AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

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

Section 1. (Effective from passage) Each department head, as defined in section 4-5 of the general statutes, other than the Secretary of the Office of Policy and Management, shall undertake a review of the fees collected by his or her department and determine whether each fee is sufficient to cover the department's costs to collect such fee and administer the program associated with such fee. Each department head shall submit, taking such costs into consideration, any recommended fee increases to said secretary before December 1, 2017. Said secretary shall review each department head's submission and submit a report to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue
and bonding not later than February 7, 2018, of any recommended
increases of up to fifty per cent of any existing fee, provided the total
amount of the increase in fees shall not exceed twenty million dollars.

Sec. 2. (Effective from passage) (a) For purposes of this section,
"qualified taxpayer" means a taxpayer that: (1) Failed to file a tax
return, or failed to report the full amount of tax properly due on a
previously filed tax return, that was due on or before December 31,
2016; (2) voluntarily comes forward prior to receiving a billing notice
or a notice from the Department of Revenue Services that an audit is
being conducted in relation to the tax type and taxable period or
periods for which the taxpayer is seeking a fresh start agreement; (3) is
not a party to a closing agreement with the Commissioner of Revenue
Services in relation to the tax type and taxable period or periods for
which the taxpayer is seeking a fresh start agreement; (4) has not made
an offer of compromise that has been accepted by the commissioner in
relation to the tax type and taxable period or periods for which the
taxpayer is seeking a fresh start agreement; (5) has not protested a
determination of an audit for the tax type and taxable period or
periods for which the taxpayer is seeking a fresh start agreement; (6) is
not a party to litigation against the commissioner in relation to the tax
type and taxable period or periods for which the taxpayer is seeking a
fresh start agreement; and (7) makes application for a fresh start
agreement in the form and manner prescribed by the commissioner.

(b) Notwithstanding the provisions of any other law, the
Commissioner of Revenue Services is authorized to implement a fresh
start program and may, at the commissioner's sole discretion, enter
into fresh start agreements with qualified taxpayers during the period
from July 1, 2017, to October 31, 2018, inclusive, except taxes imposed
under chapter 222 of the general statutes shall not be eligible for a fresh
start agreement. Any fresh start agreement shall provide for (1) the
waiver of all penalties that may be imposed under title 12 of the
general statutes, and (2) the waiver of fifty per cent of the interest
related to a failure to pay any amount due to the commissioner by the
date prescribed for payment. A fresh start agreement for a qualified taxpayer that has failed to file a tax return or returns may also provide for a limited look-back period.

(c) As part of any fresh start agreement, a qualified taxpayer shall:

(1) Voluntarily and fully disclose on the application all material facts pertinent to such taxpayer's liability for taxes due to the commissioner;
(2) file any tax returns or documents that may be required by the commissioner;
(3) pay in full the tax and interest as set forth in the fresh start agreement in the form and manner prescribed by the commissioner;
(4) agree to timely file any required tax returns and pay any associated tax obligations to this state for a period of three years after the date the fresh start agreement is signed by the parties to such agreement; and
(5) waive, for the taxable period or periods for which the commissioner has agreed to waive penalties and interest, all administrative and judicial rights of appeal that have not run or expired.

(d) Notwithstanding the provisions of subsections (a) to (c), inclusive, of this section or of any fresh start agreement, the waiver of penalties and interest shall not be binding on the commissioner if the commissioner finds that any of the following circumstances exist:

(1) The qualified taxpayer misrepresented any material fact in applying for or entering into the fresh start agreement;
(2) the qualified taxpayer fails to provide any information required for any taxable period covered by the fresh start agreement on or before the due date prescribed under the terms of the fresh start agreement;
(3) the qualified taxpayer fails to pay any tax, penalty or interest due in the time, form or manner prescribed under the terms of the fresh start agreement;
(4) the tax reported by the qualified taxpayer for any taxable period covered by the fresh start agreement, including any amount shown on an amended tax return, understates by ten per cent or more the tax due and such taxpayer cannot demonstrate to the satisfaction of the commissioner that a good faith effort was made to accurately compute the tax; or
(5) the qualified taxpayer fails to timely
file any required tax returns or pay any associated tax obligations to this state, during the three-year period after the date the fresh start agreement was signed by the parties to such agreement. No payment made by a qualified taxpayer for a taxable period covered by a fresh start agreement shall be refunded to such taxpayer or credited to a taxable period other than the taxable period for which such payment was made.

Sec. 3. Subsection (a) of section 22a-244 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) (1) Every beverage container containing a carbonated beverage sold or offered for sale in this state, except for any such beverage containers sold or offered for sale for consumption on an interstate passenger carrier, shall have a refund value. Such refund value shall not be less than (A) five cents prior to July 1, 2018, and (B) ten cents on or after July 1, 2018, and shall be a uniform amount throughout the distribution process in this state. (2) Every beverage container containing a noncarbonated beverage sold or offered for sale in this state shall have a refund value, except for beverage containers containing a noncarbonated beverage that are (A) sold or offered for sale for consumption on an interstate passenger carrier, or (B) that comprise any dealer’s existing inventory as of March 31, 2009. Such refund value shall not be less than five cents and shall be a uniform amount throughout the distribution process in this state.

Sec. 4. Section 12-202 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Each domestic insurance company shall, annually, pay a tax on the total net direct premiums received by such company during the calendar year next preceding from policies written on property or risks located or resident in this state. The rate of tax on all net direct insurance premiums received (1) on [and] or after January 1, 1995, and
prior to January 1, 2018, shall be one and three-quarters per cent, and
(2) on or after January 1, 2018, shall be one and one-half per cent. The
franchise tax imposed under this section on premium income for the
privilege of doing business in the state is in addition to the tax
imposed under chapter 208. In the case of any local domestic insurance
company the admitted assets of which as of the end of an income year
do not exceed ninety-five million dollars, eighty per cent of the tax
paid by such company under chapter 208 during such income year
reduced by any refunds of taxes paid by such company and granted
under said chapter within such income year and eighty per cent of the
assessment paid by such company under section 38a-48 during such
income year shall be allowed as a credit in the determination of the tax
under this chapter payable with respect to total net direct premiums
received during such income year, provided [that] these two credits
shall not reduce the tax under this chapter to less than zero, and
provided further in the case of a local domestic insurance company
[which] that is a member of an insurance holding company system, as
defined in section 38a-129, these credits shall apply if the total
admitted assets of the local domestic insurance company and its
affiliates, as defined in said section, do not exceed two hundred fifty
million dollars or, in the alternative, in the case of a local domestic
insurance company [which] that is a member of an insurance holding
company system, as defined in section 38a-129, these credits shall
apply only if total direct written premiums are derived from policies
issued or delivered in Connecticut, on risk located in Connecticut and,
as of the end of the income year the company and its affiliates have
admitted assets minus unpaid losses and loss adjustment expenses that
are also discounted for federal and state tax purposes and which for
said local domestic insurance company and its affiliates, as defined in
said section, do not exceed two hundred fifty million dollars.

Sec. 5. Subsection (a) of section 12-202a of the general statutes is
repealed and the following is substituted in lieu thereof (Effective from
passage):
(a) Each health care center, as defined in section 38a-175, that is governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to the Commissioner of Revenue Services for the calendar year commencing on January 1, 1995, and annually thereafter, at the rate of one and three-quarters per cent of the total net direct subscriber charges received by such health care center during each such calendar year on any new or renewal contract or policy approved by the Insurance Commissioner under section 38a-183. The rate of tax on the total net direct subscriber charges received (1) prior to January 1, 2018, shall be one and three-quarters per cent, and (2) on or after January 1, 2018, shall be one and one-half per cent. Such payment shall be in addition to any other payment required under section 38a-48.

Sec. 6. Subsection (b) of section 12-210 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(b) Each insurance company incorporated by or organized under the laws of any other state or foreign government and doing business in this state shall, annually, on and after January 1, 1995, pay to said [Commissioner of Revenue Services] commissioner, in addition to any other taxes imposed on such company or its agents, a tax [of one and three-quarters per cent of] on all net direct premiums received by such company in the calendar year next preceding from policies written on property or risks located or resident in this state, excluding premiums for ocean marine insurance, and, upon ceasing to transact new business in this state, shall continue to pay a tax upon the renewal premiums derived from its business remaining in force in this state at the rate [which] that was applicable when such company ceased to transact new business in this state. The rate of tax on all net direct premiums received (1) prior to January 1, 2018, shall be one and three-quarters per cent, and (2) on or after January 1, 2018, shall be one and one-half per cent.

Sec. 7. Subsection (a) of section 12-211a of the general statutes is
repealed and the following is substituted in lieu thereof (Effective from passage):

(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; "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 two tax credits" means tax credits allowable under section 38a-88a; "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.
from a taxpayer under this chapter prior to the application of tax
credits.

(4) For [the] calendar years commencing on or after January 1, 2013,
[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; "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, 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
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 
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. 8. Subparagraph (A) of 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 website, 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 on or after June 30, 2014, [June 30, 2015, June 30, 2016, 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] for such motion picture, except, for [the] state fiscal years ending on or after 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.
Sec. 9. 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, 2017):

(e) For purposes of this section, "applicable percentage" means [thirty] twenty-five per cent, [except (1) for the taxable year commencing on January 1, 2013, "applicable percentage" means twenty-five per cent, and (2) for taxable years commencing on or after January 1, 2014, but prior to January 1, 2017, "applicable percentage" means twenty-seven and one-half per cent.]

Sec. 10. Section 12-391 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2018, and applicable to estates of decedents dying on or after January 1, 2018):

(a) With respect to estates of decedents who die prior to January 1, 2005, and except as otherwise provided in section 59 of public act 03-1 of the June 30 special session, 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 the amount of the federal credit allowable for estate, inheritance, legacy and succession taxes paid to any state or the District of Columbia under the provisions of the federal internal revenue code in force at the date of such decedent's death in respect to any property owned by such decedent or subject to such taxes as part of or in connection with the estate of such decedent. If real or tangible personal property of such decedent is located outside of this state and is subject to estate, inheritance, legacy, or succession taxes by any state or states, other than the state of Connecticut, or by the District of Columbia for which such federal credit is allowable, the amount of tax due under this section shall be reduced by the lesser of:

(1) The amount of any such taxes paid to such other state or states or said district and allowed as a credit against the federal estate tax; or (2) an amount computed by multiplying such federal credit by a fraction, (A) the numerator of which is the value of that part of the decedent's
gross estate over which such other state or states or said district have jurisdiction for estate tax purposes to the same extent to which this state would assert jurisdiction for estate tax purposes under this chapter with respect to the residents of such other state or states or said district, and (B) the denominator of which is the value of the decedent's gross estate. Property of a resident estate over which this state has jurisdiction for estate tax purposes includes real property situated in this state, tangible personal property having an actual situs in this state, and intangible personal property owned by the decedent, regardless of where it is located. The amount of any estate tax imposed under this subsection shall also be reduced, but not below zero, by the amount of any tax that is imposed under chapter 216 and that is actually paid to this state.

(b) With respect to the estates of decedents who die prior to January 1, 2005, and except as otherwise provided in section 59 of public act 03-1 of the June 30 special session, 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 which shall be computed by multiplying (1) the federal credit allowable for estate, inheritance, legacy, and succession taxes paid to any state or states or the District of Columbia under the provisions of the federal internal revenue code in force at the date of such decedent's death in respect to any property owned by such decedent or subject to such taxes as a part of or in connection with the estate of such decedent by (2) a fraction, (A) 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 (B) the denominator of which is the value of the decedent's gross estate. Property of a nonresident estate over which this state has jurisdiction for estate tax purposes includes real property situated in this state and tangible personal property having an actual situs in this state. The amount of any estate tax imposed under this subsection shall also be reduced, but not below zero, by the amount of any tax that is imposed under chapter 216 and that is actually paid to this state.
(c) For purposes of this section:

(1) (A) "Connecticut taxable estate" means, with respect to the estates of decedents dying on or after January 1, 2005, but prior to January 1, 2010, (i) the gross estate less allowable deductions, as determined under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate amount of all Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by the decedent for all calendar years beginning on or after January 1, 2005, but prior to January 1, 2010. The deduction for state death taxes paid under Section 2058 of said code shall be disregarded.

