



General Assembly

February Session, 2016

Substitute Bill No. 5626

* _____HB05626FIN_____032916_____*

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 earned income amount requirements for
3 earned income tax credit eligibility pursuant to Section 32 of the
4 Internal Revenue Code, as defined in section 12-701 of the general
5 statutes, incorporated by reference into section 12-704e of the general
6 statutes, and the impact of such income requirements on premature
7 termination of employment by recipients of such credit seeking to
8 maintain eligibility for the credit. Not later than January 1, 2017, the
9 department shall report on such study, in accordance with the
10 provisions of section 11-4a of the general statutes, to the joint standing
11 committee of the General Assembly having cognizance of matters
12 relating to finance, revenue and bonding. Such report shall include
13 recommendations for (1) a graduated schedule that will allow those
14 receiving the credit to remain eligible for such credit upon small
15 increases in pay, (2) monthly distribution of any refund, in lieu of the
16 current lump sum annual refund provided for in subsection (b) of
17 section 12-704e of the general statutes, of a personal income tax
18 overpayment resulting from the application of the earned income tax
19 credit, and (3) a schedule for such monthly distribution where such
20 refund decreases as pay increases in a manner that does not reduce the
21 employee's monthly income.

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

For the purpose of ensuring accuracy "income requirements" was changed to "earned income amount requirements" and the reference to Section 32 of the Internal Revenue Code, as defined in section 12-701 of the general statutes, was added.

FIN *Joint Favorable Subst. -LCO*