



House of Representatives

General Assembly

File No. 813

January Session, 2015

Substitute House Bill No. 7056

House of Representatives, May 12, 2015

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE REVISOR'S TECHNICAL CORRECTIONS TO THE FINANCE, REVENUE AND BONDING STATUTES.

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

1 Section 1. Section 3-22k of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 On or before December thirty-first, annually, the Treasurer shall
4 submit a financial report, pursuant to subsection (a) of section 3-37, to
5 the Governor on the operations of the trust including the receipts,
6 disbursements, assets, investments, and liabilities and administrative
7 costs of the trust for the prior fiscal year. The Treasurer shall also
8 submit such report to the Connecticut Higher Education Trust
9 Advisory Committee established pursuant to section 3-22e, and make
10 the report available to each depositor and designated beneficiary.

11 Sec. 2. Subsection (a) of section 3-22p of the general statutes is
12 repealed and the following is substituted in lieu thereof (*Effective*

13 October 1, 2015):

14 (a) Notwithstanding any provision of the general statutes, no
15 moneys invested in the Connecticut Higher Education Trust shall be
16 considered to be an asset for purposes of determining an individual's
17 eligibility for assistance under the temporary family assistance
18 program, as described in section 17b-112, or programs funded under
19 the federal Low Income Home Energy Assistance Program block grant,
20 [, and the federally appropriated weatherization assistance program,
21 as described in section 16a-41i.]

22 Sec. 3. Section 7-326 of the general statutes is repealed and the
23 following is substituted in lieu thereof (*Effective July 1, 2015*):

24 At [such] a meeting held pursuant to section 7-325, the voters may
25 establish a district for any or all of the following purposes: To
26 extinguish fires, to light streets, to plant and care for shade and
27 ornamental trees, to construct and maintain roads, sidewalks,
28 crosswalks, drains and sewers, to appoint and employ watchmen or
29 police officers, to acquire, construct, maintain and regulate the use of
30 recreational facilities, to plan, lay out, acquire, construct, reconstruct,
31 repair, maintain, supervise and manage a flood or erosion control
32 system, to plan, lay out, acquire, construct, maintain, operate and
33 regulate the use of a community water system, to collect garbage,
34 ashes and all other refuse matter in any portion of such district and
35 provide for the disposal of such matter, to implement tick control
36 measures, to install highway sound barriers, to maintain water quality
37 in lakes that are located solely in one town in this state, to establish a
38 zoning commission and a zoning board of appeals or a planning
39 commission, or both, by adoption of chapter 124 or chapter 126,
40 excluding section 8-29, or both chapters, as the case may be, which
41 commissions or board shall be dissolved upon adoption by the town of
42 subdivision or zoning regulations by the town planning or zoning
43 commission, to adopt building regulations, which regulations shall be
44 superseded upon adoption by the town of building regulations, and to
45 provide ferry service. Any district may contract with a town, city,

46 borough or other district [for carrying] to carry out any of the purposes
47 for which such district was established.

48 Sec. 4. Subsection (b) of section 12-71 of the general statutes is
49 repealed and the following is substituted in lieu thereof (*Effective*
50 *October 1, 2015*):

51 (b) Except as otherwise provided by the general statutes, property
52 subject to this section shall be valued at the same percentage of its then
53 actual valuation as the assessors have determined with respect to the
54 listing of real estate for the same year, except that any antique, rare or
55 special interest motor vehicle, as defined in section 14-1, shall be
56 assessed at a value of not more than five hundred dollars. The owner
57 of such antique, rare or special interest motor vehicle may be required
58 by the assessors to provide reasonable documentation that such motor
59 vehicle is an antique, rare or special interest motor vehicle, [provided]
60 except that the owner of any motor vehicle for which special number
61 plates have been issued pursuant to section 14-20 shall not be required
62 to provide any such documentation. The provisions of this section
63 shall not include money or property actually invested in merchandise
64 or manufacturing carried on out of this state or machinery or
65 equipment which would be eligible for exemption under subdivision
66 (72) of section 12-81 once installed and which cannot begin or which
67 has not begun manufacturing, processing or fabricating; or which is
68 being used for research and development, including experimental or
69 laboratory research and development, design or engineering directly
70 related to manufacturing or being used for the significant servicing,
71 overhauling or rebuilding of machinery and equipment for industrial
72 use or the significant overhauling or rebuilding of other products on a
73 factory basis or being used for measuring or testing or metal finishing
74 or in the production of motion pictures, video and sound recordings.

