such municipality for select state property; (ii) tier two municipalities shall each receive a grant in lieu of taxes equal to twenty-eight per cent of the property taxes that would have been paid to such municipality for select state property; and (iii) tier three municipalities shall each receive a grant in lieu of taxes equal to twenty-four per cent of the property taxes that would have been paid to such municipality for select state property. Grants in excess of twenty-four per cent of the property taxes that would have been paid to tier one municipalities and to tier two municipalities on select state property shall be payable from the select payment in lieu of taxes account.

(2) In the event that the total of grants payable to each municipality and district in accordance with the provisions of subsection (b) of this section and subdivision (1) of this subsection exceeds the amount appropriated for the purposes of said subsection and the amount available in the select payment in lieu of taxes account in any fiscal year, the amount of the grant payable to each municipality for state, municipal or tribal property and to each municipality or district for college and hospital property shall be reduced proportionately, provided (A) the grant payable to tier one districts or municipalities for select college and hospital property shall be ten percentage points more than the grant payable to tier three districts or municipalities for such property, (B) the grant payable to tier two districts or municipalities for select college and hospital property shall be five percentage points more than the grant payable to tier three districts or municipalities for such property, (C) the grant payable to tier one municipalities for select state property shall be eight percentage points more than the grant payable to tier three municipalities for such property, and (D) the grant payable to tier two municipalities for select state property shall be four percentage points more than the grant

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payable to tier three municipalities for such property. Grants to tier one municipalities or districts and grants to tier two municipalities or districts in excess of grants paid to tier three municipalities or districts that would have been paid on select college and hospital property shall be payable from the select payment in lieu of taxes account. Grants to tier one municipalities and grants to tier two municipalities in excess of grants paid to tier three municipalities that would have been paid on select state property shall be payable from the select payment in lieu of taxes account.

(f) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, for any municipality receiving payments under section 15-120ss of the general statutes, property located in such municipality at Bradley International Airport shall not be included in the calculation of any state grant in lieu of taxes pursuant to this section.

(g) For purposes of this section, any real property which is owned by the John Dempsey Hospital Finance Corporation established pursuant to the provisions of sections 10a-250 to 10a-263, inclusive, of the general statutes or by one or more subsidiary corporations established pursuant to subdivision (13) of section 10a-254 of the general statutes and which is free from taxation pursuant to the provisions of section 10a-259 of the general statutes shall be deemed to be state-owned real property.

(h) The Office of Policy and Management shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, on or before July 1, 2017, and on or before July first annually thereafter until July 1, 2020, with regard to the grants distributed in accordance with this section, and shall include in such reports any recommendations for changes in the grants.

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Sec. 184. (NEW) (*Effective July 1, 2016*) There is established an account to be known as the "select payment in lieu of taxes account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Office of Policy and Management for the purposes of making select grants to municipalities and districts for payments in lieu of taxes as provided for in subsection (d) of this section, subparagraphs (B) and (C) of subdivision (1) of subsection (e) of section 183 of this act, and subdivision (2) of subsection (e) of section 183 of this act.

Sec. 185. Subsection (a) of section 12-19a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) [On] Until the fiscal year commencing July 1, 2016, on or before January first, annually, the Secretary of the Office of Policy and Management shall determine the amount due, as a state grant in lieu of taxes, to each town in this state wherein state-owned real property, reservation land held in trust by the state for an Indian tribe or a municipally owned airport, except that which was acquired and used for highways and bridges, but not excepting property acquired and used for highway administration or maintenance purposes, is located. The grant payable to any town under the provisions of this section in the state fiscal year commencing July 1, 1999, and each fiscal year thereafter, shall be equal to the total of (1) (A) one hundred per cent of the property taxes which would have been paid with respect to any facility designated by the Commissioner of Correction, on or before August first of each year, to be a correctional facility administered under the auspices of the Department of Correction or a juvenile detention center under direction of the Department of Children and Families that was used for incarcerative purposes during the preceding fiscal year. If a list containing the name and location of such

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designated facilities and information concerning their use for purposes of incarceration during the preceding fiscal year is not available from the Secretary of the State on the first day of August of any year, said commissioner shall, on said first day of August, certify to the Secretary of the Office of Policy and Management a list containing such information, (B) one hundred per cent of the property taxes which would have been paid with respect to that portion of the John Dempsey Hospital located at The University of Connecticut Health Center in Farmington that is used as a permanent medical ward for prisoners under the custody of the Department of Correction. Nothing in this section shall be construed as designating any portion of The University of Connecticut Health Center John Dempsey Hospital as a correctional facility, and (C) in the state fiscal year commencing July 1, 2001, and each fiscal year thereafter, one hundred per cent of the property taxes which would have been paid on any land designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation on or after June 8, 1999, (2) subject to the provisions of subsection (c) of this section, sixty-five per cent of the property taxes which would have been paid with respect to the buildings and grounds comprising Connecticut Valley Hospital in Middletown. Such grant shall commence with the fiscal year beginning July 1, 2000, and continuing each year thereafter, (3) notwithstanding the provisions of subsections (b) and (c) of this section, with respect to any town in which more than fifty per cent of the property is state-owned real property, one hundred per cent of the property taxes which would have been paid with respect to such state-owned property. Such grant shall commence with the fiscal year beginning July 1, 1997, and continuing each year thereafter, (4) subject to the provisions of subsection (c) of this section, forty-five per cent of the property taxes which would have been paid with respect to all other state-owned real property, (5) forty-five per cent of the property taxes which would have been paid with respect to all municipally owned airports; except for the exemption applicable to

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such property, on the assessment list in such town for the assessment date two years prior to the commencement of the state fiscal year in which such grant is payable. The grant provided pursuant to this section for any municipally owned airport shall be paid to any municipality in which the airport is located, except that the grant applicable to Sikorsky Airport shall be paid half to the town of Stratford and half to the city of Bridgeport, and (6) forty-five per cent of the property taxes which would have been paid with respect to any land designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into trust by the federal government for the Mohegan Tribe of Indians of Connecticut, provided (A) the real property subject to this subdivision shall be the land only, and shall not include the assessed value of any structures, buildings or other improvements on such land, and (B) said forty-five per cent grant shall be phased in as follows: (i) In the fiscal year commencing July 1, 2012, an amount equal to ten per cent of said forty-five per cent grant, (ii) in the fiscal year commencing July 1, 2013, thirty-five per cent of said forty-five per cent grant, (iii) in the fiscal year commencing July 1, 2014, sixty per cent of said forty-five per cent grant, (iv) in the fiscal year commencing July 1, 2015, eighty-five per cent of said forty-five per cent grant, and (v) in the fiscal year commencing July 1, 2016, one hundred per cent of said forty-five per cent grant.

Sec. 186. Subsection (a) of section 12-20a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) [On] Until the fiscal year commencing July 1, 2016, on or before January first, annually, the Secretary of the Office of Policy and Management shall determine the amount due to each municipality in the state, in accordance with this section, as a state grant in lieu of

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taxes with respect to real property owned by any private nonprofit institution of higher learning or any nonprofit general hospital facility or freestanding chronic disease hospital or an urgent care facility that operates for at least twelve hours a day and that had been the location of a nonprofit general hospital for at least a portion of calendar year 1996 to receive payments in lieu of taxes for such property, exclusive of any such facility operated by the federal government, except a campus of the United States Department of Veterans Affairs Connecticut Healthcare Systems, or the state of Connecticut or any subdivision thereof. As used in this section, "private nonprofit institution of higher learning" means any such institution, as defined in subsection (a) of section 10a-34, or any independent institution of higher education, as defined in subsection (a) of section 10a-173, that is engaged primarily in education beyond the high school level, and offers courses of instruction for which college or university-level credit may be given or may be received by transfer, the property of which is exempt from property tax under any of the subdivisions of section 12-81; "nonprofit general hospital facility" means any such facility that is used primarily for the purpose of general medical care and treatment, exclusive of any hospital facility used primarily for the care and treatment of special types of disease or physical or mental conditions; and "freestanding chronic disease hospital" means a facility that provides for the care and treatment of chronic diseases, excluding any such facility having an ownership affiliation with and operated in the same location as a chronic and convalescent nursing home.