(B) "Connecticut taxable estate" means, with respect to the estates of decedents dying on or after January 1, 2010, but prior to January 1, 2015, (i) the gross estate less allowable deductions, as determined under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate amount of all Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by the decedent for all calendar years beginning on or after January 1, 2005. The deduction for state death taxes paid under Section 2058 of said code shall be disregarded.

(C) "Connecticut taxable estate" means, with respect to the estates of decedents dying on or after January 1, 2015, (i) the gross estate less allowable deductions, as determined under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate amount of all Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by the decedent for all calendar years beginning on or after January 1, 2005, other than Connecticut taxable gifts that are includable in the gross estate for federal estate tax purposes of the decedent, plus (iii) the amount of any tax paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate on any gift made by the decedent or the decedent's spouse during the three-year period preceding the date of the decedent's death. The deduction for state death taxes paid under Section 2058 of the Internal Revenue Code shall be disregarded.
(2) "Internal Revenue Code" means the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, except in the event of repeal of the federal estate tax, then all references to the Internal Revenue Code in this section shall mean the Internal Revenue Code as in force on the day prior to the effective date of such repeal.

(3) "Gross estate" means the gross estate, for federal estate tax purposes.

(4) "Federal basic exclusion amount" means the dollar amount published annually by the Internal Revenue Service at which a decedent would be required to file a federal estate tax return based on the value of the decedent's gross estate and federally taxable gifts.

(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.

(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, but prior to January 1, 2018, 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. 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
(E) With respect to the estates of decedents who die on or after January 1, 2018, 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. In no event shall the amount of tax payable under this section exceed fifteen million dollars. Such fifteen-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 
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 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.

(f) (1) For purposes of the tax imposed under this section, the value of the Connecticut taxable estate shall be determined taking into account all of the deductions available under the Internal Revenue Code of 1986, specifically including, but not limited to, the deduction available under Section 2056(b)(7) of said code for a qualifying income interest for life in a surviving spouse.
(2) An election under said Section 2056(b)(7) may be made for state estate tax purposes regardless of whether any such election is made for federal estate tax purposes. The value of the gross estate shall include the value of any property in which the decedent had a qualifying income interest for life for which an election was made under this subsection.

(g) (1) With respect to the estates of decedents dying on or after January 1, 2005, but prior to January 1, 2010, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<table>
<thead>
<tr>
<th>T1</th>
<th>Amount of Connecticut Taxable Estate</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3</td>
<td>Not over $2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>T4</td>
<td>Over $2,000,000</td>
<td></td>
</tr>
<tr>
<td>T5</td>
<td>but not over $2,100,000</td>
<td>5.085% of the excess over $0</td>
</tr>
<tr>
<td>T6</td>
<td>Over $2,100,000</td>
<td>$106,800 plus 8% of the excess</td>
</tr>
<tr>
<td>T7</td>
<td>but not over $2,600,000</td>
<td>over $2,100,000</td>
</tr>
<tr>
<td>T8</td>
<td>Over $2,600,000</td>
<td>$146,800 plus 8.8% of the excess</td>
</tr>
<tr>
<td>T9</td>
<td>but not over $3,100,000</td>
<td>over $2,600,000</td>
</tr>
<tr>
<td>T10</td>
<td>Over $3,100,000</td>
<td>$190,800 plus 9.6% of the excess</td>
</tr>
<tr>
<td>T11</td>
<td>but not over $3,600,000</td>
<td>over $3,100,000</td>
</tr>
<tr>
<td>T12</td>
<td>Over $3,600,000</td>
<td>$238,800 plus 10.4% of the excess</td>
</tr>
<tr>
<td>T13</td>
<td>but not over $4,100,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>T14</td>
<td>Over $4,100,000</td>
<td>$290,800 plus 11.2% of the excess</td>
</tr>
<tr>
<td>T15</td>
<td>but not over $5,100,000</td>
<td>over $4,100,000</td>
</tr>
<tr>
<td>T16</td>
<td>Over $5,100,000</td>
<td>$402,800 plus 12% of the excess</td>
</tr>
<tr>
<td>T17</td>
<td>but not over $6,100,000</td>
<td>over $5,100,000</td>
</tr>
<tr>
<td>T18</td>
<td>Over $6,100,000</td>
<td>$522,800 plus 12.8% of the excess</td>
</tr>
<tr>
<td>T19</td>
<td>but not over $7,100,000</td>
<td>over $6,100,000</td>
</tr>
<tr>
<td>T20</td>
<td>Over $7,100,000</td>
<td>$650,800 plus 13.6% of the excess</td>
</tr>
<tr>
<td>T21</td>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>T22</td>
<td>Over $8,100,000</td>
<td>$786,800 plus 14.4% of the excess</td>
</tr>
</tbody>
</table>
(2) With respect to the estates of decedents dying on or after January 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Connecticut Taxable Estate</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $3,500,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $3,500,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>but not over $3,600,000</td>
<td>over $3,500,000</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$7,200 plus 7.8% of the excess</td>
</tr>
<tr>
<td>but not over $4,100,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>Over $4,100,000</td>
<td>$46,200 plus 8.4% of the excess</td>
</tr>
<tr>
<td>but not over $5,100,000</td>
<td>over $4,100,000</td>
</tr>
<tr>
<td>Over $5,100,000</td>
<td>$130,200 plus 9.0% of the excess</td>
</tr>
<tr>
<td>but not over $6,100,000</td>
<td>over $5,100,000</td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>$220,200 plus 9.6% of the excess</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td>over $6,100,000</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$316,200 plus 10.2% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$418,200 plus 10.8% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$526,200 plus 11.4% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$640,200 plus 12% of the excess</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>

(3) With respect to the estates of decedents dying on or after January ...
1, 2011, but prior to January 1, 2018, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Connecticut Taxable Estate</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $2,000,000 but not over $3,600,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>Over $3,600,000 but not over $4,100,000</td>
<td>$115,200 plus 7.8% of the excess</td>
</tr>
<tr>
<td>Over $4,100,000 but not over $5,100,000</td>
<td>$154,200 plus 8.4% of the excess</td>
</tr>
<tr>
<td>Over $5,100,000 but not over $6,100,000</td>
<td>$238,200 plus 9.0% of the excess</td>
</tr>
<tr>
<td>Over $6,100,000 but not over $7,100,000</td>
<td>$328,200 plus 9.6% of the excess</td>
</tr>
<tr>
<td>Over $7,100,000 but not over $8,100,000</td>
<td>$424,200 plus 10.2% of the excess</td>
</tr>
<tr>
<td>Over $8,100,000 but not over $9,100,000</td>
<td>$526,200 plus 10.8% of the excess</td>
</tr>
<tr>
<td>Over $9,100,000 but not over $10,100,000</td>
<td>$634,200 plus 11.4% of the excess</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$748,200 plus 12% of the excess</td>
</tr>
</tbody>
</table>

(4) With respect to the estates of decedents dying on or after January 1, 2018, but prior to January 1, 2019, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Connecticut Taxable Estate</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,600,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $2,600,000</td>
<td>7.2% of the excess</td>
</tr>
</tbody>
</table>
### Governor's Bill No. 787

With respect to the estates of decedents dying on or after January 1, 2019, but prior to January 1, 2020, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Connecticut Taxable Estate</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $3,600,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>7.8% of the excess</td>
</tr>
<tr>
<td>but not over $4,100,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>Over $4,100,000</td>
<td>$39,000 plus 8.4% of the excess</td>
</tr>
<tr>
<td>but not over $5,100,000</td>
<td>over $4,100,000</td>
</tr>
<tr>
<td>Over $5,100,000</td>
<td>$123,000 plus 10% of the excess</td>
</tr>
<tr>
<td>but not over $6,100,000</td>
<td>over $5,100,000</td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>$223,000 plus 10.4% of the excess</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td>over $6,100,000</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$399,900 plus 10.8% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$507,000 plus 11.2% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$619,000 plus 11.6% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$735,000 plus 12% of the excess</td>
</tr>
<tr>
<td>but not over $11,100,000</td>
<td>over $10,100,000</td>
</tr>
<tr>
<td>Amount of Connecticut Taxable Estate</td>
<td>Rate of Tax</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$327,000 plus 10.8% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$435,000 plus 11.2% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$547,000 plus 11.6% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$663,000 plus 12% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>

(6) With respect to the estates of decedents dying on or after January 1, 2020, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Connecticut Taxable Estate</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over the federal basic exclusion amount</td>
<td>None</td>
</tr>
<tr>
<td>Over the federal basic exclusion amount but not over $6,100,000</td>
<td>10% of the excess over the federal basic exclusion amount</td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>10.4% of the excess over the federal basic exclusion amount</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td>federal basic exclusion amount</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>10.8% of the excess over the federal basic exclusion amount</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>federal basic exclusion amount</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>11.2% of the excess over the federal basic exclusion amount</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>federal basic exclusion amount</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>11.6% of the excess over the federal basic exclusion amount</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>federal basic exclusion amount</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>12% of the excess over the federal basic exclusion amount</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>federal basic exclusion amount</td>
</tr>
</tbody>
</table>

(h) (1) For the purposes of this chapter, each decedent shall be presumed to have died a resident of this state. The burden of proof in
an estate tax proceeding shall be upon any decedent's estate claiming exemption by reason of the decedent's alleged nonresidency.

(2) Any person required to make and file a tax return under this chapter, believing that the decedent died a nonresident of this state, may file a request for determination of domicile in writing with the Commissioner of Revenue Services, stating the specific grounds upon which the request is founded provided (A) such person has filed such return, (B) at least two hundred seventy days, but no more than three years, has elapsed since the due date of such return or, if an application for extension of time to file such return has been granted, the extended due date of such return, (C) such person has not been notified, in writing, by said commissioner that a written agreement of compromise with the taxing authorities of another jurisdiction, under section 12-395a, is being negotiated, and (D) the commissioner has not previously determined whether the decedent died a resident of this state. Not later than one hundred eighty days following receipt of such request for determination, the commissioner shall determine whether such decedent died a resident or a nonresident of this state. If the commissioner commences negotiations over a written agreement of compromise with the taxing authorities of another jurisdiction after a request for determination of domicile is filed, the one-hundred-eighty-day period shall be tolled for the duration of such negotiations. When, before the expiration of such one-hundred-eighty-day period, both the commissioner and the person required to make and file a tax return under this chapter have consented in writing to the making of such determination after such time, the determination may be made at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. The commissioner shall mail notice of his proposed determination to the person required to make and file a tax return under this chapter. Such notice shall set forth briefly the commissioner's findings of fact and the basis of such proposed determination. Sixty days after the date on
which it is mailed, a notice of proposed determination shall constitute a final determination unless the person required to make and file a tax return under this chapter has filed, as provided in subdivision (3) of this subsection, a written protest with the Commissioner of Revenue Services.

(3) On or before the sixtieth day after mailing of the proposed determination, the person required to make and file a tax return under this chapter may file with the commissioner a written protest against the proposed determination in which such person shall set forth the grounds on which the protest is based. If such a protest is filed, the commissioner shall reconsider the proposed determination and, if the person required to make and file a tax return under this chapter has so requested, may grant or deny such person or the authorized representatives of such person an oral hearing.

(4) Notice of the commissioner's determination shall be mailed to the person required to make and file a tax return under this chapter and such notice shall set forth briefly the commissioner's findings of fact and the basis of decision in each case decided adversely to such person.