75 Sec. 5. Subsection (c) of section 12-120b of the general statutes is
76 repealed and the following is substituted in lieu thereof (*Effective*
77 *October 1, 2015*):

78 (c) The secretary may review any application for financial assistance

79 submitted by a claimant in conjunction with a program. The secretary
80 may exclude from reimbursement any property included in an
81 application that, in the secretary's judgment, does not qualify for
82 financial assistance or may modify the amount of any financial
83 assistance approved by an assessor or municipal official in the event
84 the secretary finds it to be mathematically incorrect, not supported by
85 the application [,] or not in conformance with law or if the secretary
86 believes that additional information is needed to justify its approval.

87 Sec. 6. Subsection (a) of section 12-124a of the general statutes is
88 repealed and the following is substituted in lieu thereof (*Effective*
89 *October 1, 2015*):

90 (a) Any municipality may, upon approval by its legislative body or
91 in any town in which the legislative body is a town meeting, by the
92 board of selectmen, abate the property taxes due for any tax year with
93 respect to any residential dwelling occupied by the owner or owners
94 and for whom such dwelling is the primary place of residence, to the
95 extent that such property taxes exceed eight per cent or more of the
96 total income from any source, adjusted for self-employed persons to
97 reflect the allowance for expenses in determining adjusted gross
98 income for federal income tax purposes, of such owner or owners and
99 any other person for whom such dwelling is the primary place of
100 residence, for the calendar year immediately preceding the beginning
101 of the tax year for which such taxes are due. Application for such
102 abatement shall be made not later than thirty days preceding the tax
103 due date for such tax year, [provided] except that if the amount of such
104 taxes has not been determined on such date, [within] such application
105 shall be made not later than ten days following determination of the
106 amount of such taxes.

107 Sec. 7. Subsection (a) of section 12-129n of the general statutes is
108 repealed and the following is substituted in lieu thereof (*Effective*
109 *October 1, 2015*):

110 (a) Any municipality may, by vote of its legislative body on
111 recommendation of its board of finance or equivalent body, provide

112 property tax relief to residents of such municipality, with respect to
113 real property owned and occupied by such residents as their principal
114 residence, or held in trust for and occupied by such residents as their
115 principal residence, who are (1) sixty-five years of age and over, or
116 whose spouses, living with them, are sixty-five years of age or over or
117 sixty years of age or over and the surviving spouse of a taxpayer
118 qualified in such municipality under this section at the time of his or
119 her death or with respect to real property on which such residents or
120 their spouses are liable for taxes under section 12-48, or (2) under age
121 sixty-five and eligible in accordance with applicable federal
122 regulations to receive permanent total disability benefits under Social
123 Security, or have not been engaged in employment covered by Social
124 Security and accordingly have not qualified for benefits thereunder,
125 but have become qualified for permanent total disability benefits
126 under any federal, state or local government retirement or disability
127 plan, including the Railroad Retirement Act and any government-
128 related teacher's retirement plan, in which requirements with respect
129 to qualifications for such permanent total disability benefits are
130 comparable to such requirements under Social Security, provided such
131 residents or their spouses under [subdivisions] subdivision (1) or (2)
132 above have been taxpayers of such municipality for one year
133 immediately preceding their receipt of tax benefits under this section,
134 and meet the requirements which may be established by such
135 municipality with respect to maximum income allowable during the
136 calendar year preceding the year in which application is made for the
137 tax relief provided in this section. No such property tax relief, together
138 with any relief received by any such resident under the provisions of
139 sections 12-129b to 12-129d, inclusive, and 12-170aa shall exceed, in the
140 aggregate the total amount of the tax which would, except for said
141 sections 12-129b to 12-129d, inclusive, 12-170aa and this section, be laid
142 against the taxpayer.