Sec. 187. Section 12-19b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Not later than April first in any assessment year, any town or borough to which a grant is payable under the provisions of section 12-19a, as amended by this act, or section 183 of this act, shall provide the Secretary of the Office of Policy and Management with the assessed

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valuation of the real property eligible therefor as of the first day of October immediately preceding, adjusted in accordance with any gradual increase in or deferment of assessed values of real property implemented in accordance with section 12-62c, which is required for computation of such grant. Any town which neglects to transmit to the secretary the assessed valuation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. Said secretary may on or before the first day of August of the state fiscal year in which such grant is payable, reevaluate any such property when, in the secretary's judgment, the valuation is inaccurate and shall notify such town of such reevaluation by certified or registered mail. Any town or borough aggrieved by the action of the secretary under the provisions of this section may, not later than ten business days following receipt of such notice, appeal to the secretary for a hearing concerning such reevaluation. Such appeal shall be in writing and shall include a statement as to the reasons for such appeal. The secretary shall, not later than ten business days following receipt of such appeal, grant or deny such hearing by notification in writing, including in the event of a denial, a statement as to the reasons for such denial. Such notification shall be sent by certified or registered mail. If any town or borough is aggrieved by the action of the secretary following such hearing or in denying any such hearing, the town or borough may not later than ten business days after receiving such notice, appeal to the superior court for the judicial district wherein such town is located. Any such appeal shall be privileged.

(b) Notwithstanding the provisions of section [12-19a] 183 of this act or subsection (a) of this section, there shall be an amount due the municipality of Voluntown, on or before the thirtieth day of September, annually, with respect to any state-owned forest, of an additional sixty thousand dollars, which amount shall be paid from the

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annual appropriation, from the General Fund, for reimbursement to towns for loss of taxes on private tax-exempt property.

Sec. 188. Section 12-19c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Secretary of the Office of Policy and Management shall, not later than September fifteenth, certify to the Comptroller the amount due each town or borough under the provisions of section [12-19a] 183 of this act, or under any recomputation occurring prior to said September fifteenth which may be effected as the result of the provisions of section 12-19b, as amended by this act, and the Comptroller shall draw an order on the Treasurer on or before the fifth business day following September fifteenth and the Treasurer shall pay the amount thereof to such town on or before the thirtieth day of September following. If any recomputation is effected as the result of the provisions of section 12-19b, as amended by this act, on or after the August first following the date on which the town has provided the assessed valuation in question, any adjustments to the amount due to any town for the period for which such adjustments were made shall be made in the next payment the Treasurer shall make to such town pursuant to this section.

Sec. 189. Section 12-20b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Not later than April first in each year, any municipality to which a grant is payable under the provisions of section 12-20a, as amended by this act, or section 183 of this act, shall provide the Secretary of the Office of Policy and Management with the assessed valuation of the tax-exempt real property as of the immediately preceding October first, adjusted in accordance with any gradual increase in or deferment of assessed values of real property implemented in accordance with section 12-62c, which is required for computation of such grant. Any

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municipality which neglects to transmit to the Secretary of the Office of Policy and Management the assessed valuation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. Said secretary may, on or before the first day of August of the state fiscal year in which such grant is payable, reevaluate any such property when, in his or her judgment, the valuation is inaccurate and shall notify such municipality of such reevaluation. Any municipality aggrieved by the action of said secretary under the provisions of this section may, not later than ten business days following receipt of such notice, appeal to the secretary for a hearing concerning such reevaluation, provided such appeal shall be in writing and shall include a statement as to the reasons for such appeal. The secretary shall, not later than ten business days following receipt of such appeal, grant or deny such hearing by notification in writing, including in the event of a denial, a statement as to the reasons for such denial. If any municipality is aggrieved by the action of the secretary following such hearing or in denying any such hearing, the municipality may not later than two weeks after such notice, appeal to the superior court for the judicial district in which the municipality is located. Any such appeal shall be privileged. Said secretary shall certify to the Comptroller the amount due each municipality under the provisions of section [12-20a] 183 of this act, or under any recomputation occurring prior to September fifteenth which may be effected as the result of the provisions of this section, and the Comptroller shall draw his or her order on the Treasurer on or before the fifth business day following September fifteenth and the Treasurer shall pay the amount thereof to such municipality on or before the thirtieth day of September following. If any recomputation is effected as the result of the provisions of this section on or after the January first following the date on which the municipality has provided the assessed valuation in question, any adjustments to the amount due to any municipality for

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the period for which such adjustments were made shall be made in the next payment the Treasurer shall make to such municipality pursuant to this section.

(b) Notwithstanding the provisions of section [12-20a] 183 of this act or subsection (a) of this section, the amount due the municipality of Branford, on or before the thirtieth day of September, annually, with respect to the Connecticut Hospice, in Branford, shall be one hundred thousand dollars, which amount shall be paid from the annual appropriation, from the General Fund, for reimbursement to towns for loss of taxes on private tax-exempt property.

(c) Notwithstanding the provisions of section [12-20a] 183 of this act or subsection (a) of this section, the amount due the city of New London, on or before the thirtieth day of September, annually, with respect to the United States Coast Guard Academy in New London, shall be one million dollars, which amount shall be paid from the annual appropriation, from the General Fund, for reimbursement to towns for loss of taxes on private tax-exempt property.

Sec. 190. Subsection (a) of section 12-63h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) The Secretary of the Office of Policy and Management shall establish a pilot program in up to three municipalities whereby the selected municipalities shall develop a plan for implementation of land value taxation that (1) classifies real estate included in the taxable grand list as (A) land or land exclusive of buildings, or (B) buildings on land; and (2) establishes a different mill rate for property tax purposes for each class, provided the higher mill rate shall apply to land or land exclusive of buildings. The different mill rates for taxable real estate in each class shall not be applicable to any property for which a grant is payable under section [12-19a or 12-20a] 183 of this act.

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Sec. 191. Subsection (b) of section 12-64 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(b) Except as provided in subsection (c) of this section, any land, buildings or easement to use air rights belonging to or held in trust for the state, not used for purposes attributable to functions of the state government or any other governmental purpose but leased to a person or organization for use unrelated to any such purpose, exclusive of any such lease with respect to which a binding agreement is in effect on June 25, 1985, shall be separately assessed in the name of the lessee and subject to local taxation annually in the name of the lessee having immediate right to occupancy of such land or building, by the town wherein situated as of the assessment day next following the date of leasing pursuant to section 4b-38, as amended by this act. If such property or any portion thereof is leased to any organization which, if the property were owned by or held in trust for such organization, would not be liable for taxes with respect to such property under any of the subdivisions of section 12-81, such organization shall be entitled to exemption from property taxes as the lessee under such lease, provided such property is used exclusively for the purposes of such organization as stated in the applicable subdivision of [said] section 12-81 and the portion of such property so leased to such exempt organization shall be eligible for a grant in lieu of taxes pursuant to section [12-19a] 183 of this act. Whenever the lessee of such property is required to pay property taxes to the town in which such property is situated as provided in this subsection, the assessed valuation of such property subject to the interest of the lessee shall not be included in the annual list of assessed values of state-owned real property in such town as prepared for purposes of state grants in accordance with [said] section [12-19a] 183 of this act and the amount of grant to such town under [said] section [12-19a] 183 of this act shall be determined without consideration of such assessed value.

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Sec. 192. Subsections (a) to (d), inclusive, of section 3-55j of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) Twenty million dollars of the moneys available in the Mashantucket Pequot and Mohegan Fund established by section 3-55i shall be paid to municipalities eligible for a state grant in lieu of taxes pursuant to subsection (b) of section [12-19a] 183 of this act in addition to the grants payable to such municipalities pursuant to section [12-19a] 183 of this act subject to the provisions of subsection (b) of this section. Such grant shall be [calculated under the provisions of section 12-19a and shall equal one-third of the additional amount which such municipalities would be eligible to receive if the total amount available for distribution were eighty-five million two hundred five thousand eighty-five dollars and the percentage of reimbursement set forth in section 12-19a were increased to reflect such amount] equal to that paid to the municipality pursuant to this section for the fiscal year ending June 30, 2015. Any eligible special services district shall receive a portion of the grant payable under this subsection to the town in which such district is located. The portion payable to any such district under this subsection shall be the amount of the grant to the town under this subsection which results from application of the district mill rate to exempt property in the district. As used in this subsection and subsection (c) of this section, "eligible special services district" means any special services district created by a town charter, having its own governing body and for the assessment year commencing October 1, 1996, containing fifty per cent or more of the value of total taxable property within the town in which such district is located.

(b) No municipality shall receive a grant pursuant to subsection (a) of this section which, when added to the amount of the grant payable to such municipality pursuant to subsection (b) of section [12-19a] 183 of this act, would exceed one hundred per cent of the property taxes

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which would have been paid with respect to all state-owned real property, except for the exemption applicable to such property, on the assessment list in such municipality for the assessment date two years prior to the commencement of the state fiscal year in which such grants are payable, except that, notwithstanding the provisions of said subsection (a), no municipality shall receive a grant pursuant to said subsection which is less than one thousand six hundred sixty-seven dollars.

(c) Twenty million one hundred twenty-three thousand nine hundred sixteen dollars of the moneys available in the Mashantucket Pequot and Mohegan Fund established by section 3-55i shall be paid to municipalities eligible for a state grant in lieu of taxes pursuant to subsection (b) of section [12-20a] 183 of this act, in addition to [and in the same proportion as] the grants payable to such municipalities pursuant to section [12-20a] 183 of this act, subject to the provisions of subsection (d) of this section. Such grant shall be equal to that paid to the municipality pursuant to this section for the fiscal year ending June 30, 2015. Any eligible special services district shall receive a portion of the grant payable under this subsection to the town in which such district is located. The portion payable to any such district under this subsection shall be the amount of the grant to the town under this subsection which results from application of the district mill rate to exempt property in the district.