(5) The action of the commissioner on a written protest shall be final upon the expiration of one month from the date on which he mails notice of his action to the person required to make and file a tax return under this chapter unless within such period such person seeks review of the commissioner's determination pursuant to subsection (b) of section 12-395.

(6) Nothing in this subsection shall be construed to relieve any person filing a request for determination of domicile of the obligation to pay the correct amount of tax on or before the due date of the tax.

(i) The tax calculated pursuant to the provisions of this section shall be reduced in an amount equal to half of the amount invested by a decedent in a private investment fund or fund of funds pursuant to
subdivision (43) of section 32-39, provided (1) any such reduction shall
not exceed five million dollars for any such decedent, (2) any such
amount invested by the decedent shall have been invested in such
fund or fund of funds for ten years or more, and (3) the aggregate
amount of all taxes reduced under this subsection shall not exceed
thirty million dollars.

Sec. 11. Section 12-642 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective January 1, 2018, and
applicable to gifts made on or after January 1, 2018):

(a) (1) With respect to calendar years commencing prior to January
1, 2001, the tax imposed by section 12-640 for the calendar year shall be
at a rate of the taxable gifts made by the donor during the calendar
year set forth in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $25,000</td>
<td>1%</td>
</tr>
<tr>
<td>Over $25,000 but not over $50,000</td>
<td>$250, plus 2% of the excess</td>
</tr>
<tr>
<td>$750, plus 3% of the excess</td>
<td></td>
</tr>
<tr>
<td>Over $75,000 but not over $100,000</td>
<td>$1,500, plus 4% of the excess</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$2,500, plus 5% of the excess</td>
</tr>
<tr>
<td>Over $200,000</td>
<td>$7,500, plus 6% of the excess</td>
</tr>
</tbody>
</table>

(2) With respect to the calendar years commencing January 1, 2001,
January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed
by section 12-640 for each such calendar year shall be at a rate of the
taxable gifts made by the donor during the calendar year set forth in
the following schedule:
(3) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2005, but prior to January 1, 2010, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, but prior to January 1, 2010, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>$250, plus 2% of the excess</td>
</tr>
<tr>
<td>$25,000</td>
<td>over $25,000</td>
</tr>
<tr>
<td>$50,000</td>
<td>$750, plus 3% of the excess</td>
</tr>
<tr>
<td>$50,000</td>
<td>over $50,000</td>
</tr>
<tr>
<td>$75,000</td>
<td>$1,500, plus 4% of the excess</td>
</tr>
<tr>
<td>$75,000</td>
<td>over $75,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>$2,500, plus 5% of the excess</td>
</tr>
<tr>
<td>$100,000</td>
<td>over $100,000</td>
</tr>
<tr>
<td>$675,000</td>
<td>$31,250, plus 6% of the excess</td>
</tr>
<tr>
<td>$675,000</td>
<td>over $675,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>$2,000,000</td>
<td>over $2,000,000</td>
</tr>
<tr>
<td>$2,100,000</td>
<td>5.085% of the excess over $0</td>
</tr>
<tr>
<td>$2,100,000</td>
<td>over $2,100,000</td>
</tr>
<tr>
<td>$2,600,000</td>
<td>$106,800 plus 8% of the excess</td>
</tr>
<tr>
<td>$2,600,000</td>
<td>over $2,600,000</td>
</tr>
<tr>
<td>$3,100,000</td>
<td>$146,800 plus 8.8% of the excess</td>
</tr>
<tr>
<td>$3,100,000</td>
<td>over $3,100,000</td>
</tr>
<tr>
<td>$3,600,000</td>
<td>$190,800 plus 9.6% of the excess</td>
</tr>
<tr>
<td>$3,600,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>$3,600,000</td>
<td>$238,800 plus 10.4% of the excess</td>
</tr>
</tbody>
</table>
but not over $4,100,000 over $3,600,000
Over $4,100,000 $290,800 plus 11.2% of the excess
but not over $5,100,000 over $4,100,000
Over $5,100,000 $402,800 plus 12% of the excess
but not over $6,100,000 over $5,100,000
Over $6,100,000 $522,800 plus 12.8% of the excess
but not over $7,100,000 over $6,100,000
Over $7,100,000 $650,800 plus 13.6% of the excess
but not over $8,100,000 over $7,100,000
Over $8,100,000 $786,800 plus 14.4% of the excess
but not over $9,100,000 over $8,100,000
Over $9,100,000 $930,800 plus 15.2% of the excess
but not over $10,100,000 over $9,100,000
Over $10,100,000 $1,082,800 plus 16% of the excess

(4) With respect to Connecticut taxable gifts, as defined in section
12-643, as amended by this act, made by a donor during a calendar
year commencing on or after January 1, 2010, but prior to January 1,
2011, including the aggregate amount of all Connecticut taxable gifts
made by the donor during all calendar years commencing on or after
January 1, 2005, the tax imposed by section 12-640 for the calendar year
shall be at the rate set forth in the following schedule, with a credit
allowed against such tax for any tax previously paid to this state
pursuant to this subdivision or pursuant to subdivision (3) of this
subsection, provided such credit shall not exceed the amount of tax
imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $3,500,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $3,500,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>but not over $3,600,000</td>
<td>over $3,500,000</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$7,200 plus 7.8% of the excess</td>
</tr>
</tbody>
</table>
(5) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2011, but prior to January 1, 2018, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3) or (4) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $2,000,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>but not over $3,600,000</td>
<td>over $2,000,000</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$115,200 plus 7.8% of the excess</td>
</tr>
</tbody>
</table>
(6) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2018, but prior to January 1, 2019, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3), (4) or (5) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,600,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $2,600,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>but not over $3,600,000</td>
<td>over $2,600,000</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$72,000 plus 7.8% of the excess</td>
</tr>
</tbody>
</table>
(7) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2019, but prior to January 1, 2020, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3), (4), (5) or (6) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $3,600,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$111,000 plus 8.4% of the excess</td>
</tr>
<tr>
<td>but not over $4,100,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>Over $4,100,000</td>
<td>$39,000 plus 8.4% of the excess</td>
</tr>
<tr>
<td>but not over $5,100,000</td>
<td>over $4,100,000</td>
</tr>
<tr>
<td>Over $5,100,000</td>
<td>$195,000 plus 10% of the excess</td>
</tr>
<tr>
<td>but not over $6,100,000</td>
<td>over $5,100,000</td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>$295,000 plus 10.4% of the excess</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td>over $6,100,000</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$399,900 plus 10.8% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$507,000 plus 11.2% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$619,000 plus 11.6% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$735,000 plus 12% of the excess</td>
</tr>
<tr>
<td>over $10,100,000</td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>
(8) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2020, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3), (4), (5), (6) or (7) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over the</td>
<td>None</td>
</tr>
<tr>
<td>federal basic exclusion amount, as defined in section 12-643, as amended by this act.</td>
<td>10% of the excess over the federal basic exclusion amount</td>
</tr>
</tbody>
</table>
(b) The tax imposed by section 12-640 shall be paid by the donor. If the gift tax is not paid when due the donee of any gift shall be personally liable for the tax to the extent of the value of the gift.

(c) (1) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2016, but prior to January 1, 2018, 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.

(2) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2018, the aggregate amount of tax imposed by section 12-640 for all calendar years commencing on or after January 1, 2016, shall not exceed fifteen million dollars.

Sec. 12. Section 12-643 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2018, and applicable to gifts made on or after January 1, 2018):

[(a) The term "taxable gifts"] (1) "Taxable gifts" means the transfers by gift which are included in taxable gifts for federal gift tax purposes
under Section 2503 and Sections 2511 to 2514, inclusive, and Sections 2516 to 2519, inclusive, of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, less the deductions allowed in Sections 2522 to 2524, inclusive, of said Internal Revenue Code, except in the event of repeal of the federal gift tax, then all references to the Internal Revenue Code in this section shall mean the Internal Revenue Code as in force on the day prior to the effective date of such repeal.

[(b)] (2) In the administration of the tax under this chapter, the Commissioner of Revenue Services shall apply the provisions of Sections 2701 to 2704, inclusive, of said Internal Revenue Code. The words "secretary or his delegate" as used in the aforementioned sections of the Internal Revenue Code means the Commissioner of Revenue Services.

[(c) The term "Connecticut taxable gifts"] (3) "Connecticut taxable gifts" means taxable gifts made during a calendar year commencing on or after January 1, 2005, that are, [(1)] (A) for residents of this state, taxable gifts, wherever located, but excepting gifts of real estate or tangible personal property located outside this state, and [(2)] (B) for nonresidents of this state, gifts of real estate or tangible personal property located within this state.

(4) "Federal basic exclusion amount" means the dollar amount published annually by the Internal Revenue Service over which a donor would owe federal gift tax based on the value of the donor's lifetime federally taxable gifts.

Sec. 13. Section 12-296 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017, and applicable to sales occurring on or after July 1, 2017):

A tax is imposed on all cigarettes held in this state by any person for sale, [said] such tax to be at the rate of [one hundred ninety-five] two hundred seventeen 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. 14. Section 12-316 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017, and applicable to sales occurring on or after July 1, 2017):

A tax is hereby imposed at the rate of [one hundred ninety-five] two hundred seventeen 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. 15. (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 twenty-two 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 June 30, 2017, or, if the business closes after eleven fifty-nine o'clock p.m. on said date, at eleven fifty-nine o'clock p.m. on said date.

(b) Each such licensed distributor or dealer shall, not later than August 15, 2017, 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 June 30, 2017, or, if the business closes after eleven fifty-nine o'clock p.m. on
said date, at eleven fifty-nine o'clock p.m. on said 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 August 15, 2017, 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 June 30, 2017, 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 license of any distributor who fails to file
such report, until such report is filed.

Sec. 16. Section 12-330c of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

(a) (1) A tax is imposed on all untaxed tobacco products held in this
state by any person. Except as otherwise provided in subdivision (2) of
this subsection with respect to the tax on cigars, or in subdivision (3) of
this subsection with respect to the rate of tax on snuff tobacco
products, the tax shall be imposed at the rate of fifty per cent of the
wholesale sales price of such products.
(2) Notwithstanding the provisions of subdivision (1) of this subsection, in the case of cigars the tax shall not exceed one dollar and fifty cents per cigar.

(3) The tax shall be imposed on snuff tobacco products, on the net weight as listed by the manufacturer, as follows: [One dollar] Three dollars per ounce of snuff and a proportionate tax at the like rate on all fractional parts of an ounce of snuff.

(b) Said tax shall be imposed on the distributor or the unclassified importer at the time the tobacco product is manufactured, purchased, imported, received or acquired in this state.

(c) Said tax shall not be imposed on any tobacco products [which] that (1) are exported from the state, or (2) are not subject to taxation by this state pursuant to any laws of the United States.