143 Sec. 8. Section 12-144b of the general statutes is repealed and the
144 following is substituted in lieu thereof (*Effective October 1, 2015*):

145 Except as otherwise provided by the general statutes, all payments

146 made to or recovered by the municipality on any specific property
147 shall be applied (1) [first,] for any outstanding unsecured taxes, first to
148 expenses concerning such unsecured taxes, including attorney's fees,
149 collection expenses, recording fees, collector's fees and other expenses
150 and charges related to all delinquencies owed by the party liable
151 therefor before the interest accrued, then to the principal of such
152 outstanding unsecured taxes, paying the oldest such tax first, and (2)
153 for any outstanding secured taxes, first to expenses concerning such
154 secured taxes, including attorney's fees, collection expenses, recording
155 fees, collector's fees and other expenses and charges related to all
156 delinquencies owed by the party liable therefor before the interest
157 accrued, then to the principal of such outstanding secured taxes,
158 paying the oldest such tax first. If there is litigation pending between
159 the municipality and the party liable for the oldest outstanding tax on
160 such property concerning such oldest outstanding tax, such tax
161 payment shall only be applied to the oldest outstanding tax on such
162 property which is not involved in such litigation, provided this section
163 shall not apply to tax payments tendered by third parties pursuant to
164 contract or by operation of law. The municipality shall not be bound
165 by any notation on or accompanying a payment that purports to be
166 payment in full, proposes to waive any rights or powers of the
167 municipality, directs application of the payment in any manner that
168 contradicts any applicable statute or ordinance or is otherwise contrary
169 to law.

170 Sec. 9. Subsection (d) of section 12-218d of the general statutes is
171 repealed and the following is substituted in lieu thereof (*Effective from*
172 *passage*):

173 (d) The adjustments required in subsection (b) of this section shall
174 not apply if (1) the corporation establishes by clear and convincing
175 evidence, as determined by the commissioner, that the adjustments are
176 unreasonable, (2) the corporation and the commissioner agree in
177 writing to the application or use of an alternative method of
178 determining the combined measure of the tax, provided [that] the
179 Commissioner of Revenue Services shall consider approval of such

180 petition only in the event that the petitioners have clearly established
181 to the satisfaction of said commissioner that there are substantial
182 intercorporate business transactions among such included
183 corporations and that the proposed alternative method of determining
184 the combined measure of the tax accurately reflects the activity,
185 business, income or capital of the taxpayers within the state, or (3) the
186 corporation elects, on forms authorized for such purpose by the
187 commissioner, to calculate its tax on a unitary basis including all
188 members of the unitary group, provided [that] there are substantial
189 intercorporate business transactions among such included
190 corporations. Such election to file on a unitary basis shall be
191 irrevocable for and applicable for five successive income years.
192 Nothing in this [subdivision] subsection shall be construed to limit or
193 negate the commissioner's authority to otherwise enter into
194 agreements and compromises otherwise allowed by law.

195 Sec. 10. Section 12-330h of the general statutes is repealed and the
196 following is substituted in lieu thereof (*Effective from passage*):

197 When any property has been seized under the provisions of section
198 12-330g, the commissioner may, at his discretion, after a hearing as
199 provided in section 12-330l, advertise such property for sale in a
200 newspaper published or having a circulation in the town in which the
201 seizure took place, at least five days before the sale. Any person
202 claiming an interest in such property may make written application to
203 the commissioner for a hearing, stating his interest in the property and
204 his reasons why [it] the property should not be forfeited. Further
205 proceedings on such application for hearing shall be taken as provided
206 in sections 12-330l and 12-330m. No [sale of any] property may be sold
207 under the provisions of section [12-330m shall be made] 12-330g while
208 an application for a hearing is pending before the commissioner, but
209 the pendency of an appeal under the provisions of section [12-330g] 12-
210 330m shall not prevent the sale unless the appellant posts a satisfactory
211 bond, with surety, in an amount double the estimated value of the
212 property, conditioned upon the successful termination of the appeal.

