



General Assembly

January Session, 2017

Governor's Bill No. 787

LCO No. 3787



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

SEN. LOONEY, 11th Dist.

SEN. DUFF, 25th Dist.

REP. ARESIMOWICZ, 30th Dist.

REP. RITTER M., 1st Dist.

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:

1 Section 1. (*Effective from passage*) Each department head, as defined
2 in section 4-5 of the general statutes, other than the Secretary of the
3 Office of Policy and Management, shall undertake a review of the fees
4 collected by his or her department and determine whether each fee is
5 sufficient to cover the department's costs to collect such fee and
6 administer the program associated with such fee. Each department
7 head shall submit, taking such costs into consideration, any
8 recommended fee increases to said secretary before December 1, 2017.
9 Said secretary shall review each department head's submission and
10 submit a report to the joint standing committee of the General
11 Assembly having cognizance of matters relating to finance, revenue

12 and bonding not later than February 7, 2018, of any recommended
13 increases of up to fifty per cent of any existing fee, provided the total
14 amount of the increase in fees shall not exceed twenty million dollars.

15 Sec. 2. (*Effective from passage*) (a) For purposes of this section,
16 "qualified taxpayer" means a taxpayer that: (1) Failed to file a tax
17 return, or failed to report the full amount of tax properly due on a
18 previously filed tax return, that was due on or before December 31,
19 2016; (2) voluntarily comes forward prior to receiving a billing notice
20 or a notice from the Department of Revenue Services that an audit is
21 being conducted in relation to the tax type and taxable period or
22 periods for which the taxpayer is seeking a fresh start agreement; (3) is
23 not a party to a closing agreement with the Commissioner of Revenue
24 Services in relation to the tax type and taxable period or periods for
25 which the taxpayer is seeking a fresh start agreement; (4) has not made
26 an offer of compromise that has been accepted by the commissioner in
27 relation to the tax type and taxable period or periods for which the
28 taxpayer is seeking a fresh start agreement; (5) has not protested a
29 determination of an audit for the tax type and taxable period or
30 periods for which the taxpayer is seeking a fresh start agreement; (6) is
31 not a party to litigation against the commissioner in relation to the tax
32 type and taxable period or periods for which the taxpayer is seeking a
33 fresh start agreement; and (7) makes application for a fresh start
34 agreement in the form and manner prescribed by the commissioner.

35 (b) Notwithstanding the provisions of any other law, the
36 Commissioner of Revenue Services is authorized to implement a fresh
37 start program and may, at the commissioner's sole discretion, enter
38 into fresh start agreements with qualified taxpayers during the period
39 from July 1, 2017, to October 31, 2018, inclusive, except taxes imposed
40 under chapter 222 of the general statutes shall not be eligible for a fresh
41 start agreement. Any fresh start agreement shall provide for (1) the
42 waiver of all penalties that may be imposed under title 12 of the
43 general statutes, and (2) the waiver of fifty per cent of the interest
44 related to a failure to pay any amount due to the commissioner by the

45 date prescribed for payment. A fresh start agreement for a qualified
46 taxpayer that has failed to file a tax return or returns may also provide
47 for a limited look-back period.

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

61 (d) Notwithstanding the provisions of subsections (a) to (c),
62 inclusive, of this section or of any fresh start agreement, the waiver of
63 penalties and interest shall not be binding on the commissioner if the
64 commissioner finds that any of the following circumstances exist: (1)
65 The qualified taxpayer misrepresented any material fact in applying
66 for or entering into the fresh start agreement; (2) the qualified taxpayer
67 fails to provide any information required for any taxable period
68 covered by the fresh start agreement on or before the due date
69 prescribed under the terms of the fresh start agreement; (3) the
70 qualified taxpayer fails to pay any tax, penalty or interest due in the
71 time, form or manner prescribed under the terms of the fresh start
72 agreement; (4) the tax reported by the qualified taxpayer for any
73 taxable period covered by the fresh start agreement, including any
74 amount shown on an amended tax return, understates by ten per cent
75 or more the tax due and such taxpayer cannot demonstrate to the
76 satisfaction of the commissioner that a good faith effort was made to
77 accurately compute the tax; or (5) the qualified taxpayer fails to timely

78 file any required tax returns or pay any associated tax obligations to
79 this state, during the three-year period after the date the fresh start
80 agreement was signed by the parties to such agreement. No payment
81 made by a qualified taxpayer for a taxable period covered by a fresh
82 start agreement shall be refunded to such taxpayer or credited to a
83 taxable period other than the taxable period for which such payment
84 was made.

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

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

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

104 Each domestic insurance company shall, annually, pay a tax on the
105 total net direct premiums received by such company during the
106 calendar year next preceding from policies written on property or risks
107 located or resident in this state. The rate of tax on all net direct
108 insurance premiums received (1) on [and] or after January 1, 1995, and

109 prior to January 1, 2018, shall be one and three-quarters per cent, and
110 (2) on or after January 1, 2018, shall be one and one-half per cent. The
111 franchise tax imposed under this section on premium income for the
112 privilege of doing business in the state is in addition to the tax
113 imposed under chapter 208. In the case of any local domestic insurance
114 company the admitted assets of which as of the end of an income year
115 do not exceed ninety-five million dollars, eighty per cent of the tax
116 paid by such company under chapter 208 during such income year
117 reduced by any refunds of taxes paid by such company and granted
118 under said chapter within such income year and eighty per cent of the
119 assessment paid by such company under section 38a-48 during such
120 income year shall be allowed as a credit in the determination of the tax
121 under this chapter payable with respect to total net direct premiums
122 received during such income year, provided [that] these two credits
123 shall not reduce the tax under this chapter to less than zero, and
124 provided further in the case of a local domestic insurance company
125 [which] that is a member of an insurance holding company system, as
126 defined in section 38a-129, these credits shall apply if the total
127 admitted assets of the local domestic insurance company and its
128 affiliates, as defined in said section, do not exceed two hundred fifty
129 million dollars or, in the alternative, in the case of a local domestic
130 insurance company [which] that is a member of an insurance holding
131 company system, as defined in section 38a-129, these credits shall
132 apply only if total direct written premiums are derived from policies
133 issued or delivered in Connecticut, on risk located in Connecticut and,
134 as of the end of the income year the company and its affiliates have
135 admitted assets minus unpaid losses and loss adjustment expenses that
136 are also discounted for federal and state tax purposes and which for
137 said local domestic insurance company and its affiliates, as defined in
138 said section, do not exceed two hundred fifty million dollars.