(d) Notwithstanding the provisions of subsection (c) of this section, no municipality shall receive a grant pursuant to said subsection which, when added to the amount of the grant payable to such municipality pursuant to subsection (b) of section [12-20a] 183 of this act, would exceed one hundred per cent of the property taxes which, except for any exemption applicable to any private nonprofit institution of higher education, nonprofit general hospital facility or freestanding chronic disease hospital under the provisions of section

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12-81, would have been paid with respect to such exempt real property on the assessment list in such municipality for the assessment date two years prior to the commencement of the state fiscal year in which such grants are payable.

Sec. 193. Subsection (g) of section 4b-38 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(g) Notwithstanding the provisions of this section, the board of trustees of a constituent unit of the state system of higher education may lease land or buildings, or both, and facilities under the control and supervision of such board when such land, buildings or facilities are otherwise not used or needed for use by the constituent unit and such action seems desirable to produce income or is otherwise in the public interest, provided the Treasurer has determined that such action will not affect the status of any tax-exempt obligations issued or to be issued by the state of Connecticut. Upon executing any such lease, said board shall forward a copy to the assessor or board of assessors of the municipality in which the leased property is located. The proceeds from any lease or rental agreement pursuant to this subsection shall be retained by the constituent unit. Any land so leased for private use and the buildings and appurtenances thereon shall be subject to local assessment and taxation annually in the name of the lessee, assignee or sublessee, whichever has immediate right to occupancy of such land or building, by the town wherein situated as of the assessment day of such town next following the date of leasing. Such land and the buildings and appurtenances thereon shall not be included as property of the constituent unit for the purpose of computing a grant in lieu of taxes pursuant to section [12-19a] 183 of this act provided, if such property is leased to an organization which, if the property were owned by or held in trust for such organization would not be liable for taxes with respect to such property under section 12-81, such

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organization shall be entitled to exemption from property taxes as the lessee under such lease, and the portion of such property exempted and leased to such organization shall be eligible for a grant in lieu of taxes pursuant to [said] section [12-19a] 183 of this act.

Sec. 194. Section 4b-39 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

Land, buildings or facilities leased pursuant to section 4b-35 and section 4b-36 shall be exempt from municipal taxation. The value of such land, buildings or facilities shall be used for computation of grants in lieu of taxes pursuant to section [12-19a] 183 of this act.

Sec. 195. Section 4b-46 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

On and after July 1, 1995, any property which is subject to an agreement entered into by the Commissioner of Administrative Services for the purchase of such property through a long-term financing contract shall be exempt from taxation by the municipality in which such property is located, during the term of such contract. The assessed valuation of such property shall be included with the assessed valuation of state-owned land and buildings for purposes of determining the state grant in lieu of taxes under the provisions of section [12-19a] 183 of this act.

Sec. 196. Section 10a-90 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Board of Trustees for the Connecticut State University System, with the approval of the Governor and the Secretary of the Office of Policy and Management, may lease state-owned land under its care, custody or control to private developers for construction of dormitory buildings, provided such developers agree to lease such buildings to such board of trustees with an option to purchase and provided

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further that any such agreement to lease is subject to the provisions of section 4b-23, prior to the making of the original lease by the board of trustees. The plans for such buildings shall be subject to approval of such board, the Commissioner of Administrative Services and the State Properties Review Board and such leases shall be for the periods and upon such terms and conditions as the Commissioner of Administrative Services determines, and such buildings, while privately owned, shall be subject to taxation by the town in which they are located. The Board of Trustees for the Connecticut State University System may also deed, transfer or lease state-owned land under its care, custody or control to the State of Connecticut Health and Educational Facilities Authority for financing or refinancing the planning, development, acquisition and construction and equipping of dormitory buildings and student housing facilities and to lease or sublease such dormitory buildings or student housing facilities and authorize the execution of financing leases of land, interests therein, buildings and fixtures in order to secure obligations to repay any loan from the State of Connecticut Health and Educational Facilities Authority from the proceeds of bonds issued thereby pursuant to the provisions of chapter 187 made by the authority to finance or refinance the planning, development, acquisition and construction of dormitory buildings. Any such financing lease shall not be subject to the provisions of section 4b-23 and the plans for such dormitories shall be subject only to the approval of the board. Such financing leases shall be for such periods and upon such terms and conditions that the board shall determine. Any state property so leased shall not be subject to local assessment and taxation and such state property shall be included as property of the Connecticut State University System for the purpose of computing a grant in lieu of taxes pursuant to section [12-19a] 183 of this act.

Sec. 197. Subsection (b) of section 10a-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July*

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1, 2016):

(b) Any land so leased to a private developer for rental housing or commercial establishments and the buildings and appurtenances thereon shall be subject to local assessment and taxation annually in the name of the lessee, assignee or sublessee, whichever has immediate right to occupancy of such land or building, by the town wherein situated as of the assessment day of such town next following the date of leasing. Such land shall not be included as property of the Connecticut State University System for the purpose of computing a grant in lieu of taxes pursuant to section [12-19a] 183 of this act.

Sec. 198. Section 15-101dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

Whenever any lessee is required to pay property taxes under this chapter, the assessed valuation of such property subject to the interest of the lessee shall not be included in the annual list of assessed values of state-owned real property in such town as prepared for purposes of state grants in accordance with section [12-19a] 183 of this act and the amount of grant to such town under [said] section [12-19a] 183 of this act shall be determined without consideration of such assessed value.

Sec. 199. Subsection (c) of section 22-26jj of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(c) The commissioner may lease all or part of one property acquired by him under this section as part of a demonstration project, in accordance with subsection (d) of this section, provided such project is approved by the Secretary of the Office of Policy and Management. Such property may be leased to one or more agricultural users for a period not to exceed five years. Such lease may be renewed for periods not to exceed five years. Any property leased under such

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demonstration project shall be exempt from taxation by the municipality in which the property is located. The assessed valuation of the property shall be included with the assessed valuation of state-owned land and buildings for purposes of determining the state's grant in lieu of taxes under the provisions of section [12-19a] 183 of this act.

Sec. 200. Subsection (c) of section 22-2600 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(c) The Commissioner of Agriculture may lease, permit or license all or part of said farm to one or more persons for the purpose of engaging in agriculture, as defined in section 1-1. Any such lease, permit or license shall be for a period not to exceed fifteen years and shall contain, as a condition thereof, compliance with the provisions of the permanent conservation easement granted pursuant to subsection (b) of this section. Any such lease, permit or license may be renewed for a period not to exceed fifteen years. Any property leased, permitted or licensed pursuant to this subsection shall be exempt from taxation by the municipality in which said property is located. The assessed valuation of said property shall be included in the assessed valuation of state-owned land and buildings for purposes of determining the state's grant in lieu of taxes pursuant to the provisions of section [12-19a] 183 of this act. Any such lease, permit or license shall be subject to the review and approval of the State Properties Review Board. The State Properties Review Board shall complete a review of each lease, permit or license not later than thirty days after receipt of a proposed lease, permit or license from the Commissioner of Agriculture.

Sec. 201. Section 22a-282 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Materials Innovation and Recycling Authority, notwithstanding

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the provisions of subsection (b) of section 22a-208a concerning the right of any local body to regulate, through zoning, land usage for solid waste disposal and section 22a-276, may use and operate as a solid waste disposal area, pursuant to a permit issued under sections 22a-208, 22a-208a and 22a-430, any real property owned by said authority on or before May 11, 1984, any portion of which has been operated as a solid waste disposal area, and the authority shall not be subject to regulation by any such body, except that the authority shall pay to the municipality in which such property is located one dollar per ton of unprocessed solid waste received from outside of such municipality and disposed of at the solid waste disposal area by the authority. Any payment shall be in addition to any other agreement between the municipality and the authority. The provisions of section [12-19a] 183 of this act shall not be construed to apply to any such real property.

Sec. 202. Section 23-30 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

The Commissioner of Energy and Environmental Protection may, for the purposes specified in section 23-29, lease, for a period of not less than ninety-nine years, any lands within the state, title to which has been acquired by the resettlement administration or other agency of the government of the United States, provided the form of such lease shall be approved by the Attorney General. Said commissioner may enter into cooperative agreements with any branch of the government of the United States regarding the custody, management and use of lands so leased. All lands leased under this section shall, for the purposes of taxation, be considered as owned by the state, and the towns in which such lands are situated shall receive from the state grants in lieu of taxes thereon, as provided in section [12-19a] 183 of this act.