213 Sec. 11. Subdivision (19) of subsection (a) of section 12-407 of the
214 general statutes is repealed and the following is substituted in lieu
215 thereof (*Effective from passage*):

216 (19) "Occupancy" means the use or possession, or the right to the
217 use or possession, of any room or rooms in a hotel or lodging house, or
218 the right to the use or possession of the furnishings or the services and
219 accommodations accompanying the use and possession of such room
220 or rooms, for the first period of not [exceeding] more than thirty
221 consecutive calendar days.

222 Sec. 12. Subsection (a) of section 12-556g of the general statutes is
223 repealed and the following is substituted in lieu thereof (*Effective*
224 *October 1, 2015*):

225 (a) A facilities surcharge shall be imposed on the admission charge,
226 as defined in [subsection] subdivision (3) of section 12-540, to the
227 events at facilities owned or managed by the Tennis Foundation of
228 Connecticut or any successor organization. The surcharge shall be
229 imposed at a rate of ten per cent of such admission charge and shall be
230 in addition to any tax otherwise applicable to such transaction. The
231 surcharge shall be imposed on sponsors and promoters of events held
232 at facilities owned or managed by the Tennis Foundation of
233 Connecticut or any successor organization and reimbursement for the
234 surcharge shall be collected by the sponsor or promoter from the
235 purchaser. Such reimbursement shall be paid by the purchaser to the
236 sponsor or promoter. The surcharge, when added to the admission
237 charge, shall be a debt from the purchaser to the sponsor or promoter
238 and shall be recoverable at law.

239 Sec. 13. Section 12-579 of the general statutes is repealed and the
240 following is substituted in lieu thereof (*Effective October 1, 2015*):

241 Any municipality may, by ordinance, impose a tax of ten per cent of
242 the admission charge, as defined in [subsection] subdivision (3) of
243 section 12-540, to any place licensed by the Department of Consumer
244 Protection and containing a pari-mutuel system therein or to any off-

245 track betting facility. The tax shall be imposed upon the person making
246 such charge and reimbursement for the tax shall be collected by such
247 person from the purchaser. Such reimbursement, termed "tax", shall be
248 paid by the purchaser to the person making the admission charge.
249 Such tax, when added to the admission charge, shall be a debt from the
250 purchaser to the person making such charge and shall be recoverable
251 at law.

252 Sec. 14. Subparagraph (B)(xviii) of subdivision (20) of subsection (a)
253 of section 12-701 of the general statutes, as amended by section 50 of
254 public act 14-47, is repealed and the following is substituted in lieu
255 thereof (*Effective July 1, 2015*):

256 (B) There shall be subtracted therefrom (i) to the extent properly
257 includable in gross income for federal income tax purposes, any
258 income with respect to which taxation by any state is prohibited by
259 federal law, (ii) to the extent allowable under section 12-718, exempt
260 dividends paid by a regulated investment company, (iii) the amount of
261 any refund or credit for overpayment of income taxes imposed by this
262 state, or any other state of the United States or a political subdivision
263 thereof, or the District of Columbia, to the extent properly includable
264 in gross income for federal income tax purposes, (iv) to the extent
265 properly includable in gross income for federal income tax purposes
266 and not otherwise subtracted from federal adjusted gross income
267 pursuant to clause (x) of this subparagraph in computing Connecticut
268 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
269 extent any additional allowance for depreciation under Section 168(k)
270 of the Internal Revenue Code, as provided by Section 101 of the Job
271 Creation and Worker Assistance Act of 2002, for property placed in
272 service after December 31, 2001, but prior to September 10, 2004, was
273 added to federal adjusted gross income pursuant to subparagraph
274 (A)(ix) of this subdivision in computing Connecticut adjusted gross
275 income for a taxable year ending after December 31, 2001, twenty-five
276 per cent of such additional allowance for depreciation in each of the
277 four succeeding taxable years, (vi) to the extent properly includable in
278 gross income for federal income tax purposes, any interest income