139 Sec. 5. Subsection (a) of section 12-202a of the general statutes is
140 repealed and the following is substituted in lieu thereof (*Effective from*
141 *passage*):

142 (a) Each health care center, as defined in section 38a-175, that is
143 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to
144 the Commissioner of Revenue Services for the calendar year
145 commencing [on] January 1, 1995, and annually thereafter [, at the rate
146 of one and three-quarters per cent of] on the total net direct subscriber
147 charges received by such health care center during each such calendar
148 year on any new or renewal contract or policy approved by the
149 Insurance Commissioner under section 38a-183. The rate of tax on the
150 total net direct subscriber charges received (1) prior to January 1, 2018,
151 shall be one and three-quarters per cent, and (2) on or after January 1,
152 2018, shall be one and one-half per cent. Such payment shall be in
153 addition to any other payment required under section 38a-48.

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

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

173 Sec. 7. Subsection (a) of section 12-211a of the general statutes is

174 repealed and the following is substituted in lieu thereof (*Effective from*
175 *passage*):

176 (a) (1) Notwithstanding any provision of the general statutes, and
177 except as otherwise provided in subdivision (5) of this subsection or in
178 subsection (b) of this section, the amount of tax credit or credits
179 otherwise allowable against the tax imposed under this chapter for any
180 calendar year shall not exceed seventy per cent of the amount of tax
181 due from such taxpayer under this chapter with respect to such
182 calendar year of the taxpayer prior to the application of such credit or
183 credits.

184 (2) For the calendar year commencing January 1, 2011, "type one tax
185 credits" means tax credits allowable under section 12-217jj, as amended
186 by this act, 12-217kk or 12-217ll; "type two tax credits" means tax
187 credits allowable under section 38a-88a; "type three tax credits" means
188 tax credits that are not type one tax credits or type two tax credits;
189 "thirty per cent threshold" means thirty per cent of the amount of tax
190 due from a taxpayer under this chapter prior to the application of tax
191 credit; "fifty-five per cent threshold" means fifty-five per cent of the
192 amount of tax due from a taxpayer under this chapter prior to the
193 application of tax credits; and "seventy per cent threshold" means
194 seventy per cent of the amount of tax due from a taxpayer under this
195 chapter prior to the application of tax credits.

196 (3) For the calendar year commencing January 1, 2012, "type one tax
197 credits" means the tax credit allowable under section 12-217ll; "type
198 two tax credits" means tax credits allowable under section 38a-88a;
199 "type three tax credits" means tax credits that are not type one tax
200 credits or type two tax credits; "thirty per cent threshold" means thirty
201 per cent of the amount of tax due from a taxpayer under this chapter
202 prior to the application of tax credit; "fifty-five per cent threshold"
203 means fifty-five per cent of the amount of tax due from a taxpayer
204 under this chapter prior to the application of tax credits; and "seventy
205 per cent threshold" means seventy per cent of the amount of tax due

206 from a taxpayer under this chapter prior to the application of tax
207 credits.

208 (4) For [the] calendar years commencing on or after January 1, 2013,
209 [January 1, 2014, January 1, 2015, and January 1, 2016,] "type one tax
210 credits" means the tax credit allowable under sections 12-217jj, as
211 amended by this act, 12-217kk and 12-217ll; "type two tax credits"
212 means tax credits allowable under section 38a-88a; "type three tax
213 credits" means tax credits that are not type one tax credits or type two
214 tax credits; "thirty per cent threshold" means thirty per cent of the
215 amount of tax due from a taxpayer under this chapter prior to the
216 application of tax credit; "fifty-five per cent threshold" means fifty-five
217 per cent of the amount of tax due from a taxpayer under this chapter
218 prior to the application of tax credits; and "seventy per cent threshold"
219 means seventy per cent of the amount of tax due from a taxpayer
220 under this chapter prior to the application of tax credits.

221 (5) For calendar years commencing on or after January 1, 2011, [and
222 prior to January 1, 2017,] and subject to the provisions of subdivisions
223 (2), (3) and (4) of this subsection, the amount of tax credit or credits
224 otherwise allowable against the tax imposed under this chapter shall
225 not exceed:

226 (A) If the tax credit or credits being claimed by a taxpayer are type
227 three tax credits only, thirty per cent of the amount of tax due from
228 such taxpayer under this chapter with respect to said calendar years of
229 the taxpayer prior to the application of such credit or credits.

230 (B) If the tax credit or credits being claimed by a taxpayer are type
231 one tax credits and type three tax credits, but not type two tax credits,
232 fifty-five per cent of the amount of tax due from such taxpayer under
233 this chapter with respect to said calendar years of the taxpayer prior to
234 the application of such credit or credits, provided (i) type three tax
235 credits shall be claimed before type one tax credits are claimed, (ii) the
236 type three tax credits being claimed may not exceed the thirty per cent

237 threshold, and (iii) the sum of the type one tax credits and the type
238 three tax credits being claimed may not exceed the fifty-five per cent
239 threshold.

240 (C) If the tax credit or credits being claimed by a taxpayer are type
241 two tax credits and type three tax credits, but not type one tax credits,
242 seventy per cent of the amount of tax due from such taxpayer under
243 this chapter with respect to said calendar years of the taxpayer prior to
244 the application of such credit or credits, provided (i) type three tax
245 credits shall be claimed before type two tax credits are claimed, (ii) the
246 type three tax credits being claimed may not exceed the thirty per cent
247 threshold, and (iii) the sum of the type two tax credits and the type
248 three tax credits being claimed may not exceed the seventy per cent
249 threshold.

250 (D) If the tax credit or credits being claimed by a taxpayer are type
251 one tax credits, type two tax credits and type three tax credits, seventy
252 per cent of the amount of tax due from such taxpayer under this
253 chapter with respect to said calendar years of the taxpayer prior to the
254 application of such credits, provided (i) type three tax credits shall be
255 claimed before type one tax credits or type two tax credits are claimed,
256 and the type one tax credits shall be claimed before the type two tax
257 credits are claimed, (ii) the type three tax credits being claimed may
258 not exceed the thirty per cent threshold, (iii) the sum of the type one
259 tax credits and the type three tax credits being claimed may not exceed
260 the fifty-five per cent threshold, and (iv) the sum of the type one tax
261 credits, the type two tax credits and the type three tax credits being
262 claimed may not exceed the seventy per cent threshold.

