



Substitute House Bill No. 6986

Public Act No. 15-179

**AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO
TITLE 12 OF THE GENERAL STATUTES.**

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

Section 1. Subdivision (19) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

Sec. 2. Section 12-330h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

When any property has been seized under the provisions of section 12-330g, the commissioner may, at his discretion, after a hearing as provided in section 12-330l, advertise such property for sale in a newspaper published or having a circulation in the town in which the seizure took place, at least five days before the sale. Any person claiming an interest in such property may make written application to

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the commissioner for a hearing, stating his interest in the property and his reasons why [it] the property should not be forfeited. Further proceedings on such application for hearing shall be taken as provided in sections 12-330l and 12-330m. No [sale of any] property may be sold under the provisions of section [12-330m shall be made] 12-330g while an application for a hearing is pending before the commissioner, but the pendency of an appeal under the provisions of section [12-330g] 12-330m shall not prevent the sale unless the appellant posts a satisfactory bond, with surety, in an amount double the estimated value of the property, conditioned upon the successful termination of the appeal.

Sec. 3. Subparagraph (B)(xviii) 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(20) of subsection (a) of section 12-701 of the general statutes, as amended by section 50 of public act 14-47, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2015*):

(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

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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 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

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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 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

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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 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 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)] (A)(xi) 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

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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 income received from the state teachers' retirement system.

Sec. 4. Subsection (d) of section 12-218d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) The adjustments required in subsection (b) of this section shall not apply if (1) the corporation establishes by clear and convincing evidence, as determined by the commissioner, that the adjustments are unreasonable, (2) the corporation and the commissioner agree in writing to the application or use of 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 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 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

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corporations. Such election to file on a unitary basis shall be irrevocable for and applicable for five successive income years. Nothing in this [subdivision] subsection shall be construed to limit or negate the commissioner's authority to otherwise enter into agreements and compromises otherwise allowed by law.

Sec. 5. Subdivision (40) of section 12-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(40) (A) Sales of and the storage, use or other consumption of any vessel exclusively for use in commercial fishing and any machinery or equipment exclusively for use on a commercial fishing vessel by a fisherman engaged in commercial fishing as a trade or business and to whom the Department of Revenue Services has issued a fisherman tax exemption permit, provided (i) for the immediately preceding taxable year, or (ii) on average, for the two immediately preceding taxable years, not less than fifty per cent of the gross income of the purchaser, as reported for federal income tax purposes, [shall have been] was derived from commercial fishing, subject to proof satisfactory to the Commissioner of Revenue Services.

[(B) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, requiring periodic registration for purposes of the issuance of fisherman tax exemption permits, including (i) a procedure related to the application for such permit, which application shall include a declaration, in a form prescribed by the commissioner and bearing notice to the effect that false statements made in such declaration are punishable, to be signed by the applicant, and (ii) a form of notice concerning the penalty for misuse of such permit.]

[(C)] (B) (i) The Commissioner of Revenue Services may issue a fisherman tax exemption permit to an applicant, provided such

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applicant has satisfied the commissioner that the applicant intends to carry on commercial fishing as a trade or business for at least two years, notwithstanding the fact that the applicant was not engaged in commercial fishing as a trade or business in the immediately preceding taxable year or, if the applicant was engaged in commercial fishing as a trade or business in such immediately preceding taxable year, notwithstanding the fact that, for such immediately preceding taxable year, or, on average, for the two immediately preceding taxable years, less than fifty per cent of the gross income of the applicant, as reported for federal income tax purposes, was derived from commercial fishing.

(ii) Such applicant shall be liable for the tax otherwise imposed, during the period commencing upon the issuance of the permit and ending two years after the date of issuance of the permit, if commercial fishing is not carried on as a trade or business by such applicant during such entire period.

(iii) Such applicant shall also be liable for the tax otherwise imposed, during the period commencing upon the issuance of the permit and ending two years after the date of issuance of the permit, if less than fifty per cent of the gross income of such applicant, as reported for federal income tax purposes, [~~shall have been~~] was derived from such commercial fishing for the immediately preceding taxable year, or, on average, for the two immediately preceding taxable years.

(iv) Any applicant liable for tax under clause (ii) or (iii) of this subparagraph shall not be eligible to be issued another permit under clause (i) of this subparagraph.

~~[(D)]~~ (C) The Commissioner of Revenue Services may issue a fisherman tax exemption permit to an applicant, notwithstanding the fact that, in the applicant's immediately preceding taxable year, less than fifty per cent of the gross income of the applicant, as reported for

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federal income tax purposes, was derived from commercial fishing, provided (i) such applicant purchased, during the applicant's current or immediately preceding taxable year, a commercial fishing trade or business from a seller who was issued a fisherman tax exemption permit by said commissioner at the time of such purchase, and (ii) such commercial fishing shall be carried on as a trade or business by such applicant during the period commencing upon the purchase and ending two years after the date of purchase. Such applicant shall be liable for the tax otherwise imposed, during the period commencing upon such purchase and ending two years after the date of purchase, if such applicant does not carry on such commercial fishing as a trade or business during the period commencing upon such purchase and ending two years after the date of purchase.

[(E)] (D) For purposes of this subdivision, "commercial fishing vessel" shall include any vessel with a certificate of documentation issued by the United States Coast Guard for coastwise fishery.

Approved July 2, 2015