Sec. 17. Subsection (b) of section 19a-323 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(b) If death occurred in this state, the death certificate required by law shall be filed with the registrar of vital statistics for the town in which such person died, if known, or, if not known, for the town in which the body was found. The Chief Medical Examiner, Deputy Chief Medical Examiner, associate medical examiner, an authorized assistant medical examiner or other authorized designee shall complete the cremation certificate, stating that such medical examiner or other authorized designee has made inquiry into the cause and manner of death and is of the opinion that no further examination or judicial inquiry is necessary. The cremation certificate shall be submitted to the registrar of vital statistics of the town in which such person died, if known, or, if not known, of the town in which the body was found, or with the registrar of vital statistics of the town in which the funeral director having charge of the body is located. Upon receipt of the cremation certificate, the registrar shall authorize such certificate, keep
such certificate on permanent record, and issue a cremation permit, except that if the cremation certificate is submitted to the registrar of the town where the funeral director is located, such certificate shall be forwarded to the registrar of the town where the person died to be kept on permanent record. If a cremation permit must be obtained during the hours that the office of the local registrar of the town where death occurred is closed, a subregistrar appointed to serve such town may authorize such cremation permit upon receipt and review of a properly completed cremation permit and cremation certificate. A subregistrar who is licensed as a funeral director or embalmer pursuant to chapter 385, or the employee or agent of such funeral director or embalmer shall not issue a cremation permit to himself or herself. A subregistrar shall forward the cremation certificate to the local registrar of the town where death occurred, not later than seven days after receiving such certificate. The estate of the deceased person, if any, shall pay the sum of [one hundred fifty] two hundred dollars for the issuance of the cremation certificate, provided the Office of the Chief Medical Examiner shall not assess any fees for costs that are associated with the cremation of a stillborn fetus. Upon request of the Chief Medical Examiner, the Secretary of the Office of Policy and Management may waive payment of such cremation certificate fee. No cremation certificate shall be required for a permit to cremate the remains of bodies pursuant to section 19a-270a. When the cremation certificate is submitted to a town other than that where the person died, the registrar of vital statistics for such other town shall ascertain from the original removal, transit and burial permit that the certificates required by the [state] general statutes have been received and recorded, that the body has been prepared in accordance with the Public Health Code and that the entry regarding the place of disposal is correct. Whenever the registrar finds that the place of disposal is incorrect, the registrar shall issue a corrected removal, transit and burial permit and, after inscribing and recording the original permit in the manner prescribed for sextons' reports under section 7-66, shall then immediately give written notice to the registrar for the town
where the death occurred of the change in place of disposal stating the
name and place of the crematory and the date of cremation. Such
written notice shall be sufficient authorization to correct these items on
the original certificate of death. The fee for a cremation permit shall be
three dollars and for the written notice one dollar. The Department of
Public Health shall provide forms for cremation permits, which shall
not be the same as for regular burial permits and shall include space to
record information about the intended manner of disposition of the
cremated remains, and such blanks and books as may be required by
the registrars.

Sec. 18. Subsection (c) of section 29-11 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017, and applicable to background check services requested on or after July
1, 2017):

(c) The Commissioner of Emergency Services and Public Protection
shall charge the following fees for the service indicated: (1) Name
search, thirty-six dollars; (2) fingerprint search, [fifty] seventy-five
dollars; (3) personal record search, [fifty] seventy-five dollars; (4)
letters of good conduct search, [fifty] seventy-five dollars; (5) bar
association search, [fifty] seventy-five dollars; (6) fingerprinting, fifteen
dollars; (7) criminal history record information search, [fifty] seventy-
five dollars. Except as provided in subsection (b) of this section, the
provisions of this subsection shall not apply to any federal, state or
municipal agency.

Sec. 19. Subsection (a) of section 29-30 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017, and applicable to applications submitted on or after July 1, 2017):

(a) The fee for each permit originally issued under the provisions of
subsection (a) of section 29-28 for the sale at retail of pistols and
revolvers shall be two hundred dollars and for each renewal of such
permit two hundred dollars. The fee for each state permit originally
issued under the provisions of subsection (b) of section 29-28 for the carrying of pistols and revolvers shall be [one hundred forty] three hundred seventy dollars plus sufficient funds as required to be transmitted to the Federal Bureau of Investigation to cover the cost of a national criminal history records check. The local authority shall forward sufficient funds for the national criminal history records check to the commissioner no later than five business days after receipt by the local authority of the application for the temporary state permit. Seventy dollars shall be retained by the local authority. Upon approval by the local authority of the application for a temporary state permit, [seventy] three hundred dollars shall be sent to the commissioner. The fee to renew each state permit originally issued under the provisions of subsection (b) of section 29-28 shall be [seventy] three hundred dollars. Upon deposit of such fees in the General Fund, ten dollars of each fee shall be credited within thirty days to the appropriation for the Department of Emergency Services and Public Protection to a separate nonlapsing account for the purposes of the issuance of permits under subsections (a) and (b) of section 29-28.

Sec. 20. Subsection (d) of section 7-34a of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(d) In addition to the fees for recording a document under subsection (a) of this section, town clerks shall receive a fee of [three] ten dollars for each document recorded in the land records of the municipality. Not later than the fifteenth day of each month, town clerks shall remit [two-thirds] two-fifths of the fees paid pursuant to this subsection during the previous calendar month to the State Treasurer for deposit in the General Fund and two-fifths of the fees paid pursuant to this subsection during the previous calendar month to the State Librarian for deposit in a bank account of the State Treasurer and crediting to the historic documents preservation account established under section 11-8i. [One-third] One-fifth of the amount paid for fees pursuant to this subsection shall be retained by town
clerks and used for the preservation and management of historic
documents. The provisions of this subsection shall not apply to any
document recorded on the land records by an employee of the state or
of a municipality in conjunction with [said] the employee's official
duties. As used in this section "municipality" includes each town,
consolidated town and city, city, consolidated town and borough,
borough, district, as defined in chapter 105 or chapter 105a, and each
municipal board, commission and taxing district not previously
mentioned.

Sec. 21. Section 30-68m of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

(a) For the purposes of this section:

(1) "Cost" for a retail permittee means (A) for alcoholic liquor other
than beer, the [posted bottle price from the wholesaler] actual cost paid
per bottle by the retail permittee to the wholesaler, plus any charge for
shipping or delivery to the retail permittee's place of business paid by
the retail permittee, [in addition to the posted price,] and (B) for beer,
the lowest posted price during the month in which the retail permittee
is selling plus any charge for shipping or delivery to the retail
permittee's place of business paid by the retail permittee in addition to
the price originally paid by the retail permittee; and

(2) "Retail permittee" means the holder of a permit allowing the sale
of alcoholic liquor for off-premises consumption. [; and]

(3) "Bottle price" means the price per unit of the contents of any
case of alcoholic liquor, other than beer, and shall be arrived at by
dividing the case price by the number of units or bottles making up
such case price and adding to the quotient an amount that is not less
than the following: A unit or bottle one-half pint or two hundred
milliliters or less, two cents; a unit or bottle more than one-half pint or
two hundred milliliters but not more than one pint or five hundred
milliliters, four cents; and a unit or bottle greater than one pint or five
hundred milliliters, eight cents.]

(b) No retail permittee shall sell alcoholic liquor at a price below his or her cost.

(c) Notwithstanding the provisions of subsection (b) of this section, a retail permittee may sell one beer item identified by a stock-keeping unit number or one item of alcoholic liquor other than beer identified by a stock-keeping unit number below his or her cost each month, provided the item is not sold at less than ninety per cent of such retail permittee's cost. A retail permittee who intends to sell an item below cost pursuant to this subsection shall notify the Department of Consumer Protection of such sale not later than the second day of the month such item will be offered for sale.

Sec. 2. (NEW) (Effective from passage) (a) There is established an account to be known as the "transportation excess surplus account" which shall be a separate, nonlapsing account within the Special Transportation Fund established pursuant to section 13b-68 of the general statutes. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Commissioner of Transportation, with the approval of the Secretary of the Office of Policy and Management, for the payment of transportation costs, as defined in section 13b-75 of the general statutes.

(b) At the end of each fiscal year commencing with the fiscal year ending June 30, 2017, after the accounts for the Special Transportation Fund have been closed for the fiscal year and the Comptroller has determined the amount of unappropriated surplus in said fund, the Comptroller shall transfer such unappropriated surplus in excess of fifteen per cent of total expenditures for the most recently completed fiscal year to the transportation excess surplus account within the Special Transportation Fund.

Sec. 23. (NEW) (Effective from passage) (a) There is established an
account to be known as the "Connecticut airport and aviation account" which shall be a separate, nonlapsing account within the Grants and Restricted Accounts Fund established pursuant to section 4-31c of the general statutes. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Commissioner of Transportation, with the approval of the Secretary of the Office of Policy and Management, for the purposes of airport and aviation-related purposes.

(b) Notwithstanding the provisions of section 13b-61a of the general statutes, on and after September 1, 2017, the Commissioner of Revenue Services shall deposit into said account seventy-five and three-tenths per cent of the amounts received by the state from aviation fuel sources from the tax imposed under section 12-587 of the general statutes.

Sec. 24. Subsection (e) of section 3-20 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(e) The principal and interest of bonds, refunding bonds, other obligations or borrowings in anticipation thereof, their transfer and the income therefrom, including any profit on the sale or transfer thereof, shall at all times be exempt from any taxation by the state of Connecticut or under its authority, except for estate or succession taxes, but the interest on such bonds, obligations or borrowings shall be included in the computation of any excise or franchise tax.

Sec. 25. Section 7-209 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Revenue bonds issued under the provisions of this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the state, but the interest on such bonds shall be included in the computation of any excise or franchise tax.
Sec. 26. Section 7-233s of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

The creation of a municipal electric energy cooperative pursuant to the provisions of this chapter is in all respects for the benefit of the people of the state and for the improvement of their health, safety, welfare, comfort and security, and its purposes are public purposes and a municipal cooperative will be performing an essential governmental function. The real and personal property of a municipal electric energy cooperative, and its income and operations, shall be exempt from all taxation by the state and any political subdivision thereof; provided, however, that in connection with the acquisition or construction or ownership of any project or projects, or portions thereof, which may be located outside the boundaries of the members of the municipal cooperative, the municipal cooperative may make payments in lieu of taxation and enter into a contract therefor to the appropriate taxing entity in which such project or projects, or portions thereof, are so acquired or constructed. The state covenants with the purchasers and all subsequent holders and transferees of the notes or bonds issued by a municipal cooperative, in consideration of the acceptance of any payment for the notes or bonds, that the notes or bonds of a municipal cooperative, issued pursuant to this chapter and the income therefrom shall at all times be free from taxation, but the interest on such notes or bonds shall be included in the computation of any excise or franchise tax.

Sec. 27. Subsection (g) of section 7-273g of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(g) Bonds and notes issued under the provisions of this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the state, but the interest on such bonds and notes shall be included in the computation of any excise or franchise tax.
Sec. 28. Subsection (a) of section 7-273mm of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The exercise of the powers granted by this chapter shall constitute the performance of an essential governmental function and the authority shall not be required to pay any taxes or assessments upon or in respect to a project, or any property or moneys of the authority, levied by any municipality or political subdivision or special district having taxing powers of the state, nor shall the authority be required to pay state taxes of any kind, and the authority, its projects, property and money and the principal and interest of bonds issued under the provisions of this chapter, their transfer and the income therefrom, including revenues derived from the sale thereof, shall at all times be free from taxation, except for estate and gift taxes imposed by the state or any political subdivision thereof, but the interest on such bonds shall be included in the computation of any excise or franchise tax. Nothing herein shall prevent the authority from entering into agreements to make payments in lieu of taxes with respect to property acquired by it or by any person leasing a project from the authority or operating or managing a project on behalf of the authority and neither the authority nor its projects, properties, money or bonds shall be obligated, liable or subject to lien of any kind for the enforcement, collection or payment thereof. If and to the extent the proceedings under which the bonds authorized to be issued under the provisions of this chapter so provide, the authority may agree to cooperate with the lessee or operator of a project in connection with any administrative or judicial proceedings for determining the validity or amount of such payment and may agree to appoint or designate and reserve the right in and for such lessee or operators to take all action which the authority may lawfully take in respect of such payments and all matters relating thereto, providing such lessee or operator shall bear and pay all costs and expenses of the authority thereby incurred at the request of such lessee or operator or by reason of any such action taken...
by such lessee or operator on behalf of the authority. Any lessee or
despite this section to be paid shall not be required to pay any
such taxes or assessments upon any project acquired and constructed by it
under the provisions of said sections; and the bonds, notes, certificates
or other evidences of debt issued under the provisions of said sections,
their transfer and the income therefrom, including any profit made on
the sale thereof, shall at all times be free and exempt from taxation by
the state and by any political subdivision thereof, but the interest on
such bonds, notes, certificates or other evidences of debt shall be
included in the computation of any excise or franchise tax.