263 (E) If the tax credit or credits being claimed by a taxpayer are type
264 one tax credits and type two tax credits only, but not type three tax
265 credits, seventy per cent of the amount of tax due from such taxpayer
266 under this chapter with respect to said calendar years of the taxpayer
267 prior to the application of such credits, provided (i) the type one tax
268 credits shall be claimed before type two tax credits are claimed, (ii) the

269 type one tax credits being claimed may not exceed the fifty-five per
270 cent threshold, and (iii) the sum of the type one tax credits and the
271 type two tax credits being claimed may not exceed the seventy per cent
272 threshold.

273 Sec. 8. Subparagraph (A) of subdivision (3) of subsection (a) of
274 section 12-217jj of the general statutes is repealed and the following is
275 substituted in lieu thereof (*Effective from passage*):

276 (3) (A) "Qualified production" means entertainment content created
277 in whole or in part within the state, including motion pictures, except
278 as otherwise provided in this subparagraph; documentaries; long-
279 form, specials, mini-series, series, sound recordings, videos and music
280 videos and interstitials television programming; interactive television;
281 relocated television production; interactive games; videogames;
282 commercials; any format of digital media, including an interactive web
283 site, created for distribution or exhibition to the general public; and
284 any trailer, pilot, video teaser or demo created primarily to stimulate
285 the sale, marketing, promotion or exploitation of future investment in
286 either a product or a qualified production via any means and media in
287 any digital media format, film or videotape, provided such program
288 meets all the underlying criteria of a qualified production. For [the]
289 state fiscal years ending on or after June 30, 2014, [June 30, 2015, June
290 30, 2016, and June 30, 2017,] "qualified production" shall not include a
291 motion picture that has not been designated as a state-certified
292 qualified production prior to July 1, 2013, and no tax credit voucher for
293 such motion picture may be issued [during said years] for such motion
294 picture, except, for [the] state fiscal years ending on or after June 30,
295 2015, [June 30, 2016, and June 30, 2017,] "qualified production" shall
296 include a motion picture for which twenty-five per cent or more of the
297 principal photography shooting days are in this state at a facility that
298 receives not less than twenty-five million dollars in private investment
299 and opens for business on or after July 1, 2013, and a tax credit voucher
300 may be issued for such motion picture.

301 Sec. 9. Subsection (e) of section 12-704e of the general statutes is
302 repealed and the following is substituted in lieu thereof (*Effective from*
303 *passage and applicable to taxable years commencing on or after January 1,*
304 *2017*):

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

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

314 (a) With respect to estates of decedents who die prior to January 1,
315 2005, and except as otherwise provided in section 59 of public act 03-1
316 of the June 30 special session, a tax is imposed upon the transfer of the
317 estate of each person who at the time of death was a resident of this
318 state. The amount of the tax shall be the amount of the federal credit
319 allowable for estate, inheritance, legacy and succession taxes paid to
320 any state or the District of Columbia under the provisions of the
321 federal internal revenue code in force at the date of such decedent's
322 death in respect to any property owned by such decedent or subject to
323 such taxes as part of or in connection with the estate of such decedent.
324 If real or tangible personal property of such decedent is located outside
325 of this state and is subject to estate, inheritance, legacy, or succession
326 taxes by any state or states, other than the state of Connecticut, or by
327 the District of Columbia for which such federal credit is allowable, the
328 amount of tax due under this section shall be reduced by the lesser of:
329 (1) The amount of any such taxes paid to such other state or states or
330 said district and allowed as a credit against the federal estate tax; or (2)
331 an amount computed by multiplying such federal credit by a fraction,
332 (A) the numerator of which is the value of that part of the decedent's

333 gross estate over which such other state or states or said district have
334 jurisdiction for estate tax purposes to the same extent to which this
335 state would assert jurisdiction for estate tax purposes under this
336 chapter with respect to the residents of such other state or states or
337 said district, and (B) the denominator of which is the value of the
338 decedent's gross estate. Property of a resident estate over which this
339 state has jurisdiction for estate tax purposes includes real property
340 situated in this state, tangible personal property having an actual situs
341 in this state, and intangible personal property owned by the decedent,
342 regardless of where it is located. The amount of any estate tax imposed
343 under this subsection shall also be reduced, but not below zero, by the
344 amount of any tax that is imposed under chapter 216 and that is
345 actually paid to this state.

346 (b) With respect to the estates of decedents who die prior to January
347 1, 2005, and except as otherwise provided in section 59 of public act 03-
348 1 of the June 30 special session, a tax is imposed upon the transfer of
349 the estate of each person who at the time of death was a nonresident of
350 this state, the amount of which shall be computed by multiplying (1)
351 the federal credit allowable for estate, inheritance, legacy, and
352 succession taxes paid to any state or states or the District of Columbia
353 under the provisions of the federal internal revenue code in force at the
354 date of such decedent's death in respect to any property owned by
355 such decedent or subject to such taxes as a part of or in connection
356 with the estate of such decedent by (2) a fraction, (A) the numerator of
357 which is the value of that part of the decedent's gross estate over which
358 this state has jurisdiction for estate tax purposes and (B) the
359 denominator of which is the value of the decedent's gross estate.
360 Property of a nonresident estate over which this state has jurisdiction
361 for estate tax purposes includes real property situated in this state and
362 tangible personal property having an actual situs in this state. The
363 amount of any estate tax imposed under this subsection shall also be
364 reduced, but not below zero, by the amount of any tax that is imposed
365 under chapter 216 and that is actually paid to this state.

366 (c) For purposes of this section:

367 (1) (A) "Connecticut taxable estate" means, with respect to the
368 estates of decedents dying on or after January 1, 2005, but prior to
369 January 1, 2010, (i) the gross estate less allowable deductions, as
370 determined under Chapter 11 of the Internal Revenue Code, plus (ii)
371 the aggregate amount of all Connecticut taxable gifts, as defined in
372 section 12-643, as amended by this act, made by the decedent for all
373 calendar years beginning on or after January 1, 2005, but prior to
374 January 1, 2010. The deduction for state death taxes paid under Section
375 2058 of said code shall be disregarded.

376 (B) "Connecticut taxable estate" means, with respect to the estates of
377 decedents dying on or after January 1, 2010, but prior to January 1,
378 2015, (i) the gross estate less allowable deductions, as determined
379 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
380 amount of all Connecticut taxable gifts, as defined in section 12-643, as
381 amended by this act, made by the decedent for all calendar years
382 beginning on or after January 1, 2005. The deduction for state death
383 taxes paid under Section 2058 of said code shall be disregarded.