Sec. 203. Section 32-610 of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2016*):

The exercise of the powers granted by section 32-602 constitute the performance of an essential governmental function and the Capital Region Development Authority shall not be required to pay any taxes or assessments upon or in respect of the convention center or the convention center project, as defined in section 32-600, levied by any municipality or political subdivision or special district having taxing powers of the state and such project and the principal and interest of any bonds and notes issued under the provisions of section 32-607, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation of every kind by the state of Connecticut or under its authority, except for estate or succession taxes but the interest on such bonds and notes shall be included in the computation of any excise or franchise tax. Notwithstanding the foregoing, the convention center and the related parking facilities owned by the authority shall be deemed to be state-owned real property for purposes of sections [12-19a and] 12-19b, as amended by this act, and 183 of this act and the state shall make grants in lieu of taxes with respect to the convention center and such related parking facilities to the municipality in which the convention center and such related parking facilities are located as otherwise provided in [said] sections [12-19a and] 12-19b, as amended by this act, and 183 of this act.

Sec. 204. Subsections (a) and (b) of section 32-666 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) Any land on the Adriaen's Landing site leased by the secretary for purposes of site acquisition for an initial term of at least ninety-nine years shall, while such lease remains in effect, be deemed to be state-owned real property for purposes of sections [12-19a and] 12-19b, as amended by this act, and 183 of this act and subdivision (2) of section

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12-81 and the state shall make grants in lieu of taxes with respect to such land to the municipality in which the same is located as otherwise provided in sections [12-19a and] 12-19b, as amended by this act, and 183 of this act.

(b) Any land that comprises a private development district designated pursuant to section 32-600 and all improvements on or to such land shall, while such designation continues, be deemed to be state-owned real property for purposes of sections [12-19a and] 12-19b, as amended by this act, and 183 of this act and subdivision (2) of section 12-81, and the state shall make grants in lieu of taxes with respect to such land and improvements to the municipality in which the same is located as otherwise provided in sections [12-19a and] 12-19b, as amended by this act, and 183 of this act. Section 32-666a shall not be applicable to any such land or improvements while designated as part of the private development district.

Sec. 205. Subsection (a) of section 12-62m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2016*):

(a) If real property eligible for a grant or for reimbursement of a property tax or a portion thereof under the provisions of [sections 12-19a] section 183 of this act, 12-20b, as amended by this act, [and] or 12-129p, or any other provision of the general statutes, is located in a town that (1) elected to phase in assessment increases pursuant to section 12-62a of the general statutes, revision of 1958, revised to January 1, 2005, with respect to a revaluation effective on or before October 1, 2005, or (2) elects to phase in assessment increases pursuant to section 12-62c with respect to a revaluation effective on or after October 1, 2006, the assessed valuation of said property as reported to the Secretary of the Office of Policy and Management shall reflect the gradual increase in assessment applicable to comparable taxable real property for the same assessment year.

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Sec. 206. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) Notwithstanding the provisions of any special act, municipal charter or home rule ordinance, for the assessment year commencing October 1, 2015, and each assessment year thereafter, each municipality and district shall tax motor vehicles in accordance with this section. For the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 32 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 29.36 mills. Any municipality or district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of this section. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district is located would result in a combined motor vehicle mill rate above 32 mills for the assessment year commencing October 1, 2015, or above 29.36 mills for the assessment year commencing October 1, 2016. For the purposes of this section, "municipality" means any town, city, borough, consolidated town and city, consolidated town and borough and "district" means any district, as defined in section 7-324 of the general statutes.

Sec. 207. Section 4-66l of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) For the purposes of this section:

(1) "FY 15 mill rate" means the mill rate a municipality uses during the fiscal year ending June 30, 2015;

(2) "Mill rate" means the mill rate a municipality uses to calculate tax bills for motor vehicles;

(3) "Municipality" means any town, city, consolidated town and city

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or consolidated town and borough;

(4) "Municipal spending" means:

$$\frac{\text{Municipal spending for the fiscal year prior to the current fiscal year}}{\text{Municipal spending for the fiscal year two years prior to the current year}} \times 100 = \text{Municipal spending}$$

Municipal spending for the fiscal year two years prior to the current year;

(5) "Per capita distribution" means:

$$\frac{\text{Town population}}{\text{Total state population}} \times \text{Sales tax revenue} = \text{Per capita distribution;}$$

(6) "Pro rata distribution" means:

$$\frac{\text{Municipal weighted mill rate calculation}}{\text{Sum of all municipal weighted mill rate calculations combined}} \times \text{Sales tax revenue} = \text{Pro rata distribution;}$$

(7) "Regional council of governments" means any such council organized under the provisions of sections 4-124i to 4-124p, inclusive;

(8) "Town population" means the number of persons in a municipality according to the most recent estimate of the Department of Public Health;

(9) "Total state population" means the number of persons in this

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state according to the most recent estimate published by the Department of Public Health;

(10) "Weighted mill rate" means a municipality's FY 15 mill rate divided by the average of all municipalities' FY 15 mill rate;

(11) "Weighted mill rate calculation" means per capita distribution multiplied by a municipality's weighted mill rate; and

(12) "Sales tax revenue" means the moneys in the account remaining for distribution pursuant to subdivision (6) of subsection (b) of this section.

[(a)] (b) There is established an account to be known as the "municipal revenue sharing account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be transferred or disbursed in the following order:

(1) Ten million dollars for the fiscal year ending June 30, 2016, and ten million dollars for the fiscal year ending June 30, 2017, for the purposes of grants under section 10-262h, as amended by this act;

(2) For the fiscal year ending June 30, 2017, and each fiscal year thereafter, moneys sufficient to make the grants payable from the select payment in lieu of taxes grant account established pursuant to section 184 of this act shall annually be transferred to the select payment in lieu of taxes account in the Office of Policy and Management;

(3) For the fiscal year ending June 30, 2017, and each fiscal year thereafter, moneys sufficient to make motor vehicle property tax grants to municipalities pursuant to subsection (c) of this section shall be expended annually by the secretary;

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(4) For the fiscal year ending June 30, 2017, moneys sufficient to make the municipal revenue sharing grants payable to municipalities pursuant to subsection (d) of this section;

(5) (A) For the fiscal year ending June 30, 2017, three million dollars shall be expended by the secretary for the purposes of the regional services grants pursuant to subsection (e) of this section to the regional councils of governments on a per capita basis, as determined by the most recent population estimate of the Department of Public Health and (B) for the fiscal year ending June 30, 2018, and each fiscal year thereafter, seven million dollars shall be expended for the purposes of the regional services grants pursuant to subsection (e) of this section to the regional councils of governments on a per capita basis, as determined by the most recent population estimate of the Department of Public Health; and

(6) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, moneys in the account remaining shall be expended annually by the Secretary of the Office of Policy and Management for the purposes of the municipal revenue sharing grants established pursuant to [subsections (b) and (c)] subsection (f) of this section. Any such moneys deposited in the account for municipal revenue sharing grants between October first and June thirtieth shall be distributed to municipalities on the following October first and any such moneys deposited in the account between July first and September thirtieth shall be distributed to municipalities on the following January thirty-first. Any town may apply to the Office of Policy and Management on or after July first for early disbursement of a portion of such grant. The Office of Policy and Management may approve such an application if it finds that early disbursement is required in order for a town to meet its cash flow needs. No early disbursement approved by said office may be issued later than September thirtieth.

[(b) (1) The secretary shall provide manufacturing transition grants

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to municipalities in an amount equal to the amount each municipality received from the state as payments in lieu of taxes pursuant to sections 12-94b, 12-94c, 12-94f and 12-94g of the general statutes, revision of 1958, revised to January 1, 2011, for the fiscal year ending June 30, 2011. Such grant payments shall be made in quarterly allotments, payable on November fifteenth, February fifteenth, May fifteenth and August fifteenth. The total amount of the grant payment is as follows:

Municipality	Grant Amounts
Andover	\$2,929
Ansonia	70,732
Ashford	2,843
Avon	213,211
Barkhamsted	33,100
Beacon Falls	38,585
Berlin	646,080
Bethany	54,901
Bethel	229,948
Bethlehem	6,305
Bloomfield	1,446,585
Bolton	19,812
Bozrah	110,715
Branford	304,496
Bridgeport	839,881
Bridgewater	491
Bristol	2,066,321
Brookfield	97,245
Brooklyn	8,509
Burlington	14,368
Canaan	17,075
Canterbury	1,610
Canton	6,344

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Chaplin	554
Cheshire	598,668
Chester	71,130
Clinton	168,444
Colchester	31,069
Colebrook	436
Columbia	21,534
Cornwall	0
Coventry	8,359
Cromwell	27,780
Danbury	1,534,876
Darien	0
Deep River	86,478
Derby	12,218
Durham	122,637
Eastford	43,436
East Granby	430,285
East Haddam	1,392
East Hampton	15,087
East Hartford	3,576,349
East Haven	62,435
East Lyme	17,837
Easton	2,111
East Windsor	237,311
Ellington	181,426
Enfield	219,004
Essex	80,826
Fairfield	82,908
Farmington	440,541
Franklin	18,317
Glastonbury	202,935
Goshen	2,101