Sec. 30. Section 7-497 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

It is hereby determined that the powers conferred upon
municipalities by this chapter are in all respects for the benefit of the
people of the state and for the improvement of their health, safety,
welfare, comfort and security, and that the purposes of this chapter are
public purposes and that municipalities will be performing an
essential governmental function in the exercise of the powers
conferred upon them by this chapter. The state covenants with the
purchasers and all subsequent holders and transferees of notes and
bonds issued by a municipality, in consideration of the acceptance of
and payment for the notes and bonds, that the notes and bonds of the
municipality issued pursuant to this chapter and the income therefrom
shall at all times be free from taxation, except for estate and gift taxes
and taxes on transfers, but the interest on such notes and bonds shall
be included in the computation of any excise or franchise tax.
Municipalities are authorized to include this covenant of the state in
any agreement with the holder of such notes or bonds.

Sec. 31. Section 8-93 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

The principal and interest of bonds and notes issued under the
provisions of part II of this chapter and this part shall be exempt from
taxation, but the interest on such bonds and notes shall be included in
the computation of any excise or franchise tax. The provisions of this
section shall apply to all notes or bonds issued prior to October 6, 1949,
under the provisions of sections 102a to 138a, inclusive, of the 1949
supplement to the general statutes.

Sec. 32. Subsection (c) of section 8-252 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective from
passage):

(c) Any provision of any law to the contrary notwithstanding, any
bonds, bond anticipation notes or other obligations issued by the
authority pursuant to this chapter shall be fully negotiable within the
meaning and for all purposes of title 42a and each holder or owner of
such a bond, bond anticipation note or other obligation or coupon is
and shall be fully negotiable within the meaning and for all purposes
of said title 42a. Any such bonds, bond anticipation notes or other
obligations shall be legal investments for all trust companies, banks,
investment companies, savings banks, building and loan associations, executors, administrators, guardians, conservators, trustees and other fiduciaries, and pension, profit-sharing and retirement funds and shall be exempt, both as to principal and interest, from any taxes imposed by the state of Connecticut or any subdivision thereof, other than estate or succession taxes, but the interest on such bonds, bond anticipation notes or other obligations shall be included in the computation of any excise or franchise tax.

Sec. 33. Section 8-312 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

It is hereby determined that the purposes of this chapter are public purposes and that the municipalities will be performing an essential governmental function in the exercise of the powers conferred upon them by this chapter. The state covenants with the purchasers and all subsequent holders and transferees of notes and bonds issued by the municipality, in consideration of the acceptance of and payment for the notes and bonds, that the principal and interest of notes and bonds of the municipality issued pursuant to this chapter shall at all times be free from taxation, except for estate and gift taxes, imposed by the state or by any political subdivision thereof, but the interest on such notes and bonds shall be included in the computation of any excise or franchise tax. Municipalities are authorized to include this covenant of the state in any agreement with the holder of such notes or bonds.

Sec. 34. Section 10a-191 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority
nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of this chapter or upon the income therefrom, and any bonds issued under the provisions of this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state, but the interest on such bonds shall be included in the computation of any excise or franchise tax.

Sec. 35. Subsection (r) of section 10a-204b of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(r) The state covenants with the purchasers and all other subsequent owners and transferees of bonds, notes or other obligations issued by the corporation or by any subsidiary created pursuant to subdivision (5) of section 10a-204 pursuant to this section, in consideration of the acceptance of and payment for the bonds, notes or other obligations, until the bonds, notes or other obligations, together with the interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding on behalf of the owners, are fully met and discharged or unless expressly permitted or otherwise authorized by the terms of each contract and agreement made or entered into by or on behalf of the issuer with or for the benefit of such owners, that the state: (1) Will not create or cause to be created any lien or charge on the assets or revenues pledged to secure such bonds, notes or other obligations, other than a lien or pledge created thereon pursuant to this section; (2) will not in any way impair the rights, exemptions or remedies of the owners; and (3) will not limit, modify, rescind, repeal or otherwise alter the rights or obligations of the issuer to take such action as may be necessary to fulfill the terms of the resolution authorizing the issuance of the bonds, notes or other obligations; provided nothing in this section shall preclude the state from exercising its power, through a change in law,
to limit, modify, rescind, repeal or otherwise alter this chapter if and when adequate provision shall be made by law for the protection of the holders of outstanding bonds, notes or other obligations, pursuant to the resolution under which the bonds, notes or other obligations are issued. The state further covenants with the purchasers and all subsequent owners and transferees of bonds, notes or other obligations issued by the corporation or by such a subsidiary pursuant to this section, in consideration of the acceptance of and payment for the bonds, notes or other obligations that, notwithstanding any provision of title 12, the bonds, notes or other obligations shall be free at all times from taxes levied by any municipality or political subdivision or special district having taxing powers of the state, and the principal and interest of any bonds, notes or other obligations issued under the provisions of this section, the transfer of such bonds, notes or other obligations and the income from such bonds, notes or other obligations, including any profit on the sale or transfer of such bonds, notes or other obligations, shall at all times be exempt from any taxation by the state or under its authority, except for estate or succession taxes, but the interest on such bonds, notes or other obligations shall be included in the computation of any excise or franchise tax. The issuer is authorized to include covenants of the state provided for in this subsection, as a contract of the state, in any agreement with the owners of any bonds, notes or other obligations, in any credit facility or reimbursement agreement with respect to the bonds, notes or other obligations and in any agreement authorized by subsection (p) or (q) of this section.

Sec. 36. Subsection (h) of section 10-289f of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(h) It is determined that the powers conferred on municipalities by sections 10-289d to 10-289g, inclusive, are in all respect for the benefit of the people of the state and for the improvement of their health, safety, welfare, comfort and security and that the purposes of said
sections are public purposes and that municipalities will be performing an essential governmental function in the exercise of the powers conferred upon them by said sections. In consideration of the acceptance of any payment for bonds or notes issued by a municipality pursuant to sections 10-289d to 10-289g, inclusive, the state covenants with the purchasers and all subsequent holders and transferees of such bonds or notes that such bonds or notes and the income therefrom shall at all times be free from taxation, except for estate and gift taxes and taxes on transfers, but the interest on such bonds or notes shall be included in the computation of any excise or franchise tax. Issuing municipalities are authorized to include this covenant of the state in any agreement with the holder of such bonds or notes.

Sec. 37. Section 15-120m of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

The exercise of the powers granted by sections 15-120g to 15-120o, inclusive, constitute the performance of an essential governmental function and the authority shall not be required to pay any taxes or assessments upon or in respect of the project, levied by any municipality or political subdivision or special district having taxing powers of the state and the project and the principal and interest of any bonds and notes issued under the provisions of said sections, 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.

Sec. 38. Section 16-338 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

All bonds authorized or issued pursuant to this section under or pursuant to proceedings of the State Bond Commission had or taken prior to July 1, 1974, shall be general obligations of the state and the
full faith and credit of the state of Connecticut are pledged for the
payment of the principal of and interest on said bonds as the same
become due and accordingly, and as part of the contract of the state
with the holders of said bonds, appropriation of all amounts necessary
for punctual payment of such principal and interest is hereby made,
and the Treasurer shall pay such principal and interest as the same
become due. All of said bonds and temporary notes in anticipation of
the money to be derived from the sale thereof may be sold, executed,
issued and delivered, and their proceeds collected, held, invested,
applied and used, in all respects as authorized under the provisions of
the general statutes in effect on June 30, 1974. Said bonds are made and
declared to be (1) legal investments for savings banks and trustees
unless otherwise provided in the instrument creating the trust, (2)
securities in which all public officers and bodies, all insurance
companies and associations and persons carrying on an insurance
business, all banks, bankers, trust companies, savings banks and
savings associations, including savings and loan associations, building
and loan associations, investment companies and persons carrying on
a banking or investment business, all administrators, guardians,
executors, trustees and other fiduciaries and all persons whatsoever
who are or may be authorized to invest in bonds of the state, may
properly and legally invest funds including capital in their control or
belonging to them, and (3) securities which may be deposited with and
shall be received by all public officers and bodies for any purpose for
which the deposit of bonds of the state is or may be authorized. All
such bonds, their transfer and the income therefrom including any
profit on the sale or transfer thereof, shall at all times be exempt from
all taxation by the state or under its authority, but the interest on such
bonds shall be included in the computation of any excise or franchise
tax.

Sec. 39. Subsection (a) of section 22a-270 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective from
passage):
(a) The exercise of the powers granted by this chapter constitute the
performance of an essential governmental function and the authority
shall not be required to pay any taxes or assessments upon or in
respect of a project, or any property or moneys of the authority, levied
by any municipality or political subdivision or special district having
taxing powers of the state, nor shall the authority be required to pay
state taxes of any kind, and the authority, its projects, property and
money and any bonds and notes issued under the provisions of this
chapter, 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 except for estate or succession taxes and by the
municipalities and all other political subdivisions or special districts
having taxing powers of the state, but the interest on such bonds and
notes shall be included in the computation of any excise or franchise
tax; provided nothing herein shall prevent the authority from entering
into agreements to make payments in lieu of taxes with respect to
property acquired by it or by any person leasing a project from the
authority or operating or managing a project on behalf of the authority
and neither the authority nor its projects, properties, money or bonds
and notes shall be obligated, liable or subject to lien of any kind for the
enforcement, collection or payment thereof. If and to the extent the
proceedings under which the bonds authorized to be issued under the
provisions of this chapter so provide, the authority may agree to
cooperate with the lessee or operator of a project in connection with
any administrative or judicial proceedings for determining the validity
or amount of such payment and may agree to appoint or designate and
reserve the right in and for such lessees or operators to take all action
which the authority may lawfully take in respect of such payments and
all matters relating thereto, provided such lessee or operator shall bear
and pay all costs and expenses of the authority thereby incurred at the
request of such lessee or operator or by reason of any such action taken
by such lessee or operator on behalf of the authority. Any lessee or
operator of a project which has paid the amounts in lieu of taxes
permitted by this section to be paid shall not be required to pay any
such taxes in which a payment in lieu thereof has been made to the
state or to any such municipality or other political subdivision or
special district having taxing powers, any other statute to the contrary
notwithstanding.

Sec. 40. Subsection (k) of section 22a-483 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective from
passage):

(k) The state covenants with the purchasers and all subsequent
owners and transferees of bonds, state bond anticipation notes and
state grant anticipation notes issued by the state pursuant to sections
22a-475 to 22a-483, inclusive, in consideration of the acceptance of and
payment for the bonds, state bond anticipation notes and state grant
anticipation notes, that such bonds, state bond anticipation notes and
state grant anticipation notes shall be free at all times from taxes levied
by any municipality or political subdivision or special district having
taxing powers of the state and the principal and interest of any bonds,
state bond anticipation notes and grant anticipation notes issued under
the provisions of sections 22a-475 to 22a-483, inclusive, 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, state bond
anticipation notes and state grant anticipation notes shall be included
in the computation of any excise or franchise tax. The Treasurer is
authorized to include this covenant of the state in any agreement with
the owner of any such bonds, state bond anticipation notes or state
grant anticipation notes.