384 (C) "Connecticut taxable estate" means, with respect to the estates of
385 decedents dying on or after January 1, 2015, (i) the gross estate less
386 allowable deductions, as determined under Chapter 11 of the Internal
387 Revenue Code, plus (ii) the aggregate amount of all Connecticut
388 taxable gifts, as defined in section 12-643, as amended by this act, made
389 by the decedent for all calendar years beginning on or after January 1,
390 2005, other than Connecticut taxable gifts that are includable in the
391 gross estate for federal estate tax purposes of the decedent, plus (iii)
392 the amount of any tax paid to this state pursuant to section 12-642, as
393 amended by this act, by the decedent or the decedent's estate on any
394 gift made by the decedent or the decedent's spouse during the three-
395 year period preceding the date of the decedent's death. The deduction
396 for state death taxes paid under Section 2058 of the Internal Revenue
397 Code shall be disregarded.

398 (2) "Internal Revenue Code" means the Internal Revenue Code of
399 1986, or any subsequent corresponding internal revenue code of the
400 United States, as from time to time amended, except in the event of
401 repeal of the federal estate tax, then all references to the Internal
402 Revenue Code in this section shall mean the Internal Revenue Code as
403 in force on the day prior to the effective date of such repeal.

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

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

410 (d) (1) (A) With respect to the estates of decedents who die on or
411 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
412 upon the transfer of the estate of each person who at the time of death
413 was a resident of this state. The amount of the tax shall be determined
414 using the schedule in subsection (g) of this section. A credit shall be
415 allowed against such tax for any taxes paid to this state pursuant to
416 section 12-642, as amended by this act, for Connecticut taxable gifts
417 made on or after January 1, 2005, but prior to January 1, 2010.

418 (B) With respect to the estates of decedents who die on or after
419 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the
420 transfer of the estate of each person who at the time of death was a
421 resident of this state. The amount of the tax shall be determined using
422 the schedule in subsection (g) of this section. A credit shall be allowed
423 against such tax for any taxes paid to this state pursuant to section 12-
424 642, as amended by this act, for Connecticut taxable gifts made on or
425 after January 1, 2005, provided such credit shall not exceed the amount
426 of tax imposed by this section.

427 (C) With respect to the estates of decedents who die on or after
428 January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the

429 transfer of the estate of each person who at the time of death was a
430 resident of this state. The amount of the tax shall be determined using
431 the schedule in subsection (g) of this section. A credit shall be allowed
432 against such tax for (i) any taxes paid to this state pursuant to section
433 12-642, as amended by this act, by the decedent or the decedent's estate
434 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
435 any taxes paid by the decedent's spouse to this state pursuant to
436 section 12-642, as amended by this act, for Connecticut taxable gifts
437 made by the decedent on or after January 1, 2005, that are includable in
438 the gross estate of the decedent, provided such credit shall not exceed
439 the amount of tax imposed by this section.

440 (D) With respect to the estates of decedents who die on or after
441 January 1, 2016, but prior to January 1, 2018, a tax is imposed upon the
442 transfer of the estate of each person who at the time of death was a
443 resident of this state. The amount of the tax shall be determined using
444 the schedule in subsection (g) of this section. A credit shall be allowed
445 against such tax for (i) any taxes paid to this state pursuant to section
446 12-642, as amended by this act, by the decedent or the decedent's estate
447 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
448 any taxes paid by the decedent's spouse to this state pursuant to
449 section 12-642, as amended by this act, for Connecticut taxable gifts
450 made by the decedent on or after January 1, 2005, that are includable in
451 the gross estate of the decedent, provided such credit shall not exceed
452 the amount of tax imposed by this section. In no event shall the
453 amount of tax payable under this section exceed twenty million
454 dollars. Such twenty-million-dollar limit shall be reduced by the
455 amount of (I) any taxes paid to this state pursuant to section 12-642, as
456 amended by this act, by the decedent or the decedent's estate for
457 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
458 taxes paid by the decedent's spouse to this state pursuant to section 12-
459 642, as amended by this act, for Connecticut taxable gifts made by the
460 decedent on or after January 1, 2016, that are includable in the gross
461 estate of the decedent, but in no event shall the amount be reduced

462 below zero.

463 (E) With respect to the estates of decedents who die on or after
464 January 1, 2018, a tax is imposed upon the transfer of the estate of each
465 person who at the time of death was a resident of this state. The
466 amount of the tax shall be determined using the schedule in subsection
467 (g) of this section. A credit shall be allowed against such tax for (i) any
468 taxes paid to this state pursuant to section 12-642, as amended by this
469 act, by the decedent or the decedent's estate for Connecticut taxable
470 gifts made on or after January 1, 2005, and (ii) any taxes paid by the
471 decedent's spouse to this state pursuant to section 12-642, as amended
472 by this act, for Connecticut taxable gifts made by the decedent on or
473 after January 1, 2005, that are includable in the gross estate of the
474 decedent, provided such credit shall not exceed the amount of tax
475 imposed by this section. In no event shall the amount of tax payable
476 under this section exceed fifteen million dollars. Such fifteen-million-
477 dollar limit shall be reduced by the amount of (I) any taxes paid to this
478 state pursuant to section 12-642, as amended by this act, by the
479 decedent or the decedent's estate for Connecticut taxable gifts made on
480 or after January 1, 2016, and (II) any taxes paid by the decedent's
481 spouse to this state pursuant to section 12-642, as amended by this act,
482 for Connecticut taxable gifts made by the decedent on or after January
483 1, 2016, that are includable in the gross estate of the decedent, but in no
484 event shall the amount be reduced below zero.

485 (2) If real or tangible personal property of such decedent is located
486 outside of this state, the amount of tax due under this section shall be
487 reduced by an amount computed by multiplying the tax otherwise due
488 pursuant to subdivision (1) of this subsection, without regard to the
489 credit allowed for any taxes paid to this state pursuant to section 12-
490 642, as amended by this act, by a fraction, (A) the numerator of which
491 is the value of that part of the decedent's gross estate attributable to
492 real or tangible personal property located outside of the state, and (B)
493 the denominator of which is the value of the decedent's gross estate.

494 (3) For a resident estate, the state shall have the power to levy the
495 estate tax upon real property situated in this state, tangible personal
496 property having an actual situs in this state and intangible personal
497 property included in the gross estate of the decedent, regardless of
498 where it is located. The state is permitted to calculate the estate tax and
499 levy said tax to the fullest extent permitted by the Constitution of the
500 United States.