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Granby	28,727
Greenwich	70,905
Griswold	35,790
Groton	1,373,459
Guilford	55,611
Haddam	2,840
Hamden	230,771
Hampton	0
Hartford	1,184,209
Hartland	758
Harwinton	17,272
Hebron	1,793
Kent	0
Killingly	567,638
Killingworth	4,149
Lebanon	24,520
Ledyard	296,297
Lisbon	2,923
Litchfield	2,771
Lyme	0
Madison	6,880
Manchester	861,979
Mansfield	5,502
Marlborough	5,890
Meriden	721,037
Middlebury	67,184
Middlefield	198,671
Middletown	1,594,059
Milford	1,110,891
Monroe	151,649
Montville	356,761
Morris	2,926

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Naugatuck	274,100
New Britain	1,182,061
New Canaan	159
New Fairfield	912
New Hartford	110,586
New Haven	1,175,481
Newington	758,790
New London	30,182
New Milford	628,728
Newtown	192,643
Norfolk	5,854
North Branford	243,540
North Canaan	304,560
North Haven	1,194,569
North Stonington	0
Norwalk	328,472
Norwich	161,111
Old Lyme	1,528
Old Saybrook	38,321
Orange	85,980
Oxford	72,596
Plainfield	120,563
Plainville	443,937
Plymouth	124,508
Pomfret	22,677
Portland	73,590
Preston	0
Prospect	56,300
Putnam	139,075
Redding	1,055
Ridgefield	452,270
Rocky Hill	192,142

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Roxbury	478
Salem	3,740
Salisbury	66
Scotland	6,096
Seymour	255,384
Sharon	0
Shelton	483,928
Sherman	0
Simsbury	62,846
Somers	72,769
Southbury	16,678
Southington	658,809
South Windsor	1,084,232
Sprague	334,376
Stafford	355,770
Stamford	407,895
Sterling	19,506
Stonington	80,628
Stratford	2,838,621
Suffield	152,561
Thomaston	315,229
Thompson	62,329
Tolland	75,056
Torrington	486,957
Trumbull	163,740
Union	0
Vernon	121,917
Voluntown	1,589
Wallingford	1,589,756
Warren	235
Washington	231
Waterbury	2,076,795

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Waterford	27,197
Watertown	521,334
Westbrook	214,436
West Hartford	648,560
West Haven	137,765
Weston	366
Westport	0
Wethersfield	17,343
Willington	15,891
Wilton	247,801
Winchester	249,336
Windham	369,559
Windsor	1,078,969
Windsor Locks	1,567,628
Wolcott	189,485
Woodbridge	27,108
Woodbury	45,172
Woodstock	55,097
Borough of Danielson	0
Borough Jewett City	3,329
Borough Stonington	0
Barkhamsted F.D.	1,996
Berlin - Kensington F.D.	9,430
Berlin - Worthington F.D.	747
Bloomfield Center Fire	3,371
Bloomfield Blue Hills	88,142
Canaan F.D. (no fire district)	0
Cromwell F.D.	1,662
Enfield F.D. (1)	12,688
Enfield Thompsonville (2)	2,814

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Enfield Haz'dv'l F.D. (3)	1,089
Enfield N.Thmps'nv'l F.D. (4)	55
Enfield Shaker Pines (5)	5,096
Groton - City	241,680
Groton Sewer	1,388
Groton Mystic F.D. #3	19
Groton Noank F.D. #4	0
Groton Old Mystic F.D. #5	1,610
Groton Poquonnock Br. #2	17,967
Groton W. Pleasant Valley	0
Killingly Attawaugan F.D.	1,457
Killingly Dayville F.D.	33,885
Killingly Dyer Manor	1,157
E. Killingly F.D.	75
So. Killingly F.D.	150
Killingly Williamsville F.D.	5,325
Manchester Eighth Util.	55,013
Middletown South F.D.	165,713
Middletown Westfield F.D.	8,805
Middletown City Fire	27,038
New Htfd. Village F.D. #1	5,664
New Htfd Pine Meadow #3	104
New Htfd South End F.D.	8
Plainfield Central Village F.D.	1,167
Plainfield Moosup F.D.	1,752
Plainfield F.D. #255	1,658
Plainfield Wauregan F.D.	4,360
Pomfret F.D.	841
Putnam E. Putnam F.D.	8,196
Putnam W. Putnam F.D.	0
Simsbury F.D.	2,135
Stafford Springs Service Dist.	12,400

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Sterling F.D.	1,034
Stonington Mystic F.D.	478
Stonington Old Mystic F.D.	1,999
Stonington Pawcatuck F.D.	4,424
Stonington Quiambaug F.D.	65
Stonington F.D.	0
Stonington Wequetequock F.D.	58
Trumbull Center	461
Trumbull Long Hill F.D.	889
Trumbull Nichols F.D.	3,102
Watertown F.D.	0
West Haven Allingtown F.D. (3)	17,230
W. Haven First Ctr Fire Taxn (1)	7,410
West Haven West Shore F.D. (2)	29,445
Windsor Wilson F.D.	170
Windsor F.D.	38
Windham First	7,096
GRAND TOTAL	\$49,875,871

(2) The amount of the grant payable to each municipality in any year in accordance with this subsection shall be reduced proportionately in the event that the total of such grants in such year exceeds the amount available in the municipal revenue sharing account established pursuant to subsection (a) of this section with respect to such year.

(3) Notwithstanding any provision of the general statutes, any municipality that, prior to June 30, 2011, was overpaid under the program set forth in section 12-94b of the general statutes, revision of 1958, revised to January 1, 2011, shall have such overpayments deducted from any grant payable pursuant to this section.

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(4) Notwithstanding any provision of the general statutes, not later than August 15, 2012, a payment shall be made to the town of Ledyard in the amount of \$39,411 and to the town of Montville in the amount of \$62,954. Such payments shall be in addition to any other payments said towns may receive from the municipal revenue sharing account pursuant to this subsection.

(c) If there are moneys available in the municipal revenue sharing account after all grants are made pursuant to subsection (b) of this section, the secretary shall distribute the remaining funds as follows: (1) Fifty per cent of such funds shall be distributed to municipalities on a per capita basis, as determined by the most recent federal decennial census, and (2) fifty per cent shall be distributed in accordance with the formula in subsection (e) of section 3-55j using population information from the most recent federal decennial census, the 2007 equalized net grand list and 1999 per capita income.]

(c) (1) For the fiscal year ending June 30, 2017, motor vehicle property tax grants to municipalities shall be made in an amount equal to the difference between the amount of property taxes levied by a municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills; and (2) for the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities shall be made in an amount equal to the difference between the amount of property taxes levied by a municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 29.36 mills.

(d) For the fiscal year ending June 30, 2017, each municipality shall receive a municipal revenue sharing grant. The total amount of the grant payable is as follows:

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<u>Municipality</u>	<u>Grant Amounts</u>
<u>Andover</u>	<u>96,020</u>
<u>Ansonia</u>	<u>643,519</u>
<u>Ashford</u>	<u>125,591</u>
<u>Avon</u>	<u>539,387</u>
<u>Barkhamsted</u>	<u>109,867</u>
<u>Beacon Falls</u>	<u>177,547</u>
<u>Berlin</u>	<u>1,213,548</u>
<u>Bethany</u>	<u>164,574</u>
<u>Bethel</u>	<u>565,146</u>
<u>Bethlehem</u>	<u>61,554</u>
<u>Bloomfield</u>	<u>631,150</u>
<u>Bolton</u>	<u>153,231</u>
<u>Bozrah</u>	<u>77,420</u>
<u>Branford</u>	<u>821,080</u>
<u>Bridgeport</u>	<u>9,758,441</u>
<u>Bridgewater</u>	<u>22,557</u>
<u>Bristol</u>	<u>1,836,944</u>
<u>Brookfield</u>	<u>494,620</u>
<u>Brooklyn</u>	<u>149,576</u>
<u>Burlington</u>	<u>278,524</u>
<u>Canaan</u>	<u>21,294</u>
<u>Canterbury</u>	<u>84,475</u>
<u>Canton</u>	<u>303,842</u>
<u>Chaplin</u>	<u>69,906</u>
<u>Cheshire</u>	<u>855,170</u>
<u>Chester</u>	<u>83,109</u>
<u>Clinton</u>	<u>386,660</u>
<u>Colchester</u>	<u>475,551</u>
<u>Colebrook</u>	<u>42,744</u>
<u>Columbia</u>	<u>160,179</u>
<u>Cornwall</u>	<u>16,221</u>