279 from obligations issued by or on behalf of the state of Connecticut, any
280 political subdivision thereof, or public instrumentality, state or local
281 authority, district or similar public entity created under the laws of the
282 state of Connecticut, (vii) to the extent properly includable in
283 determining the net gain or loss from the sale or other disposition of
284 capital assets for federal income tax purposes, any gain from the sale
285 or exchange of obligations issued by or on behalf of the state of
286 Connecticut, any political subdivision thereof, or public
287 instrumentality, state or local authority, district or similar public entity
288 created under the laws of the state of Connecticut, in the income year
289 such gain was recognized, (viii) any interest on indebtedness incurred
290 or continued to purchase or carry obligations or securities the interest
291 on which is subject to tax under this chapter but exempt from federal
292 income tax, to the extent that such interest on indebtedness is not
293 deductible in determining federal adjusted gross income and is
294 attributable to a trade or business carried on by such individual, (ix)
295 ordinary and necessary expenses paid or incurred during the taxable
296 year for the production or collection of income which is subject to
297 taxation under this chapter but exempt from federal income tax, or the
298 management, conservation or maintenance of property held for the
299 production of such income, and the amortizable bond premium for the
300 taxable year on any bond the interest on which is subject to tax under
301 this chapter but exempt from federal income tax, to the extent that
302 such expenses and premiums are not deductible in determining federal
303 adjusted gross income and are attributable to a trade or business
304 carried on by such individual, (x) (I) for a person who files a return
305 under the federal income tax as an unmarried individual whose
306 federal adjusted gross income for such taxable year is less than fifty
307 thousand dollars, or as a married individual filing separately whose
308 federal adjusted gross income for such taxable year is less than fifty
309 thousand dollars, or for a husband and wife who file a return under
310 the federal income tax as married individuals filing jointly whose
311 federal adjusted gross income for such taxable year is less than sixty
312 thousand dollars or a person who files a return under the federal
313 income tax as a head of household whose federal adjusted gross

314 income for such taxable year is less than sixty thousand dollars, an
315 amount equal to the Social Security benefits includable for federal
316 income tax purposes; and (II) for a person who files a return under the
317 federal income tax as an unmarried individual whose federal adjusted
318 gross income for such taxable year is fifty thousand dollars or more, or
319 as a married individual filing separately whose federal adjusted gross
320 income for such taxable year is fifty thousand dollars or more, or for a
321 husband and wife who file a return under the federal income tax as
322 married individuals filing jointly whose federal adjusted gross income
323 from such taxable year is sixty thousand dollars or more or for a
324 person who files a return under the federal income tax as a head of
325 household whose federal adjusted gross income for such taxable year
326 is sixty thousand dollars or more, an amount equal to the difference
327 between the amount of Social Security benefits includable for federal
328 income tax purposes and the lesser of twenty-five per cent of the Social
329 Security benefits received during the taxable year, or twenty-five per
330 cent of the excess described in Section 86(b)(1) of the Internal Revenue
331 Code, (xi) to the extent properly includable in gross income for federal
332 income tax purposes, any amount rebated to a taxpayer pursuant to
333 section 12-746, (xii) to the extent properly includable in the gross
334 income for federal income tax purposes of a designated beneficiary,
335 any distribution to such beneficiary from any qualified state tuition
336 program, as defined in Section 529(b) of the Internal Revenue Code,
337 established and maintained by this state or any official, agency or
338 instrumentality of the state, (xiii) to the extent allowable under section
339 12-701a, contributions to accounts established pursuant to any
340 qualified state tuition program, as defined in Section 529(b) of the
341 Internal Revenue Code, established and maintained by this state or
342 any official, agency or instrumentality of the state, (xiv) to the extent
343 properly includable in gross income for federal income tax purposes,
344 the amount of any Holocaust victims' settlement payment received in
345 the taxable year by a Holocaust victim, (xv) to the extent properly
346 includable in gross income for federal income tax purposes of an
347 account holder, as defined in section 31-51ww, interest earned on
348 funds deposited in the individual development account, as defined in