501 (e) (1) (A) With respect to the estates of decedents who die on or
502 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
503 upon the transfer of the estate of each person who at the time of death
504 was a nonresident of this state. The amount of such tax shall be
505 computed by multiplying (i) the amount of tax determined using the
506 schedule in subsection (g) of this section by (ii) a fraction, the
507 numerator of which is the value of that part of the decedent's gross
508 estate over which this state has jurisdiction for estate tax purposes, and
509 the denominator of which is the value of the decedent's gross estate. A
510 credit shall be allowed against such tax for any taxes paid to this state
511 pursuant to section 12-642, as amended by this act, for Connecticut
512 taxable gifts made on or after January 1, 2005, but prior to January 1,
513 2010.

514 (B) With respect to the estates of decedents who die on or after
515 January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the
516 transfer of the estate of each person who at the time of death was a
517 nonresident of this state. The amount of such tax shall be computed by
518 multiplying (i) the amount of tax determined using the schedule in
519 subsection (g) of this section by (ii) a fraction, the numerator of which
520 is the value of that part of the decedent's gross estate over which this
521 state has jurisdiction for estate tax purposes, and the denominator of
522 which is the value of the decedent's gross estate. A credit shall be
523 allowed against such tax for any taxes paid to this state pursuant to
524 section 12-642, as amended by this act, for Connecticut taxable gifts
525 made on or after January 1, 2005, provided such credit shall not exceed
526 the amount of tax imposed by this section.

527 (C) With respect to the estates of decedents who die on or after
528 January 1, 2016, a tax is imposed upon the transfer of the estate of each
529 person who at the time of death was a nonresident of this state. The
530 amount of such tax shall be computed by multiplying (i) the amount of
531 tax determined using the schedule in subsection (g) of this section by
532 (ii) a fraction, the numerator of which is the value of that part of the
533 decedent's gross estate over which this state has jurisdiction for estate
534 tax purposes, and the denominator of which is the value of the
535 decedent's gross estate. A credit shall be allowed against such tax for
536 any taxes paid to this state pursuant to section 12-642, as amended by
537 this act, for Connecticut taxable gifts made on or after January 1, 2005,
538 provided such credit shall not exceed the amount of tax imposed by
539 this section. In no event shall the amount of tax payable under this
540 section exceed twenty million dollars. Such twenty-million-dollar limit
541 shall be reduced by the amount of (I) any taxes paid to this state
542 pursuant to section 12-642, as amended by this act, by the decedent or
543 the decedent's estate for Connecticut taxable gifts made on or after
544 January 1, 2016, and (II) any taxes paid by the decedent's spouse to this
545 state pursuant to section 12-642, as amended by this act, for
546 Connecticut taxable gifts made by the decedent on or after January 1,
547 2016, that are includable in the gross estate of the decedent, but in no
548 event shall the amount be reduced below zero.

549 (2) For a nonresident estate, the state shall have the power to levy
550 the estate tax upon all real property situated in this state and tangible
551 personal property having an actual situs in this state. The state is
552 permitted to calculate the estate tax and levy said tax to the fullest
553 extent permitted by the Constitution of the United States.

554 (f) (1) For purposes of the tax imposed under this section, the value
555 of the Connecticut taxable estate shall be determined taking into
556 account all of the deductions available under the Internal Revenue
557 Code of 1986, specifically including, but not limited to, the deduction
558 available under Section 2056(b)(7) of said code for a qualifying income
559 interest for life in a surviving spouse.

560 (2) An election under said Section 2056(b)(7) may be made for state
 561 estate tax purposes regardless of whether any such election is made for
 562 federal estate tax purposes. The value of the gross estate shall include
 563 the value of any property in which the decedent had a qualifying
 564 income interest for life for which an election was made under this
 565 subsection.

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

| T1 | Amount of Connecticut | |
|-----|--------------------------|------------------------------------|
| T2 | Taxable Estate | Rate of Tax |
| T3 | Not over \$2,000,000 | None |
| T4 | Over \$2,000,000 | |
| T5 | but not over \$2,100,000 | 5.085% of the excess over \$0 |
| T6 | Over \$2,100,000 | \$106,800 plus 8% of the excess |
| T7 | but not over \$2,600,000 | over \$2,100,000 |
| T8 | Over \$2,600,000 | \$146,800 plus 8.8% of the excess |
| T9 | but not over \$3,100,000 | over \$2,600,000 |
| T10 | Over \$3,100,000 | \$190,800 plus 9.6% of the excess |
| T11 | but not over \$3,600,000 | over \$3,100,000 |
| T12 | Over \$3,600,000 | \$238,800 plus 10.4% of the excess |
| T13 | but not over \$4,100,000 | over \$3,600,000 |
| T14 | Over \$4,100,000 | \$290,800 plus 11.2% of the excess |
| T15 | but not over \$5,100,000 | over \$4,100,000 |
| T16 | Over \$5,100,000 | \$402,800 plus 12% of the excess |
| T17 | but not over \$6,100,000 | over \$5,100,000 |
| T18 | Over \$6,100,000 | \$522,800 plus 12.8% of the excess |
| T19 | but not over \$7,100,000 | over \$6,100,000 |
| T20 | Over \$7,100,000 | \$650,800 plus 13.6% of the excess |
| T21 | but not over \$8,100,000 | over \$7,100,000 |
| T22 | Over \$8,100,000 | \$786,800 plus 14.4% of the excess |

| | | |
|-----|---------------------------|------------------------------------|
| T23 | but not over \$9,100,000 | over \$8,100,000 |
| T24 | Over \$9,100,000 | \$930,800 plus 15.2% of the excess |
| T25 | but not over \$10,100,000 | over \$9,100,000 |
| T26 | Over \$10,100,000 | \$1,082,800 plus 16% of the excess |
| T27 | | over \$10,100,000 |