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<u>Coventry</u>	<u>364,100</u>
<u>Cromwell</u>	<u>415,938</u>
<u>Danbury</u>	<u>2,993,644</u>
<u>Darien</u>	<u>246,849</u>
<u>Deep River</u>	<u>134,627</u>
<u>Derby</u>	<u>400,912</u>
<u>Durham</u>	<u>215,949</u>
<u>East Granby</u>	<u>152,904</u>
<u>East Haddam</u>	<u>268,344</u>
<u>East Hampton</u>	<u>378,798</u>
<u>East Hartford</u>	<u>2,036,894</u>
<u>East Haven</u>	<u>854,319</u>
<u>East Lyme</u>	<u>350,852</u>
<u>East Windsor</u>	<u>334,616</u>
<u>Eastford</u>	<u>33,194</u>
<u>Easton</u>	<u>223,430</u>
<u>Ellington</u>	<u>463,112</u>
<u>Enfield</u>	<u>1,312,766</u>
<u>Essex</u>	<u>107,345</u>
<u>Fairfield</u>	<u>1,144,842</u>
<u>Farmington</u>	<u>482,637</u>
<u>Franklin</u>	<u>37,871</u>
<u>Glastonbury</u>	<u>1,086,151</u>
<u>Goshen</u>	<u>43,596</u>
<u>Granby</u>	<u>352,440</u>
<u>Greenwich</u>	<u>527,695</u>
<u>Griswold</u>	<u>350,840</u>
<u>Groton</u>	<u>623,548</u>
<u>Guilford</u>	<u>657,644</u>
<u>Haddam</u>	<u>245,344</u>
<u>Hamden</u>	<u>2,155,661</u>
<u>Hampton</u>	<u>54,801</u>

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<u>Hartford</u>	<u>2,498,643</u>
<u>Hartland</u>	<u>40,254</u>
<u>Harwinton</u>	<u>164,081</u>
<u>Hebron</u>	<u>300,369</u>
<u>Kent</u>	<u>38,590</u>
<u>Killingly</u>	<u>505,562</u>
<u>Killingworth</u>	<u>122,744</u>
<u>Lebanon</u>	<u>214,717</u>
<u>Ledyard</u>	<u>442,811</u>
<u>Lisbon</u>	<u>65,371</u>
<u>Litchfield</u>	<u>244,464</u>
<u>Lyme</u>	<u>31,470</u>
<u>Madison</u>	<u>536,777</u>
<u>Manchester</u>	<u>1,971,540</u>
<u>Mansfield</u>	<u>756,128</u>
<u>Marlborough</u>	<u>188,665</u>
<u>Meriden</u>	<u>1,893,412</u>
<u>Middlebury</u>	<u>222,109</u>
<u>Middlefield</u>	<u>131,529</u>
<u>Middletown</u>	<u>1,388,602</u>
<u>Milford</u>	<u>2,707,412</u>
<u>Monroe</u>	<u>581,867</u>
<u>Montville</u>	<u>578,318</u>
<u>Morris</u>	<u>40,463</u>
<u>Naugatuck</u>	<u>1,251,980</u>
<u>New Britain</u>	<u>3,131,893</u>
<u>New Canaan</u>	<u>241,985</u>
<u>New Fairfield</u>	<u>414,970</u>
<u>New Hartford</u>	<u>202,014</u>
<u>New Haven</u>	<u>114,863</u>
<u>New London</u>	<u>917,228</u>
<u>New Milford</u>	<u>814,597</u>

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<u>Newington</u>	<u>937,100</u>
<u>Newtown</u>	<u>824,747</u>
<u>Norfolk</u>	<u>28,993</u>
<u>North Branford</u>	<u>421,072</u>
<u>North Canaan</u>	<u>95,081</u>
<u>North Haven</u>	<u>702,295</u>
<u>North Stonington</u>	<u>155,222</u>
<u>Norwalk</u>	<u>4,896,511</u>
<u>Norwich</u>	<u>1,362,971</u>
<u>OldLyme</u>	<u>115,080</u>
<u>Old Saybrook</u>	<u>146,146</u>
<u>Orange</u>	<u>409,337</u>
<u>Oxford</u>	<u>246,859</u>
<u>Plainfield</u>	<u>446,742</u>
<u>Plainville</u>	<u>522,783</u>
<u>Plymouth</u>	<u>367,902</u>
<u>Pomfret</u>	<u>78,101</u>
<u>Portland</u>	<u>277,409</u>
<u>Preston</u>	<u>84,835</u>
<u>Prospect</u>	<u>283,717</u>
<u>Putnam</u>	<u>109,975</u>
<u>Redding</u>	<u>273,185</u>
<u>Ridgefield</u>	<u>738,233</u>
<u>Rocky Hill</u>	<u>584,244</u>
<u>Roxbury</u>	<u>23,029</u>
<u>Salem</u>	<u>123,244</u>
<u>Salisbury</u>	<u>29,897</u>
<u>Scotland</u>	<u>52,109</u>
<u>Seymour</u>	<u>494,298</u>
<u>Sharon</u>	<u>28,022</u>
<u>Shelton</u>	<u>1,016,326</u>
<u>Sherman</u>	<u>56,139</u>

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<u>Simsbury</u>	<u>775,368</u>
<u>Somers</u>	<u>203,969</u>
<u>South Windsor</u>	<u>804,258</u>
<u>Southbury</u>	<u>582,601</u>
<u>Southington</u>	<u>1,280,877</u>
<u>Sprague</u>	<u>128,769</u>
<u>Stafford</u>	<u>349,930</u>
<u>Stamford</u>	<u>2,914,955</u>
<u>Sterling</u>	<u>110,893</u>
<u>Stonington</u>	<u>292,053</u>
<u>Stratford</u>	<u>1,627,064</u>
<u>Suffield</u>	<u>463,170</u>
<u>Thomaston</u>	<u>228,716</u>
<u>Thompson</u>	<u>164,939</u>
<u>Tolland</u>	<u>437,559</u>
<u>Torrington</u>	<u>1,133,394</u>
<u>Trumbull</u>	<u>1,072,878</u>
<u>Union</u>	<u>24,878</u>
<u>Vernon</u>	<u>922,743</u>
<u>Voluntown</u>	<u>48,818</u>
<u>Wallingford</u>	<u>1,324,296</u>
<u>Warren</u>	<u>15,842</u>
<u>Washington</u>	<u>36,701</u>
<u>Waterbury</u>	<u>5,595,448</u>
<u>Waterford</u>	<u>372,956</u>
<u>Watertown</u>	<u>652,100</u>
<u>West Hartford</u>	<u>2,075,223</u>
<u>West Haven</u>	<u>1,614,877</u>
<u>Westbrook</u>	<u>116,023</u>
<u>Weston</u>	<u>304,282</u>
<u>Westport</u>	<u>377,722</u>
<u>Wethersfield</u>	<u>853,493</u>

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<u>Willington</u>	<u>174,995</u>
<u>Wilton</u>	<u>547,338</u>
<u>Winchester</u>	<u>323,087</u>
<u>Windham</u>	<u>739,671</u>
<u>Windsor</u>	<u>854,935</u>
<u>Windsor Locks</u>	<u>368,853</u>
<u>Wolcott</u>	<u>490,659</u>
<u>Woodbridge</u>	<u>274,418</u>
<u>Woodbury</u>	<u>288,147</u>
<u>Woodstock</u>	<u>140,648</u>

(e) For the fiscal year ending June 30, 2017, and each fiscal year thereafter, each regional council of governments shall receive a regional services grant. No such council shall receive a grant for the fiscal year ending June 30, 2018, or any fiscal year thereafter, unless the secretary approves a spending plan for such grant moneys submitted by such council to the secretary on or before July 1, 2017, and annually thereafter. The regional councils of governments shall use such grants for planning purposes and to achieve efficiencies in the delivery of municipal services by regionalizing such services, including, but not limited to, region-wide consolidation of such services. Such efficiencies shall not diminish the quality of such services. A unanimous vote of the representatives of such council shall be required for approval of any expenditure from such grant. On or before October 1, 2017, and biennially thereafter, each such council shall submit a report, in accordance with section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and finance, revenue and bonding. Such report shall summarize expenditure of such grants and provide recommendations concerning the expansion, reduction or modification of such grants.

(f) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, each municipality shall receive a municipal revenue sharing

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grant as follows:

(1) (A) A municipality having a mill rate at or above twenty-five shall receive the per capita distribution or pro rata distribution, whichever is higher for such municipality.

