



General Assembly

February Session, 2016

Raised Bill No. 5626

LCO No. 2877



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE EARNED INCOME TAX CREDIT.

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

1 Section 1. (*Effective October 1, 2016*) The Department of Revenue
2 Services shall study the income requirements for earned income tax
3 credit eligibility pursuant to section 12-704e of the general statutes and
4 the impact of such income requirements on premature termination of
5 employment by recipients of such credit seeking to maintain eligibility
6 for the credit. Not later than January 1, 2017, the department shall
7 report on such study, in accordance with the provisions of section 11-
8 4a of the general statutes, to the joint standing committee of the
9 General Assembly having cognizance of matters relating to finance,
10 revenue and bonding. Such report shall include recommendations for
11 (1) a graduated schedule that will allow those receiving the credit to
12 remain eligible for such credit upon small increases in pay, (2) monthly
13 distribution of any refund, in lieu of the current lump sum annual
14 refund provided for in subsection (b) of section 12-704e of the general
15 statutes, of a personal income tax overpayment resulting from the

16 application of the earned income tax credit, and (3) a schedule for such
17 monthly distribution where such refund decreases as pay increases in
18 a manner that does not reduce the employee's monthly income.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section

Statement of Purpose:

To require the Department of Revenue Services to study the income limits applicable to the earned income tax credit and personal income tax refund distribution for recipients of such credit.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]