Sec. 41. Section 32-23h of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

The exercise of the powers granted to the corporation shall
constitute the performance of an essential governmental function and
the corporation shall not be required to pay any taxes or assessments
upon or in respect of a project, or any property or moneys of the
corporation, levied by any municipality or political subdivision or
special district having taxing powers of the state, nor shall the
corporation be required to pay state taxes of any kind, and the
corporation, its projects, property and moneys and any bonds and
notes issued under the provisions of said chapters and sections, their
transfer and the income therefrom, including any profit made on the
sale thereof, shall at all times be free from taxation of every kind by the
state except for estate or succession taxes and by the municipalities and
all other political subdivisions or special districts having taxing powers
of the state, but the interest on such bonds and notes shall be included
in the computation of any excise or franchise tax; provided any person
leasing a project from the corporation shall pay to the municipality, or
other political subdivision or special district having taxing powers, in
which such project is located, a payment in lieu of taxes which shall
equal the taxes on real and personal property, including water and
sewer assessments, which such lessee would have been required to
pay had it been the owner of such property during the period for
which such payment is made and neither the corporation nor its
projects, properties, money or bonds and notes shall be obligated,
liable or subject to lien of any kind for the enforcement, collection or
payment thereof. The sale of tangible personal property or services by
the corporation is exempt from the sales tax under chapter 219, and the
storage, use or other consumption in this state of tangible personal
property or services purchased from the corporation is exempt from
the use tax under chapter 219. If and to the extent the proceedings by
the corporation so provide, the corporation may agree to cooperate
with the lessee of a project in connection with any administrative or
judicial proceedings for determining the validity or amount of such
payments and may agree to appoint or designate and reserve the right
in and for such lessee to take all action which the corporation may
lawfully take in respect of such payments and all matters relating
thereto, provided such lessee shall bear and pay all costs and expenses
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of the corporation thereby incurred at the request of such lessee or by reason of any such action taken by such lessee on behalf of the corporation. Any lessee of a project which has paid the amounts in lieu of taxes required by this section to be paid shall not be required to pay any such taxes in which a payment in lieu thereof has been made to the state or to any such municipality or other political subdivision or special district having taxing powers, any other statute to the contrary notwithstanding. Any industrial pollution control facility financed by the corporation shall be subject to such approvals, as may be required by law, of any agency of the state and any agency of the United States having jurisdiction in the matter and, in the discretion of the corporation, may be acquired, constructed or improved as part of or jointly with a pollution control facility undertaken by a municipality or political subdivision or special district having taxing powers in the state and the corporation is authorized to cooperate and execute contracts with such a municipality or political subdivision or special district.

Sec. 42. (NEW) (Effective July 1, 2017) (a) The purpose of sections 42 to 50, inclusive, of this act, is to establish a comprehensive and uniform system of taxation of certain uniquely situated health care providers to raise revenue in conformity with Title XIX of the Social Security Act, as amended from time to time, and to promote the state's financial stability.

(b) As used in this section and sections 43 to 50, inclusive, of this act:

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

(2) "Department" means the Department of Revenue Services;

(3) "Taxpayer" means any health care provider subject to any tax or fee under this section;

(4) "Health care provider" means an individual or entity that receives any payment or payments for health care items or services
provided;

(5) "Gross receipts" means the amount received or receivable, whether in cash or in kind, from patients, third-party payers and others for taxable health care items or services furnished by the taxpayer in the state, including retroactive adjustments under reimbursement agreements with third-party payers, without any deduction for any expenses of any kind;

(6) "Net revenue" means gross receipts less payer discounts, charity care and bad debts, to the extent the taxpayer previously paid tax under this section on the amount of such bad debts;

(7) "Payer discounts" means the difference between a health care provider's published charges and payments received in accordance with negotiated agreements with one or more health care payers for a different or discounted rate or method of payment than such published charges. "Payer discounts" does not include charity care or bad debts;

(8) "Charity care" means free or discounted health care services rendered by a health care provider to individuals who cannot afford to pay, including, but not limited to, care to the uninsured patient or patients who are not expected to pay all or part of a health care provider's bill based on income guidelines and other financial criteria set forth in the general statutes or in a health care provider's charity care policies on file at the office of such provider. "Charity care" does not include bad debts or payer discounts;

(9) "Received" means "received" or "accrued", construed according to the method of accounting customarily employed by the taxpayer;

(10) "Hospital" means any health care facility, as defined in section 19a-630 of the general statutes, that (A) is licensed by the Department of Public Health as a short-term general hospital; (B) is maintained primarily for the care and treatment of patients with disorders other
than mental diseases; (C) meets the requirements for participation in
Medicare as a hospital; and (D) has in effect a utilization review plan,
applicable to all Medicaid patients, that meets the requirements of 42
CFR 482.30, as amended from time to time, unless a waiver has been
granted by the Secretary of the United States Department of Health
and Human Services;

(11) "Inpatient hospital services" means, in accordance with the
provisions of 42 CFR 433.56(a)(1), as amended from time to time, and
42 CFR 440.10, as amended from time to time, all services that are (A)
ordinarily furnished in a hospital for the care and treatment of
inpatients; (B) furnished under the direction of a physician or dentist;
and (C) furnished in a hospital. "Inpatient hospital services" does not
include skilled nursing facility and intermediate care facility services
furnished by a hospital with swing bed approval;

(12) "Inpatient" means a patient who has been admitted to a medical
institution as an inpatient on the recommendation of a physician or
dentist and who (A) receives room, board and professional services in
the institution for a twenty-four-hour period or longer, or (B) is
expected by the institution to receive room, board and professional
services in the institution for a twenty-four-hour period or longer, even
though it later develops that the patient does not actually stay in the
institution for twenty-four hours;

(13) "Outpatient hospital services" means, in accordance with the
provisions of 42 CFR 433.56(a)(2), as amended from time to time, and
42 CFR 440.20, as amended from time to time, preventive, diagnostic,
therapeutic, rehabilitative or palliative services that are (A) furnished
to outpatients; (B) furnished by or under the direction of a physician or
dentist; and (C) furnished by a hospital;

(14) "Outpatient" means a patient of an organized medical facility or
a distinct part of such facility, who is expected by the facility to receive,
and who does receive, professional services for less than a twenty-
four-hour period regardless of the hour of admission, whether or not a bed is used or the patient remains in the facility past midnight;

(15) "Nursing home" means any licensed chronic and convalescent nursing home or a rest home with nursing supervision;

(16) "Intermediate care facility for individuals with intellectual disabilities" or "intermediate care facility" means a residential facility for persons with intellectual disability that is certified to meet the requirements of 42 CFR 442, Subpart C, as amended from time to time, and, in the case of a private facility, licensed pursuant to section 17a-227 of the general statutes;

(17) "Medicare day" means a day of nursing home care service provided to an individual who is eligible for payment, in full or with a coinsurance requirement, under the federal Medicare program, including fee for service and managed care coverage;

(18) "Nursing home resident day" means a day of nursing home care service provided to an individual and includes the day a resident is admitted and any day for which the nursing home is eligible for payment for reserving a resident's bed due to hospitalization or temporary leave and for the date of death. For purposes of this subdivision, a day of nursing home care service shall be the period of time between the census-taking hour in a nursing home on two successive calendar days. "Nursing home resident day" does not include a Medicare day or the day a resident is discharged;

(19) "Intermediate care facility resident day" means a day of intermediate care facility residential care provided to an individual and includes the day a resident is admitted and any day for which the intermediate care facility is eligible for payment for reserving a resident's bed due to hospitalization or temporary leave and for the date of death. For purposes of this subdivision, a day of intermediate care facility residential care shall be the period of time between the census-taking hour in a facility on two successive calendar days.
"Intermediate care facility resident day" does not include the day a resident is discharged;

(20) "Ambulatory surgical center" means any distinct entity that (A) operates exclusively for the purpose of providing surgical services to patients not requiring hospitalization and in which the expected duration of services would not exceed twenty-four hours following an admission; (B) has an agreement with the Centers for Medicare and Medicaid Services to participate in Medicare as an ambulatory surgical center; and (C) meets the general and specific conditions for participation in Medicare set forth in 42 CFR Part 416, Subparts B and C, as amended from time to time;

(21) "Ambulatory surgical center services" means, in accordance with 42 CFR 433.56(a)(9), as amended from time to time, services that are furnished in connection with covered surgical procedures performed in an ambulatory surgical center as provided in 42 CFR 416.164(a), as amended from time to time, for which payment is included in the ambulatory surgical center payment established under 42 CFR 416.171, as amended from time to time, for the covered surgical procedure. "Ambulatory surgical center services" includes facility services only and does not include surgical procedures;

(22) "Medicaid" means the program operated by the Department of Social Services pursuant to section 17b-260 of the general statutes and authorized by Title XIX of the Social Security Act, as amended from time to time; and

(23) "Medicare" means the program operated by the Centers for Medicare and Medicaid Services in accordance with Title XVIII of the Social Security Act, as amended from time to time.

Sec. 43. (NEW) (Effective July 1, 2017) (a) (1) For each calendar quarter commencing on or after July 1, 2017, each hospital and ambulatory surgical center shall pay a tax on the total net revenue received by each such health care provider for the provision of
inpatient hospital services, outpatient hospital services and
ambulatory surgical center services. The rate of tax on all net revenue
received on and after July 1, 2017, shall be six per cent.

(2) Net revenue derived from furnishing a health care item or
service to a patient shall be taxed only one time under this section. Net
revenue from each hospital-owned ambulatory surgical center shall be
considered net revenue of the hospital and shall be reported as net
revenue from inpatient hospital services or outpatient hospital services
to the extent such net revenue is derived from services that fall within
the scope of inpatient hospital services or outpatient hospital services,
as defined in subsection (b) of section 42 of this act. As used in this
subsection, "hospital-owned ambulatory surgical center" includes only
those ambulatory surgical centers that are considered departments of
the owner-hospital and that have provider-based status in accordance
with 42 CFR 413.65, as amended from time to time. If an ambulatory
surgical center is owned by a hospital, but is not considered to be a
department of the hospital or does not have provider-based status in
accordance with 42 CFR 413.65, as amended from time to time, the net
revenue of such ambulatory surgical center shall not be considered net
revenue of the owner-hospital, and such ambulatory surgical center
shall be required to file and pay tax for any net revenue received from
the provision of ambulatory surgical center services.

(b) The Commissioner of Social Services shall seek approval from
the Centers for Medicare and Medicaid Services to exempt from the
net revenue tax imposed under subsection (a) of this section the
following: (1) Specialty hospitals; (2) children's general hospitals; and
(3) hospitals operated exclusively by the state other than a short-term
acute hospital operated by the state as a receiver pursuant to chapter
920 of the general statutes. Any health care provider for which the
Centers for Medicare and Medicaid Services grants an exemption shall
be exempt from the net revenue tax imposed under subsection (a) of
this section. Any such health care provider for which the Centers for
Medicare and Medicaid Services denies an exemption shall be required
to pay the net revenue tax imposed under subsection (a) of this section on inpatient hospital services and outpatient hospital services, as defined in section 42 of this act. As used in this subsection, (A) "specialty hospitals" means health care facilities, as defined in section 19a-630 of the general statutes, other than facilities licensed by the Department of Public Health as a short-term general hospital or a short-term children's hospital. "Specialty hospitals" includes, but is not limited to, psychiatric hospitals and chronic disease hospitals, and (B) "children's general hospitals" means health care facilities, as defined in section 19a-630 of the general statutes, that are licensed by the Department of Public Health as a short-term children's hospital. "Children's general hospitals" does not include specialty hospitals.

(c) Prior to January 1, 2018, and every three years thereafter, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt financially distressed hospitals from the net revenue tax imposed on outpatient hospital services. Any such hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed on outpatient hospital services under subsection (a) of this section. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the net revenue tax imposed on outpatient hospital services under subsection (a) of this section. "Financially distressed hospitals" means hospitals that have experienced over a five-year period an average net loss of more than one per cent of aggregate revenue. A hospital has an average net loss of more than one per cent of aggregate revenue if such a loss is reflected in the five most recent years of financial reporting that have been made available by the Office of Healthcare Access for such hospital, in accordance with section 19a-670 of the general statutes, as of the effective date of the request for approval, which effective date shall be July first of the year in which the request is made.