(B) Such grants shall be increased by a percentage calculated as follows:

$$\frac{\text{Sum of per capita distribution amount for all municipalities having a mill rate below twenty-five - pro rata distribution amount for all municipalities having a mill rate below twenty-five}}{\text{Sum of all grants to municipalities calculated pursuant to subparagraph (A) of subdivision (1) of this subsection.}}$$

(C) Notwithstanding the provisions of subparagraphs (A) and (B) of this subdivision, Hartford shall receive not more than 5.2 per cent of the municipal revenue sharing grants distributed pursuant to this subsection; Bridgeport shall receive not more than 4.5 per cent of the municipal revenue sharing grants distributed pursuant to this subsection; New Haven shall receive not more than 2.0 per cent of the municipal revenue sharing grants distributed pursuant to this subsection and Stamford shall receive not more than 2.8 per cent of the equalization grants distributed pursuant to this subsection. Any excess funds remaining after such reductions in payments to Hartford, Bridgeport, New Haven and Stamford shall be distributed to all other municipalities having a mill rate at or above twenty-five on a pro rata basis according to the payment they receive pursuant to this subdivision; and

(2) A municipality having a mill rate below twenty-five shall receive the per capita distribution or pro rata distribution, whichever is less for

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such municipality.

(g) A municipality may disburse any municipal revenue sharing grant funds to a district within such municipality.

(h) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, the amount of the grant payable to a municipality in any year in accordance with subsection (f) of this section shall be reduced if such municipality increases its general budget expenditures for any fiscal year above a cap equal to the amount of general budget expenditures authorized for the previous fiscal year by 2.5 per cent or more or the rate of inflation, whichever is greater. Such reduction shall be in an amount equal to fifty cents for every dollar expended over this cap provided for municipalities with a mill rate imposed on motor vehicles of more than 32 mills for the assessment year commencing October 1, 2013, no grant shall be reduced by more than the portion of the grant that exceeds the difference between the amount of property taxes levied by a municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills. Municipal spending shall not include expenditures for debt service, special education, implementation of court orders or arbitration awards, expenditures associated with a major disaster or emergency declaration by the President of the United States or a disaster emergency declaration issued by the Governor pursuant to chapter 517 or any disbursement made to a district pursuant to subsection (g) of this section (1) in the fiscal year ending June 30, 2017, in an amount up to the difference between the amount of property taxes levied by the district on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills; or (2) in the fiscal year ending June 30, 2018, and each fiscal year thereafter, in an amount up to the difference between the amount of

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property taxes levied by the district on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 29.36 mills. Each municipality shall annually certify to the Secretary of the Office of Policy and Management, on a form prescribed by said secretary, whether such municipality has exceeded the cap set forth in this section and if so the amount by which the cap was exceeded.

(i) The amount of the grant payable to a municipality in any year in accordance with subsection (d) or (f) of this section shall be reduced proportionately in the event that the total of such grants in such year exceeds the amount available for such grants in the municipal revenue sharing account established pursuant to subsection (b) of this section.

Sec. 208. Section 12-122a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*):

Any municipality which has more than one taxing district may by a majority vote of its legislative body set a uniform city-wide mill rate for taxation of motor vehicles, except that if the charter of such municipality provides that any mill rate for property tax purposes shall be set by the board of finance of such municipality, such uniform city-wide mill rate may be set by a majority vote of such board of finance. No uniform city-wide mill rate may exceed the amount set forth in section 206 of this act.

Sec. 209. Section 12-130 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017, and applicable to assessment years commencing on or after October 1, 2017*):

(a) When any community, authorized to raise money by taxation, lays a tax, it shall appoint a collector thereof; and the selectmen of

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towns, and the committees of other communities, except as otherwise specially provided by law, shall make out and sign rate bills containing the proportion which each individual is to pay according to the assessment list; and any judge of the Superior Court or any justice of the peace, on their application or that of their successors in office, shall issue a warrant for the collection of any sums due on such rate bills. Each collector shall mail or hand to each individual from whom taxes are due a bill for the amount of taxes for which such individual is liable. In addition, the collector shall include with such bill, using one of the following methods (1) attachment, (2) enclosure, or (3) printed matter upon the face of the bill, a statement of: [state]

(A) State aid to municipalities which shall be in the following form:

[The] "The (fiscal year) budget for the (city or town) estimates that ... Dollars will be received from the state of Connecticut for various state financed programs. Without this assistance your (fiscal year) property tax would be (herein insert the amount computed in accordance with subsection (b) of this section) [mills.] mills", and

(B) State aid reduction to municipalities that overspend, which shall be in the following form:

"The state will reduce grants to your town if local spending increases by more than 2.5 per cent from the previous fiscal year."

Failure to send out or receive any such bill or statement shall not invalidate the tax. For purposes of this subsection, "mail" includes to send by electronic mail, provided an individual from whom taxes are due consents in writing to receive a bill and statement electronically. Prior to sending any such bill or statement by electronic mail, a community shall provide the public with the appropriate electronic mail address of the community on the community's Internet web site and shall establish procedures to ensure that any individual who

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consents to receive a bill or statement electronically [(1)] (i) receives such bill or statement, and [(2)] (ii) is provided the proper return electronic mail address of the community sending the bill or statement.

(b) The mill rate to be inserted in the statement of state aid to municipalities required by subsection (a) of this section shall be computed on the total estimated revenues required to fund the estimated expenditures of the municipality exclusive of assistance received or anticipated from the state.

Sec. 210. (*Effective from passage*) The Office of Policy and Management shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to planning and development and finance, revenue and bonding, on or before January 1, 2016, with regard to the payment in lieu of taxes provisions of sections 183 to 205, inclusive, of this act and the municipal revenue sharing grant provisions set forth in section 207 of this act as follows: Recommendations for: (1) Further legislative action concerning such provisions; (2) any statutory changes that would facilitate the implementation of such provisions; (3) adjustments to the grant amounts or grant formulas set forth in such provisions; and (4) improvement and enhancement of such provisions.

Sec. 211. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) The following terms, when used in this section and sections 212 to 215, inclusive, of this act have the following meanings, unless the context otherwise requires:

(1) "Administrative auditor" means the person selected pursuant to section 214 of this act;

(2) "Average fiscal capacity" means the assessed value of all taxable real property and property eligible for grants pursuant to section 183

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of this act and sections 12-19a and 12-20a of the general statutes, as amended by this act, in all municipalities within the planning region combined divided by the total population of all municipalities of the region combined;

(3) "Base year" means the assessment year commencing October 1, 2013;

(4) "Commercial and industrial property" means (A) real property used for the sale of goods or services, including, but not limited to, nonresidential living accommodations, dining establishments, motor vehicle services, warehouses and distribution facilities, retail services, banks, office buildings, multipurpose buildings wherein one or more occupations are conducted, commercial condominiums for retail or wholesale use, recreation facilities, entertainment facilities, airports, hotels and motels, and (B) real property used for production and fabrication of durable and nondurable man-made goods from raw materials or compounded parts. Commercial and industrial property includes the lot or land on which a building is situated and accessory improvements located thereon, including, but not limited to, pavement and storage buildings. Commercial and industrial property does not include real property located in an enterprise zone;

(5) "Increase from base year" means the total assessed value of all commercial and industrial property within a municipality for the current year less the total assessed value of all commercial and industrial property within a municipality for the base year;

(6) "Municipality" means any town, city, borough, consolidated town and city or consolidated town and borough;

(7) "Municipal base value" means the total assessed value of commercial and industrial property within a municipality for the base year;

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(8) "Municipal commercial industrial mill rate" means:

$$\begin{array}{rcl} \text{Revenue sharing percentage} & & \\ \text{X increase from base year X regional mill rate} & + & \\ \\ 1 - \text{revenue sharing percentage X} & & \\ \text{increase from base year X municipal mill rate} & + & \\ \text{effective July first of the current year} & & \\ \\ \text{Municipal base value X municipal mill rate} & & \text{Municipal} \\ \text{effective July first of the current year} & = & \text{commercial} \\ \hline \text{Total value} & & \text{industrial} \\ & & \text{mill rate;} \end{array}$$

(9) "Municipal contribution to the area-wide tax base" means:

$$\frac{\text{Increase from base year X revenue sharing percentage}}{1000} \times \text{Regional mill rate} = \text{Municipal contribution to the area-wide tax base;}$$

(10) "Municipal fiscal capacity" means the assessed value of all taxable real property and all property eligible for grants pursuant to section 183 of this act, and sections 12-19a and 12-20a of the general statutes, as amended by this act, within a municipality divided by the population of such municipality;

(11) "Municipal distribution index" means:

$$\text{Municipal population X } \frac{\text{Average fiscal capacity}}{\text{Municipal fiscal capacity}} = \text{Municipal distribution index;}$$

(12) "Planning region" means a planning region of the state as

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defined or redefined by the Secretary of the Office of Policy and Management, or his or her designee, under the provisions of section 16a-4a of the general statutes;

(13) "Population" means the number of persons residing in a municipality according to the most recent federal decennial census, except that, in intervening years between such censuses, "population" means the number of persons according to the most recent estimate made, pursuant to section 19a-2a of the general statutes, by the Department of Public Health, with patients and inmates of state hospitals, institutions of correction, and other state institutions excluded;

(14) "Regional council of governments" means any such council organized under the provisions of sections 4-124i to 4-124p, inclusive, of the general statutes;

(15) "Regional mill rate" means the average mill rate of all municipalities within its respective planning region as of January first as calculated by the administrative auditor for such planning region and verified by the Secretary of the Office of Policy and Management;

(16) "Revenue sharing percentage" means 0.2 or less, as determined by the regional council of governments for the planning region within which the municipality is located; and

(17) "Total value" means the total assessed value of commercial and industrial property within a municipality for the current assessment year.