570 (2) With respect to the estates of decedents dying on or after January
571 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut
572 taxable estate shall be as provided in the following schedule:

| T28 | Amount of Connecticut | |
|-----|---------------------------|------------------------------------|
| T29 | Taxable Estate | Rate of Tax |
| T30 | Not over \$3,500,000 | None |
| T31 | Over \$3,500,000 | 7.2% of the excess |
| T32 | but not over \$3,600,000 | over \$3,500,000 |
| T33 | Over \$3,600,000 | \$7,200 plus 7.8% of the excess |
| T34 | but not over \$4,100,000 | over \$3,600,000 |
| T35 | Over \$4,100,000 | \$46,200 plus 8.4% of the excess |
| T36 | but not over \$5,100,000 | over \$4,100,000 |
| T37 | Over \$5,100,000 | \$130,200 plus 9.0% of the excess |
| T38 | but not over \$6,100,000 | over \$5,100,000 |
| T39 | Over \$6,100,000 | \$220,200 plus 9.6% of the excess |
| T40 | but not over \$7,100,000 | over \$6,100,000 |
| T41 | Over \$7,100,000 | \$316,200 plus 10.2% of the excess |
| T42 | but not over \$8,100,000 | over \$7,100,000 |
| T43 | Over \$8,100,000 | \$418,200 plus 10.8% of the excess |
| T44 | but not over \$9,100,000 | over \$8,100,000 |
| T45 | Over \$9,100,000 | \$526,200 plus 11.4% of the excess |
| T46 | but not over \$10,100,000 | over \$9,100,000 |
| T47 | Over \$10,100,000 | \$640,200 plus 12% of the excess |
| T48 | | over \$10,100,000 |

573 (3) With respect to the estates of decedents dying on or after January

574 1, 2011, but prior to January 1, 2018, the tax based on the Connecticut
 575 taxable estate shall be as provided in the following schedule:

| T49 | <u>Amount of Connecticut</u> | |
|-----|------------------------------|------------------------------------|
| T50 | <u>Taxable Estate</u> | <u>Rate of Tax</u> |
| T51 | Not over \$2,000,000 | None |
| T52 | Over \$2,000,000 | 7.2% of the excess |
| T53 | but not over \$3,600,000 | over \$2,000,000 |
| T54 | Over \$3,600,000 | \$115,200 plus 7.8% of the excess |
| T55 | but not over \$4,100,000 | over \$3,600,000 |
| T56 | Over \$4,100,000 | \$154,200 plus 8.4% of the excess |
| T57 | but not over \$5,100,000 | over \$4,100,000 |
| T58 | Over \$5,100,000 | \$238,200 plus 9.0% of the excess |
| T59 | but not over \$6,100,000 | over \$5,100,000 |
| T60 | Over \$6,100,000 | \$328,200 plus 9.6% of the excess |
| T61 | but not over \$7,100,000 | over \$6,100,000 |
| T62 | Over \$7,100,000 | \$424,200 plus 10.2% of the excess |
| T63 | but not over \$8,100,000 | over \$7,100,000 |
| T64 | Over \$8,100,000 | \$526,200 plus 10.8% of the excess |
| T65 | but not over \$9,100,000 | over \$8,100,000 |
| T66 | Over \$9,100,000 | \$634,200 plus 11.4% of the excess |
| T67 | but not over \$10,100,000 | over \$9,100,000 |
| T68 | Over \$10,100,000 | \$748,200 plus 12% of the excess |
| T69 | | over \$10,100,000 |

576 (4) With respect to the estates of decedents dying on or after January
 577 1, 2018, but prior to January 1, 2019, the tax based on the Connecticut
 578 taxable estate shall be as provided in the following schedule:

| T70 | <u>Amount of Connecticut</u> | |
|-----|------------------------------|---------------------------|
| T71 | <u>Taxable Estate</u> | <u>Rate of Tax</u> |
| T72 | <u>Not over \$2,600,000</u> | <u>None</u> |
| T73 | <u>Over \$2,600,000</u> | <u>7.2% of the excess</u> |

| | | |
|-----|----------------------------------|---|
| T74 | <u>but not over \$3,600,000</u> | <u>over \$2,600,000</u> |
| T75 | <u>Over \$3,600,000</u> | <u>\$72,000 plus 7.8% of the excess</u> |
| T76 | <u>but not over \$4,100,000</u> | <u>over \$3,600,000</u> |
| T77 | <u>Over \$4,100,000</u> | <u>\$111,000 plus 8.4% of the excess</u> |
| T78 | <u>but not over \$5,100,000</u> | <u>over \$4,100,000</u> |
| T79 | <u>Over \$5,100,000</u> | <u>\$195,000 plus 10% of the excess</u> |
| T80 | <u>but not over \$6,100,000</u> | <u>over \$5,100,000</u> |
| T81 | <u>Over \$6,100,000</u> | <u>\$295,000 plus 10.4% of the excess</u> |
| T82 | <u>but not over \$7,100,000</u> | <u>over \$6,100,000</u> |
| T83 | <u>Over \$7,100,000</u> | <u>\$399,900 plus 10.8% of the excess</u> |
| T84 | <u>but not over \$8,100,000</u> | <u>over \$7,100,000</u> |
| T85 | <u>Over \$8,100,000</u> | <u>\$507,000 plus 11.2% of the excess</u> |
| T86 | <u>but not over \$9,100,000</u> | <u>over \$8,100,000</u> |
| T87 | <u>Over \$9,100,000</u> | <u>\$619,000 plus 11.6% of the excess</u> |
| T88 | <u>but not over \$10,100,000</u> | <u>over \$9,100,000</u> |
| T89 | <u>Over \$10,100,000</u> | <u>\$735,000 plus 12% of the excess</u> |
| T90 | | <u>over \$10,100,000</u> |

579 (5) With respect to the estates of decedents dying on or after January
580 1, 2019, but prior to January 1, 2020, the tax based on the Connecticut
581 taxable estate shall be as provided in the following schedule:

| T91 | <u>Amount of Connecticut</u> | |
|------|---------------------------------|---|
| T92 | <u>Taxable Estate</u> | <u>Rate of Tax</u> |
| T93 | <u>Not over \$3,600,000</u> | <u>None</u> |
| T94 | <u>Over \$3,600,000</u> | <u>7.8% of the excess</u> |
| T95 | <u>but not over \$4,100,000</u> | <u>over \$3,600,000</u> |
| T96 | <u>Over \$4,100,000</u> | <u>\$39,000 plus 8.4% of the excess</u> |
| T97 | <u>but not over \$5,100,000</u> | <u>over \$4,100,000</u> |
| T98 | <u>Over \$5,100,000</u> | <u>\$123,000 plus 10% of the excess</u> |
| T99 | <u>but not over \$6,100,000</u> | <u>over \$5,100,000</u> |
| T100 | <u>Over \$6,100,000</u> | <u>\$223,000 plus 10.4% of the excess</u> |
| T101 | <u>but not over \$7,100,000</u> | <u>over \$6,100,000</u> |

| | | |
|------|----------------------------------|---|
| T102 | <u>Over \$7,100,000</u> | <u>\$327,000 plus 10.8% of the excess</u> |
| T103 | <u>but not over \$8,100,000</u> | <u>over \$7,100,000</u> |
| T104 | <u>Over \$8,100,000</u> | <u>\$435,000 plus 11.2% of the excess</u> |
| T105 | <u>but not over \$9,100,000</u> | <u>over \$8,100,000</u> |
| T106 | <u>Over \$9,100,000</u> | <u>\$547,000 plus 11.6% of the excess</u> |
| T107 | <u>but not over \$10,100,000</u> | <u>over \$9,100,000</u> |
| T108 | <u>Over \$10,100,000</u> | <u>\$663,000 plus 12% of the excess</u> |
| T109 | | <u>over \$10,100,000</u> |