(d) The provisions of section 17b-8 of the general statutes shall not
apply to any waiver or waivers sought by the Department of Social Services from the Centers for Medicare and Medicaid Services under this section.

Sec. 44. (NEW) (Effective July 1, 2017) (a) For each calendar quarter commencing on or after July 1, 2017, there is hereby imposed a quarterly fee on each nursing home and intermediate care facility in this state, which fee shall be the product of each facility's total resident days during the calendar quarter multiplied by the user fee. Except as otherwise provided in this section, the user fee for nursing homes shall be twenty-one dollars and two cents and the user fee for intermediate care facilities shall be twenty-seven dollars and twenty-six cents. As used in this subsection, "resident day" means nursing home resident day and intermediate care facility resident day, as applicable.

   (b) The Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt from the quarterly fee imposed on nursing homes under subsection (a) of this section those nursing homes owned and operated by a legal entity registered as a continuing care facility with the Department of Social Services in accordance with section 17b-521 of the general statutes. Any nursing home for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the quarterly fee imposed on nursing homes under subsection (a) of this section. Any nursing home for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the quarterly fee imposed on nursing homes under subsection (a) of this section.

   (c) The Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services for permission to impose a user fee in the amount of sixteen dollars and thirteen cents upon nursing homes owned by municipalities and nursing homes licensed for more than two hundred thirty beds. If the Centers for Medicare and Medicaid Services grants permission, the user fee imposed on nursing homes owned by municipalities and nursing
homes licensed for more than two hundred thirty beds shall be sixteen
dollars and thirteen cents. If the Centers for Medicare and Medicaid
Services denies permission, the user fee for nursing homes owned by
municipalities and nursing homes licensed for more than two hundred
thirty beds shall be twenty-one dollars and two cents.

(d) The provisions of section 17b-8 of the general statutes shall not
apply to any waiver or waivers sought by the Department of Social
Services from the Centers for Medicare and Medicaid Services under
this section.

Sec. 45. (NEW) (Effective July 1, 2017) (a) No tax credit or credits shall
be allowable against any tax or fee imposed under section 43 or 44 of
this act.

(b) Each taxpayer doing business in this state shall, on or before the
last day of January, April, July and October of each year, render to the
commissioner a quarterly return, on forms prescribed or furnished by
the commissioner and signed by one of the taxpayer's principal
officers, stating specifically the name and location of such taxpayer, the
amount of its net patient revenue or resident days 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 and the state's Medicaid program. The
taxes and fees imposed under this section shall be due and payable on
the due date of such return. Each taxpayer shall be required to file such
return electronically with the department and to make such payment
by electronic funds transfer in the manner provided by chapter 228g of
the general statutes, irrespective of whether the taxpayer would have
otherwise been required to file such return electronically or to make
such payment by electronic funds transfer under the provisions of said
chapter.

(c) (1) If any taxpayer fails to pay the amount of tax or fee reported
to be due on such taxpayer's return within the time specified under the
provisions of this section, there shall be imposed a penalty equal to ten per cent of such amount due and unpaid, or fifty dollars, whichever is greater. The tax or fee shall bear interest at the rate of one per cent per month or fraction thereof, from the due date of such tax or fee until the date of payment.

(2) If any taxpayer has not made its return within one month of the due date of such return, the commissioner may make such return at any time thereafter, according to the best information obtainable and according to the form prescribed. There shall be added to the tax or fee imposed upon the basis of such return an amount equal to ten per cent of such tax or fee, or fifty dollars, whichever is greater. The tax or fee shall bear interest at the rate of one per cent per month or fraction thereof, from the due date of such tax or fee until the date of payment.

(3) Subject to the provisions of section 12-3a of the general statutes, the commissioner may waive all or part of the penalties provided under this subsection when it is proven to the commissioner's satisfaction that the failure to pay any tax or fee on time was due to reasonable cause and was not intentional or due to neglect.

(4) The commissioner shall notify the Commissioner of Social Services of any amount delinquent under this section and, upon receipt of such notice, the Commissioner of Social Services shall deduct and withhold such amount from amounts otherwise payable by the Department of Social Services to the delinquent taxpayer.

(d) (1) Any person required under sections 43 to 48, inclusive, of this act to pay any tax or fee, make a return, keep any records or supply any information, who willfully fails, at the time required by law, to pay such tax or fee, make such return, keep such records or supply such information, shall, in addition to any other penalty provided by law, be fined not more than one thousand dollars or imprisoned not more than one year, or both. As used in this subsection, "person" includes any officer or employee of a taxpayer under a duty to pay such tax or
fee, make such return, keep such records or supply such information. Notwithstanding the provisions of section 54-193 of the general statutes, no person shall be prosecuted for a violation of the provisions of this subsection committed on or after July 1, 1997, except within three years next after such violation has been committed.

(2) Any person who wilfully delivers or discloses to the commissioner or the commissioner's authorized agent any list, return, account, statement or other document, known by such person to be fraudulent or false in any material matter, shall, in addition to any other penalty provided by law, be guilty of a class D felony. No person shall be charged with an offense under both this subdivision and subdivision (1) of this subsection in relation to the same tax period but such person may be charged and prosecuted for both such offenses upon the same information.

Sec. 46. (NEW) (Effective July 1, 2017) (a) (1) The commissioner may examine the records of any taxpayer subject to a tax or fee imposed under the provisions of section 43 or 44 of this act as the commissioner deems necessary. If the commissioner determines from such examination that there is a deficiency with respect to the payment of any such tax or fee due under the provisions of section 43 or 44 of this act, the commissioner shall assess the deficiency in tax or fee, give notice of such deficiency assessment to the taxpayer and make demand for payment. Such amount shall bear interest at the rate of one per cent per month or fraction thereof from the date when the original tax or fee was due and payable. (A) When it appears that any part of the deficiency for which a deficiency assessment is made is due to negligence or intentional disregard of the provisions of this section or regulations adopted thereunder, there shall be imposed a penalty equal to ten per cent of the amount of such deficiency assessment, or fifty dollars, whichever is greater. (B) When it appears that any part of the deficiency for which a deficiency assessment is made is due to fraud or intent to evade the provisions of this section or regulations adopted thereunder, there shall be imposed a penalty equal to twenty-
five per cent of the amount of such deficiency assessment. No taxpayer shall be subject to more than one penalty under this subdivision in relation to the same tax period. Not later than thirty days after the mailing of such notice, the taxpayer shall pay to the commissioner, in cash or by check, draft or money order drawn to the order of the Commissioner of Revenue Services, any additional amount of tax, penalty and interest shown to be due.

(2) Except in the case of a wilfully false or fraudulent return with intent to evade the tax or fee, no assessment of additional tax or fee shall be made after the expiration of more than three years from the date of the filing of a return or from the original due date of a return, whichever is later. Where, before the expiration of the period prescribed under this subsection for the assessment of an additional tax or fee, a taxpayer has consented, in writing, that such period may be extended, the amount of such additional tax due may be determined at any time within such extended period. The period so extended may be further extended by subsequent consents, in writing, before the expiration of the extended period.

(b) (1) The commissioner may enter into an agreement with the Commissioner of Social Services delegating to the Commissioner of Social Services the authority to examine the records and returns of any taxpayer subject to any tax or fee imposed under section 43 or 44 of this act and to determine whether such tax has been underpaid or overpaid. If such authority is so delegated, examinations of such records and returns by the Commissioner of Social Services and determinations by the Commissioner of Social Services that such tax or fee has been underpaid or overpaid shall have the same effect as similar examinations or determinations made by the commissioner.

(2) The commissioner may enter into an agreement with the Commissioner of Social Services in order to facilitate the exchange of return or return information necessary for the Commissioner of Social Services to perform his or her responsibilities under this section and to
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ensure compliance with the state's Medicaid program.

(3) The Commissioner of Social Services may engage an independent auditor to assist in the performance of said commissioner's duties and responsibilities under this subsection. Any reports generated by such independent auditor shall be provided simultaneously to the department and the Department of Social Services.

(c) (1) The commissioner may require all persons subject to a tax or fee imposed under section 43 or 44 of this act to keep such records as the commissioner may prescribe and may require the production of books, papers, documents and other data, to provide or secure information pertinent to the determination of the taxes or fees imposed under section 43 or 44 of this act and the enforcement and collection thereof.

(2) The commissioner or any person authorized by the commissioner may examine the books, papers, records and equipment of any person liable under the provisions of this section and may investigate the character of the business of such person to verify the accuracy of any return made or, if no return is made by the person, to ascertain and determine the amount required to be paid.

(d) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of sections 43 to 50, inclusive, of this act.

Sec. 47. (NEW) (Effective July 1, 2017) (a) Any taxpayer subject to any tax or fee under section 43 or 44 of this act, believing that it has overpaid any tax or fee due under said sections, may file a claim for refund, in writing, with the commissioner not later than three years after the due date for which such overpayment was made, stating the specific grounds upon which the claim is founded. Failure to file a claim within the time prescribed in this subsection shall constitute a waiver of any demand against the state on account of overpayment.
Within a reasonable time, as determined by the commissioner, following receipt of such claim for refund, the commissioner shall determine whether such claim is valid and, if so determined, the commissioner shall notify the Comptroller of the amount of such refund and the Comptroller shall draw an order on the Treasurer in the amount thereof for payment to the taxpayer. If the commissioner determines that such claim is not valid, either in whole or in part, the commissioner shall mail notice of the proposed disallowance in whole or in part of the claim to the taxpayer, which notice shall set forth briefly the commissioner's findings of fact and the basis of disallowance in each case decided in whole or in part adversely to the taxpayer. Sixty days after the date on which it is mailed, a notice of proposed disallowance shall constitute a final disallowance except only for such amounts as to which the taxpayer has filed, as provided in subsection (b) of this section, a written protest with the commissioner.

(b) On or before the sixtieth day after the mailing of the proposed disallowance, the taxpayer may file with the commissioner a written protest against the proposed disallowance in which the taxpayer sets forth the grounds on which the protest is based. If a protest is filed, the commissioner shall reconsider the proposed disallowance and, if the taxpayer has so requested, may grant or deny the taxpayer or its authorized representatives a hearing.

(c) The commissioner shall mail notice of the commissioner's determination to the taxpayer, which notice shall set forth briefly the commissioner's findings of fact and the basis of decision in each case decided in whole or in part adversely to the taxpayer.

(d) The action of the commissioner on the taxpayer's protest shall be final upon the expiration of one month from the date on which the commissioner mails notice of the commissioner's determination to the taxpayer, unless within such period the taxpayer seeks judicial review of the commissioner's determination.
(e) Notwithstanding any other provision of the general statutes, no taxpayer may challenge any tax or fee due under section 43 or 44 of this act other than in accordance with this section and section 48 of this act.

Sec. 48. (NEW) (Effective July 1, 2017) (a) Any taxpayer subject to any tax or fee under section 43 or 44 of this act that is aggrieved by the action of the commissioner, the Commissioner of Social Services or an authorized agent of said commissioners in fixing the amount of any tax, penalty, interest or fee under sections 43 to 46, inclusive, of this act may apply to the commissioner, in writing, not later than sixty days after the notice of such action is delivered or mailed to such taxpayer, for a hearing and a correction of the amount of such tax, penalty, interest or fee, setting forth the reasons why such hearing should be granted and the amount by which such tax, penalty, interest or fee should be reduced. The commissioner shall promptly consider each such application and may grant or deny the hearing requested. If the hearing is denied, the taxpayer shall be notified immediately. If the hearing is granted, the commissioner shall notify the applicant of the date, time and place for such hearing. After such hearing, the commissioner may make such order as appears just and lawful to the commissioner and shall furnish a copy of such order to the taxpayer. The commissioner may, by notice in writing, order a hearing on the commissioner's own initiative and require a taxpayer or any other individual who the commissioner believes to be in possession of relevant information concerning such taxpayer to appear before the commissioner or the commissioner's authorized agent with any specified books of account, papers or other documents, for examination under oath.