Sec. 212. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) There is established an optional regional property tax base revenue sharing system. To establish such revenue sharing system within a planning region the members of its regional council of governments must unanimously

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vote to participate therein. On and after January 1, 2017, the tax collector of each municipality within a planning region participating in such revenue sharing system shall remit its municipal contribution to the area-wide tax base, not later than February first, annually, to the administrative auditor for the planning region in which such municipality is located. The administrative auditor shall distribute such revenue to each municipality within the planning region pursuant to section 215 of this act.

Sec. 213. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) Notwithstanding any provision of any general statute, public act or special act, municipalities located within a planning region participating in the regional property tax base revenue sharing system shall use such municipality's municipal commercial industrial mill rate to determine the amount of taxes imposed on commercial and industrial property within such municipality, unless there is no increase from the base year, in which case the municipal mill rate shall be used.

Sec. 214. (NEW) (*Effective October 1, 2015*) (a) On or before August 1, 2016, and each even-numbered year thereafter, the regional council of governments for each planning region participating in the regional property tax base revenue sharing system shall meet and elect from among their number one member to serve as administrative auditor for a period of two years and until a successor is elected. If a majority is unable to agree upon a person to serve as administrative auditor, the Secretary of the Office of Policy and Management shall appoint one member from among the council's members. If the administrative auditor ceases to serve as a member within the planning region during the term for which elected or appointed, a successor shall be chosen in the same manner as provided in this subsection for the original selection, to serve for the unexpired term.

(b) The administrative auditor shall utilize the staff and facilities of

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the planning region. The planning region shall be reimbursed for the marginal expenses incurred by its staff by contribution from each other municipality in the planning region in an amount which bears the same proportion of the total expenses as the population of such municipality bears to the total population of the planning region. The administrative auditor shall annually, on or before February first, certify the amount of total expenses for the preceding calendar year, and the share of each municipality, to the treasurer or other fiscal officer of each municipality within the planning region. Payment shall be made by the treasurer or other fiscal officer of each municipality to the treasurer or other fiscal officer of the planning region on or before the succeeding March first.

Sec. 215. (NEW) (*Effective October 1, 2015, and applicable to assessment years commencing on or after October 1, 2015*) The administrative auditor of each planning region participating in the regional property tax base revenue sharing system shall distribute the moneys remitted to such auditor pursuant to section 212 of this act to each municipality on or before March first, annually, in an amount which bears the same proportion as such municipality's municipal distribution index bears to the total of all municipal distribution indices within such planning region. The revenue distributed to a municipality under this section shall be used by a municipality in the same manner and for the same purposes as the proceeds from taxes on real property levied by the municipality.

Sec. 216. Section 12-541 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(a) There is hereby imposed a tax of ten per cent of the admission charge to any place of amusement, entertainment or recreation, except that no tax shall be imposed with respect to any admission charge (1) when the admission charge is less than one dollar or, in the case of any motion picture show, when the admission charge is not more than five

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dollars, (2) when a daily admission charge is imposed which entitles the patron to participate in an athletic or sporting activity, (3) to any event, other than events held at the stadium facility, as defined in section 32-651, if all of the proceeds from the event inure exclusively to an entity which is exempt from federal income tax under the Internal Revenue Code, provided such entity actively engages in and assumes the financial risk associated with the presentation of such event, (4) to any event, other than events held at the stadium facility, as defined in section 32-651, which, in the opinion of the commissioner, is conducted primarily to raise funds for an entity which is exempt from federal income tax under the Internal Revenue Code, provided the commissioner is satisfied that the net profit which inures to such entity from such event will exceed the amount of the admissions tax which, but for this subdivision, would be imposed upon the person making such charge to such event, (5) other than for events held at the stadium facility, as defined in section 32-651, paid by centers of service for elderly persons, as described in subdivision (d) of section 17a-310, (6) to any production featuring live performances by actors or musicians presented at Gateway's Candlewood Playhouse, Ocean Beach Park or any nonprofit theater or playhouse in the state, provided such theater or playhouse possesses evidence confirming exemption from federal tax under Section 501 of the Internal Revenue Code, (7) to any carnival or amusement ride, (8) to any interscholastic athletic event held at the stadium facility, as defined in section 32-651, (9) if the admission charge would have been subject to tax under the provisions of section 12-542 of the general statutes, revision of 1958, revised to January 1, 1999, [or] (10) to any event at (A) the XL Center in Hartford, or (B) the Webster Bank Arena in Bridgeport, or (11) from July 1, 2015, to June 30, 2017, to any athletic event presented by a member team of the Atlantic League of Professional Baseball at the Ballpark at Harbor Yard in Bridgeport. On and after July 1, 2000, the tax imposed under this section on any motion picture show shall be eight per cent of the admission charge and, on and after July 1, 2001, the tax imposed on

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any such motion picture show shall be six per cent of such charge.

(b) The tax shall be imposed upon the person making such charge and reimbursement for the tax shall be collected by such person from the purchase. Such reimbursement, termed "tax", shall be paid by the purchaser to the person making the admission charge. Such tax, when added to the admission charge, shall be a debt from the purchaser to the person making the admission charge and shall be recoverable at law. The amount of tax reimbursement, when so collected, shall be deemed to be a special fund in trust for the state of Connecticut.

Sec. 217. (NEW) (*Effective from passage*) (a) As used in this section, (1) "swimming pool" means any structure intended for swimming that is installed above ground and is greater than twenty-four inches in depth, and (2) "swimming pool installer" means a person, who for financial compensation, installs a swimming pool.

(b) On and after the adoption of regulations required pursuant to subsection (c) of this section, no person shall install a swimming pool unless such person holds a swimming pool installer's license issued by the Commissioner of Consumer Protection.

(c) Not later than April 1, 2016, the Commissioner of Consumer Protection shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of this section, including establishing the amount and type of experience, training, continuing education and examination requirements for a person to obtain and renew a swimming pool installer's license.

(d) Any person who installs a swimming pool on residential property owned by such person shall be exempt from the provisions of this section.

(e) The holder of a swimming pool installer's license issued pursuant to this section shall comply with the provisions of chapter

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400 of the general statutes regarding registration as a home improvement contractor.

(f) A person licensed as a swimming pool installer pursuant to this section shall not perform electrical work, plumbing and piping work or heating, piping and cooling work, as defined in section 20-330 of the general statutes, unless such person is licensed to perform such work pursuant to chapter 393 of the general statutes.

(g) On and after the adoption of regulations required pursuant to subsection (c) of this section, any person applying to the Department of Consumer Protection for a swimming pool installer's license shall be issued such license without examination upon demonstration by the applicant of experience and training equivalent to the experience and training required to qualify for examination for such license, if such applicant makes such application to the department not later than January 1, 2017.

(h) The initial fee for a swimming pool installer's license shall be one hundred fifty dollars and the renewal fee for such license shall be one hundred dollars. Licenses shall be valid for a period of one year from the date of issuance.

Sec. 218. (*Effective July 1, 2015*) Notwithstanding the provisions of section 4-66aa of the general statutes, as amended by this act, the sum of \$90,000 in each of the fiscal years ending June 30, 2016, and June 30, 2017, shall be transferred from the community investment act to the Military Department, for Personal Services, for the purpose of providing funding in the amount of \$45,000 for the First Company Governor's Horse Guard unit at the Avon facility and \$45,000 for the Second Company Governor's Horse Guard unit at the Newtown facility during each of said fiscal years.

Sec. 219. (*Effective from passage*) On or before February 1, 2016, the

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Commissioner of Revenue Services shall review the impact of alternative methods of apportionment and sourcing of income for the purposes of the corporation business tax on businesses within the state of Connecticut and provide recommendations, if any, in the form of a report filed in accordance with section 11-4a of the general statutes to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

Sec. 220. (*Effective from passage*) Not later than June 30, 2015, the Comptroller may designate up to \$12,700,000 of the resources of the General Fund for the fiscal year ending June 30, 2015, to be accounted for as revenue of the General Fund for the fiscal year ending June 30, 2016.

Sec. 221. Section 21a-408q of the general statutes is repealed. (*Effective July 1, 2015*)

Sec. 222. Subdivisions (90) and (119) of section 12-412 of the general statutes are repealed. (*Effective July 1, 2015*)

Sec. 223. Section 46 of public act 14-47 is repealed. (*Effective from passage*)

Approved June 30, 2015