582 (6) With respect to the estates of decedents dying on or after January
583 1, 2020, the tax based on the Connecticut taxable estate shall be as
584 provided in the following schedule:

| T110 | <u>Amount of Connecticut</u> | |
|------|---------------------------------------|---------------------------------------|
| T111 | <u>Taxable Estate</u> | <u>Rate of Tax</u> |
| T112 | <u>Not over the</u> | <u>None</u> |
| T113 | <u>federal basic exclusion amount</u> | |
| T114 | <u>Over the</u> | <u>10% of the excess over the</u> |
| T115 | <u>federal basic exclusion amount</u> | <u>federal basic exclusion amount</u> |
| T116 | <u>but not over \$6,100,000</u> | |
| T117 | <u>Over \$6,100,000</u> | <u>10.4% of the excess over the</u> |
| T118 | <u>but not over \$7,100,000</u> | <u>federal basic exclusion amount</u> |
| T119 | <u>Over \$7,100,000</u> | <u>10.8% of the excess over the</u> |
| T120 | <u>but not over \$8,100,000</u> | <u>federal basic exclusion amount</u> |
| T121 | <u>Over \$8,100,000</u> | <u>11.2% of the excess over the</u> |
| T122 | <u>but not over \$9,100,000</u> | <u>federal basic exclusion amount</u> |
| T123 | <u>Over \$9,100,000</u> | <u>11.6% of the excess over the</u> |
| T124 | <u>but not over \$10,100,000</u> | <u>federal basic exclusion amount</u> |
| T125 | <u>Over \$10,100,000</u> | <u>12% of the excess over the</u> |
| T126 | | <u>federal basic exclusion amount</u> |

585 (h) (1) For the purposes of this chapter, each decedent shall be
586 presumed to have died a resident of this state. The burden of proof in

587 an estate tax proceeding shall be upon any decedent's estate claiming
588 exemption by reason of the decedent's alleged nonresidency.

589 (2) Any person required to make and file a tax return under this
590 chapter, believing that the decedent died a nonresident of this state,
591 may file a request for determination of domicile in writing with the
592 Commissioner of Revenue Services, stating the specific grounds upon
593 which the request is founded provided (A) such person has filed such
594 return, (B) at least two hundred seventy days, but no more than three
595 years, has elapsed since the due date of such return or, if an
596 application for extension of time to file such return has been granted,
597 the extended due date of such return, (C) such person has not been
598 notified, in writing, by said commissioner that a written agreement of
599 compromise with the taxing authorities of another jurisdiction, under
600 section 12-395a, is being negotiated, and (D) the commissioner has not
601 previously determined whether the decedent died a resident of this
602 state. Not later than one hundred eighty days following receipt of such
603 request for determination, the commissioner shall determine whether
604 such decedent died a resident or a nonresident of this state. If the
605 commissioner commences negotiations over a written agreement of
606 compromise with the taxing authorities of another jurisdiction after a
607 request for determination of domicile is filed, the one-hundred-eighty-
608 day period shall be tolled for the duration of such negotiations. When,
609 before the expiration of such one-hundred-eighty-day period, both the
610 commissioner and the person required to make and file a tax return
611 under this chapter have consented in writing to the making of such
612 determination after such time, the determination may be made at any
613 time prior to the expiration of the period agreed upon. The period so
614 agreed upon may be extended by subsequent agreements in writing
615 made before the expiration of the period previously agreed upon. The
616 commissioner shall mail notice of his proposed determination to the
617 person required to make and file a tax return under this chapter. Such
618 notice shall set forth briefly the commissioner's findings of fact and the
619 basis of such proposed determination. Sixty days after the date on

620 which it is mailed, a notice of proposed determination shall constitute
621 a final determination unless the person required to make and file a tax
622 return under this chapter has filed, as provided in subdivision (3) of
623 this subsection, a written protest with the Commissioner of Revenue
624 Services.

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

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

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

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

648 (i) The tax calculated pursuant to the provisions of this section shall
649 be reduced in an amount equal to half of the amount invested by a
650 decedent in a private investment fund or fund of funds pursuant to

651 subdivision (43) of section 32-39, provided (1) any such reduction shall
 652 not exceed five million dollars for any such decedent, (2) any such
 653 amount invested by the decedent shall have been invested in such
 654 fund or fund of funds for ten years or more, and (3) the aggregate
 655 amount of all taxes reduced under this subsection shall not exceed
 656 thirty million dollars.

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

660 (a) (1) With respect to calendar years commencing prior to January
 661 1, 2001, the tax imposed by section 12-640 for the calendar year shall be
 662 at a rate of the taxable gifts made by the donor during the calendar
 663 year set forth in the following schedule:

| T127 | Amount of Taxable Gifts | Rate of Tax |
|------|-------------------------|--------------------------------|
| T128 | Not over \$25,000 | 1% |
| T129 | Over \$25,000 | \$250, plus 2% of the excess |
| T130 | but not over \$50,000 | over \$25,000 |
| T131 | Over \$50,000 | \$750, plus 3% of the excess |
| T132 | but not over \$75,000 | over \$50,000 |
| T133 | Over \$75,000 | \$1,500, plus 4% of the excess |
| T134 | but not over \$100,000 | over \$75,000 |
| T135 | Over \$100,000 | \$2,500, plus 5% of the excess |
| T136 | but not over \$200,000 | over \$100,000 |
| T137 | Over \$200,000 | \$7,500, plus 6% of the excess |
| T138 | | over \$200,000 |