349 section 31-51ww, of such account holder, (xvi) to the extent properly
350 includable in the gross income for federal income tax purposes of a
351 designated beneficiary, as defined in section 3-123aa, interest,
352 dividends or capital gains earned on contributions to accounts
353 established for the designated beneficiary pursuant to the Connecticut
354 Homecare Option Program for the Elderly established by sections 3-
355 123aa to 3-123ff, inclusive, (xvii) to the extent properly includable in
356 gross income for federal income tax purposes, fifty per cent of the
357 income received from the United States government as retirement pay
358 for a retired member of (I) the Armed Forces of the United States, as
359 defined in Section 101 of Title 10 of the United States Code, or (II) the
360 National Guard, as defined in Section 101 of Title 10 of the United
361 States Code, (xviii) to the extent properly includable in gross income
362 for federal income tax purposes for the taxable year, any income from
363 the discharge of indebtedness in connection with any reacquisition,
364 after December 31, 2008, and before January 1, 2011, of an applicable
365 debt instrument or instruments, as those terms are defined in Section
366 108 of the Internal Revenue Code, as amended by Section 1231 of the
367 American Recovery and Reinvestment Act of 2009, to the extent any
368 such income was added to federal adjusted gross income pursuant to
369 subparagraph [(A)(x)] (A)(xi) of this subdivision in computing
370 Connecticut adjusted gross income for a preceding taxable year, (xix)
371 to the extent not deductible in determining federal adjusted gross
372 income, the amount of any contribution to a manufacturing
373 reinvestment account established pursuant to section 32-9zz in the
374 taxable year that such contribution is made, and (xx) to the extent
375 properly includable in gross income for federal income tax purposes,
376 for the taxable year commencing January 1, 2015, ten per cent of the
377 income received from the state teachers' retirement system, for the
378 taxable year commencing January 1, 2016, twenty-five per cent of the
379 income received from the state teachers' retirement system, and for the
380 taxable year commencing January 1, 2017, and each taxable year
381 thereafter, fifty per cent of the income received from the state teachers'
382 retirement system.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	3-22k
Sec. 2	<i>October 1, 2015</i>	3-22p(a)
Sec. 3	<i>July 1, 2015</i>	7-326
Sec. 4	<i>October 1, 2015</i>	12-71(b)
Sec. 5	<i>October 1, 2015</i>	12-120b(c)
Sec. 6	<i>October 1, 2015</i>	12-124a(a)
Sec. 7	<i>October 1, 2015</i>	12-129n(a)
Sec. 8	<i>October 1, 2015</i>	12-144b
Sec. 9	<i>from passage</i>	12-218d(d)
Sec. 10	<i>from passage</i>	12-330h
Sec. 11	<i>from passage</i>	12-407(a)(19)
Sec. 12	<i>October 1, 2015</i>	12-556g(a)
Sec. 13	<i>October 1, 2015</i>	12-579
Sec. 14	<i>July 1, 2015</i>	12-701(a)(20)(B)(xviii)

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill makes a number of technical and conforming changes which do not result in any fiscal impact to the state or municipalities.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis

sHB 7056

AN ACT CONCERNING THE REVISOR'S TECHNICAL CORRECTIONS TO THE FINANCE, REVENUE AND BONDING STATUTES.

SUMMARY:

This bill makes technical changes in the statutes on special taxing districts, property taxes, and various state taxes. It also corrects statutory references in the Connecticut Higher Education Trust and personal income tax statutes.

EFFECTIVE DATE: October 1, 2015, except for the provisions concerning (1) special taxing districts and the income tax, which are effective July 1, 2015 and (2) corporation income, tobacco products, and sales tax, which are effective on passage.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 49 Nay 0 (04/30/2015)