(b) Any taxpayer subject to any tax or fee under section 43 or 44 of this act that is aggrieved because of any order, decision, determination or disallowance of the commissioner made under sections 43 to 47, inclusive, of this act may, not later than one month after service of notice of such order, decision, determination or disallowance, take an
appeal therefrom to the superior court for the judicial district of New Britain, which appeal shall be accompanied by a citation to the commissioner to appear before said court. Such citation shall be signed by the same authority and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety, to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by the court. Said court may grant such relief as may be equitable and, if such tax or charge has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof, to such taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands and, upon all such appeals that are denied, costs may be taxed against such taxpayer at the discretion of the court but no costs shall be taxed against the state.

(c) Notwithstanding any other provision of the general statutes, no taxpayer that is aggrieved by the action of the commissioner, the Commissioner of Social Services or an authorized agent of said commissioners in fixing the amount of any tax, penalty, interest or fee under sections 43 to 46, inclusive, of this act may challenge any such action other than in accordance with this section and section 47 of this act.

Sec. 49. (NEW) (Effective July 1, 2017) The commissioner and any agent of the commissioner duly authorized to conduct any inquiry, investigation or hearing pursuant to sections 45 to 58, inclusive, of this act shall have power to administer oaths and take testimony under oath relative to the matter of inquiry or investigation. At any hearing ordered by the commissioner, the commissioner or the commissioner's
agent authorized to conduct such hearing and having authority by law to issue such process may subpoena witnesses and require the production of books, papers and documents pertinent to such inquiry or investigation. No witness under subpoena authorized to be issued under the provisions of this section shall be excused from testifying or from producing books, papers or documentary evidence on the ground that such testimony or the production of such books, papers or documentary evidence would tend to incriminate such witness, but such books, papers or documentary evidence so produced shall not be used in any criminal proceeding against such witness. If any person disobeys such process or, having appeared in obedience thereto, refuses to answer any pertinent question put to such person by the commissioner or the commissioner's authorized agent, or to produce any books, papers or other documentary evidence pursuant thereto, the commissioner or such agent may apply to the superior court of the judicial district wherein the taxpayer resides or wherein the business has been conducted, or to any judge of such court if the same is not in session, setting forth such disobedience to process or refusal to answer, and such court or such judge shall cite such person to appear before such court or such judge to answer such question or to produce such books, papers or other documentary evidence and, upon such person's refusal so to do, shall commit such person to a community correctional center until such person testifies, but not for a period longer than sixty days. Notwithstanding the serving of the term of such commitment by any person, the commissioner may proceed in all respects with such inquiry and examination as if the witness had not previously been called upon to testify. Officers who serve subpoenas issued by the commissioner or under the commissioner's authority and witnesses attending hearings conducted by the commissioner pursuant to this section shall receive fees and compensation at the same rates as officers and witnesses in the courts of this state, to be paid on vouchers of the commissioner on order of the Comptroller from the proper appropriation for the administration of this section.
Sec. 50. (NEW) (Effective July 1, 2017) The amount of any tax, penalty, interest or fee, due and unpaid under the provisions of sections 43 to 48, inclusive, of this act may be collected under the provisions of section 12-35 of the general statutes. The warrant provided under section 12-35 of the general statutes shall be signed by the commissioner or the commissioner's authorized agent. The amount of any such tax, penalty, interest or fee shall be a lien on the real estate of the taxpayer from the last day of the month next preceding the due date of such tax until such tax is paid. The commissioner may record such lien in the records of any town in which the real estate of such taxpayer is situated but no such lien shall be enforceable against a bona fide purchaser or qualified encumbrancer of such real estate. When any tax or fee with respect to which a lien has been recorded under the provisions of this subsection has been satisfied, the commissioner shall, upon request of any interested party, issue a certificate discharging such lien, which certificate shall be recorded in the same office in which the lien was recorded. Any action for the foreclosure of such lien shall be brought by the Attorney General in the name of the state in the superior court for the judicial district in which the property subject to such lien is situated, or, if such property is located in two or more judicial districts, in the superior court for any one such judicial district, and the court may limit the time for redemption or order the sale of such property or make such other or further decree as it judges equitable. For purposes of section 12-39g of the general statutes, a fee under this section shall be treated as a tax.

Sec. 51. (NEW) (Effective July 1, 2017) At the close of each fiscal year commencing with the fiscal year ending June 30, 2018, the Comptroller is authorized to record as revenue for each such fiscal year the amount of tax and fee imposed under the provisions of sections 42 to 50, inclusive, of this act that is received by the commissioner not later than five business days after the last day of July immediately following the end of such fiscal year.

Sec. 52. Subsection (a) of section 12-263b of the general statutes is
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repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(a) For each calendar quarter commencing on or after July 1, 2011, and prior to July 1, 2017, 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 and in conformance with the state budget adopted by the General Assembly. Each hospital shall be promptly notified of the amount of tax due by the Commissioner of Social Services. The Commissioner of Social Services shall determine the base year on which such tax shall be assessed in order to ensure conformance with the state budget adopted by the General Assembly. 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.

Sec. 53. Subdivision (1) of subsection (b) of section 12-263i of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(b) (1) For each calendar quarter commencing on or after October 1, 2015, and prior to July 1, 2017, 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 percent of the gross receipts of each ambulatory surgical center, except that such tax shall not be imposed on any amount of such gross receipts that constitutes either (A) the first million dollars of gross receipts of the ambulatory surgical center in the applicable fiscal year,
or (B) net patient revenue of a hospital that is subject to the tax
imposed under this chapter. Nothing in this section shall prohibit an
ambulatory surgical center from seeking remuneration for the tax
imposed by this section.

Sec. 54. Subparagraph (A) of subdivision (1) of subsection (b) of
section 17b-320 of the general statutes is repealed and the following is
substituted in lieu thereof (Effective July 1, 2017):

(b) (1) (A) For each calendar quarter commencing on or after July 1,
2005, and prior to July 1, 2017, there is hereby imposed a resident day
user fee on each nursing home in this state, which fee shall be the
product of the nursing home's total resident days during the calendar
quarter multiplied by the user fee, as determined by the Commissioner
of Social Services pursuant to subsection (a) of section 17b-321.

Sec. 55. Subsection (a) of section 17b-321 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July
1, 2017):

(a) On or before July 1, 2005, and on or before July first annually or
biennially [thereafter] and prior to July 1, 2017, the Commissioner of
Social Services shall determine the amount of the user fee and
promptly notify the commissioner and nursing homes of such amount.
The user fee shall be (1) the sum of each nursing home's anticipated
nursing home net revenue, including, but not limited to, its estimated
net revenue from any increases in Medicaid payments, during the
twelve-month period ending on June thirtieth of the succeeding
calendar year, (2) which sum shall be multiplied by a percentage as
determined by the Secretary of the Office of Policy and Management,
in consultation with the Commissioner of Social Services, provided
before January 1, 2008, such percentage shall not exceed six per cent,
on and after January 1, 2008, and prior to October 1, 2011, such
percentage shall not exceed five and one-half per cent, and on and
after October 1, 2011, and prior to July 1, 2017, such percentage shall
not exceed the maximum allowed under federal law, and (3) which product shall be divided by the sum of each nursing home's anticipated resident days during the twelve-month period ending on June thirtieth of the succeeding calendar year. The Commissioner of Social Services, in anticipating nursing home net revenue and resident days, shall use the most recently available nursing home net revenue and resident day information. Notwithstanding the provisions of this section, the Commissioner of Social Services may adjust the user fee as necessary to prevent the state from exceeding the maximum allowed under federal law.

Sec. 56. Section 17b-323 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

Not later than fifteen days after approval of the Medicaid state plan amendment required to implement subdivision (4) of subsection (f) of section 17b-340 and prior to July 1, 2017, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services for, and shall file a provider user fee uniformity waiver request regarding, the user fee set forth in sections 17b-320 and 17b-321, as amended by this act. The request for approval shall include a request for a waiver of federal requirements for uniform and broad-based user fees in accordance with 42 CFR 433.68, to (1) exempt from the user fee prescribed by section 17b-320 any nursing home that is owned and operated as of May 1, 2005, by the legal entity that is registered as a continuing care facility with the Department of Social Services, in accordance with section 17b-521, regardless of whether such nursing home participates in the Medicaid program and any nursing home licensed after May 1, 2005, that is owned and operated by the legal entity that is registered as a continuing care facility with the Department of Social Services in accordance with section 17b-521; and (2) impose a user fee in an amount less than the fee determined pursuant to section 17b-320, as amended by this act, as necessary to meet the requirements of 42 CFR 433.68(e)(2) on (A) nursing homes owned by a municipality, and (B) nursing homes licensed for more
than two hundred thirty beds. Notwithstanding any provision of the
general statutes, the provisions of section 17b-8 shall not apply to the
waiver sought pursuant to this section.

Sec. 57. Subdivision (1) of subsection (b) of section 17b-340a of the
general statutes is repealed and the following is substituted in lieu
thereof (Effective July 1, 2017):

(b) (1) For each calendar quarter commencing on or after July 1,
2011, and prior to July 1, 2017, there is hereby imposed a resident day
user fee on each intermediate care facility for individuals with
intellectual disabilities in this state, which fee shall be the product of
the facility's total resident days during the calendar quarter multiplied
by the user fee, as determined by the Commissioner of Social Services
pursuant to section 17b-340b, as amended by this act.

Sec. 58. Section 17b-340b of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

On or before July 1, 2011, and on or before July first annually or
biennially [thereafter] and prior to July 1, 2017, the Commissioner of
Social Services shall determine the amount of the user fee and
promptly notify the commissioner and the intermediate care facilities
for individuals with intellectual disabilities of such amount. The user
fee shall be (1) the sum of each facility's anticipated net revenue,
including, but not limited to, its estimated net revenue from any
increases in Medicaid payments during the twelve-month period
ending on June thirtieth of the succeeding calendar year, (2) which
sum shall be multiplied by a percentage as determined by the
Secretary of the Office of Policy and Management, in consultation with
the Commissioner of Social Services, provided, before October 1, 2011,
such percentage shall not exceed five and one-half per cent and, on
and after October 1, 2011, and prior to July 1, 2017, such percentage
shall not exceed the maximum amount allowed under federal law, and
(3) which product shall be divided by the sum of each facility's
anticipated resident days during the twelve-month period ending on June thirtieth of the succeeding calendar year. The Commissioner of Social Services, in anticipating facility net revenue and resident days, shall use the most recently available facility net revenue and resident day information. Notwithstanding the provisions of this section, the Commissioner of Social Services may adjust the user fee as necessary to prevent the state from exceeding the maximum amount allowed under federal law.

Sec. 59. Subsection (d) of section 12-746 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(d) As used in this section, "income tax liability as shown on such return" means the liability after application of the credit for property taxes allowed and taken on such return pursuant to section 12-704c, revision of 1958, revised to January 1, 1999, as corrected for mathematical error by the Commissioner of Revenue Services on the original return filed by such taxpayer.

Sec. 60. Section 12-704c of the general statutes is repealed. (Effective from passage and applicable to taxable years commencing on or after January 1, 2017)

This act shall take effect as follows and shall amend the following sections:

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<td>Sec. 43</td>
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<td>12-746(d)</td>
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<td>Sec. 60</td>
<td>from passage and applicable to taxable years commencing on or after January 1, 2017</td>
<td>Repealer section</td>
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**Statement of Purpose:**
To implement the Governor's budget recommendations.
[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.]