664 (2) With respect to the calendar years commencing January 1, 2001,
 665 January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed
 666 by section 12-640 for each such calendar year shall be at a rate of the
 667 taxable gifts made by the donor during the calendar year set forth in
 668 the following schedule:

| T139 | Amount of Taxable Gifts | Rate of Tax |
|------|-------------------------|---------------------------------|
| T140 | Over \$25,000 | \$250, plus 2% of the excess |
| T141 | but not over \$50,000 | over \$25,000 |
| T142 | Over \$50,000 | \$750, plus 3% of the excess |
| T143 | but not over \$75,000 | over \$50,000 |
| T144 | Over \$75,000 | \$1,500, plus 4% of the excess |
| T145 | but not over \$100,000 | over \$75,000 |
| T146 | Over \$100,000 | \$2,500, plus 5% of the excess |
| T147 | but not over \$675,000 | over \$100,000 |
| T148 | Over \$675,000 | \$31,250, plus 6% of the excess |
| T149 | | over \$675,000 |

669 (3) With respect to Connecticut taxable gifts, as defined in section
 670 12-643, as amended by this act, made by a donor during a calendar
 671 year commencing on or after January 1, 2005, but prior to January 1,
 672 2010, including the aggregate amount of all Connecticut taxable gifts
 673 made by the donor during all calendar years commencing on or after
 674 January 1, 2005, but prior to January 1, 2010, the tax imposed by
 675 section 12-640 for the calendar year shall be at the rate set forth in the
 676 following schedule, with a credit allowed against such tax for any tax
 677 previously paid to this state pursuant to this subdivision:

| T150 | Amount of Taxable Gifts | Rate of Tax |
|------|--------------------------|------------------------------------|
| T151 | Not over \$2,000,000 | None |
| T152 | Over \$2,000,000 | |
| T153 | but not over \$2,100,000 | 5.085% of the excess over \$0 |
| T154 | Over \$2,100,000 | \$106,800 plus 8% of the excess |
| T155 | but not over \$2,600,000 | over \$2,100,000 |
| T156 | Over \$2,600,000 | \$146,800 plus 8.8% of the excess |
| T157 | but not over \$3,100,000 | over \$2,600,000 |
| T158 | Over \$3,100,000 | \$190,800 plus 9.6% of the excess |
| T159 | but not over \$3,600,000 | over \$3,100,000 |
| T160 | Over \$3,600,000 | \$238,800 plus 10.4% of the excess |

| | | |
|------|---------------------------|------------------------------------|
| T161 | but not over \$4,100,000 | over \$3,600,000 |
| T162 | Over \$4,100,000 | \$290,800 plus 11.2% of the excess |
| T163 | but not over \$5,100,000 | over \$4,100,000 |
| T164 | Over \$5,100,000 | \$402,800 plus 12% of the excess |
| T165 | but not over \$6,100,000 | over \$5,100,000 |
| T166 | Over \$6,100,000 | \$522,800 plus 12.8% of the excess |
| T167 | but not over \$7,100,000 | over \$6,100,000 |
| T168 | Over \$7,100,000 | \$650,800 plus 13.6% of the excess |
| T169 | but not over \$8,100,000 | over \$7,100,000 |
| T170 | Over \$8,100,000 | \$786,800 plus 14.4% of the excess |
| T171 | but not over \$9,100,000 | over \$8,100,000 |
| T172 | Over \$9,100,000 | \$930,800 plus 15.2% of the excess |
| T173 | but not over \$10,100,000 | over \$9,100,000 |
| T174 | Over \$10,100,000 | \$1,082,800 plus 16% of the excess |
| T175 | | over \$10,100,000 |

678 (4) With respect to Connecticut taxable gifts, as defined in section
679 12-643, as amended by this act, made by a donor during a calendar
680 year commencing on or after January 1, 2010, but prior to January 1,
681 2011, including the aggregate amount of all Connecticut taxable gifts
682 made by the donor during all calendar years commencing on or after
683 January 1, 2005, the tax imposed by section 12-640 for the calendar year
684 shall be at the rate set forth in the following schedule, with a credit
685 allowed against such tax for any tax previously paid to this state
686 pursuant to this subdivision or pursuant to subdivision (3) of this
687 subsection, provided such credit shall not exceed the amount of tax
688 imposed by this section:

| T176 | Amount of Taxable Gifts | Rate of Tax |
|------|--------------------------|---------------------------------|
| T177 | Not over \$3,500,000 | None |
| T178 | Over \$3,500,000 | 7.2% of the excess |
| T179 | but not over \$3,600,000 | over \$3,500,000 |
| T180 | Over \$3,600,000 | \$7,200 plus 7.8% of the excess |

| | | |
|------|---------------------------|------------------------------------|
| T181 | but not over \$4,100,000 | over \$3,600,000 |
| T182 | Over \$4,100,000 | \$46,200 plus 8.4% of the excess |
| T183 | but not over \$5,100,000 | over \$4,100,000 |
| T184 | Over \$5,100,000 | \$130,200 plus 9.0% of the excess |
| T185 | but not over \$6,100,000 | over \$5,100,000 |
| T186 | Over \$6,100,000 | \$220,200 plus 9.6% of the excess |
| T187 | but not over \$7,100,000 | over \$6,100,000 |
| T188 | Over \$7,100,000 | \$316,200 plus 10.2% of the excess |
| T189 | but not over \$8,100,000 | over \$7,100,000 |
| T190 | Over \$8,100,000 | \$418,200 plus 10.8% of the excess |
| T191 | but not over \$9,100,000 | over \$8,100,000 |
| T192 | Over \$9,100,000 | \$526,200 plus 11.4% of the excess |
| T193 | but not over \$10,100,000 | over \$9,100,000 |
| T194 | Over \$10,100,000 | \$640,200 plus 12% of the excess |
| T195 | | over \$10,100,000 |

689 (5) With respect to Connecticut taxable gifts, as defined in section
 690 12-643, as amended by this act, made by a donor during a calendar
 691 year commencing on or after January 1, 2011, but prior to January 1,
 692 2018, including the aggregate amount of all Connecticut taxable gifts
 693 made by the donor during all calendar years commencing on or after
 694 January 1, 2005, the tax imposed by section 12-640 for the calendar year
 695 shall be at the rate set forth in the following schedule, with a credit
 696 allowed against such tax for any tax previously paid to this state
 697 pursuant to this subdivision or pursuant to subdivision (3) or (4) of
 698 this subsection, provided such credit shall not exceed the amount of
 699 tax imposed by this section:

| T196 | Amount of Taxable Gifts | Rate of Tax |
|------|--------------------------|-----------------------------------|
| T197 | Not over \$2,000,000 | None |
| T198 | Over \$2,000,000 | 7.2% of the excess |
| T199 | but not over \$3,600,000 | over \$2,000,000 |
| T200 | Over \$3,600,000 | \$115,200 plus 7.8% of the excess |

| | | |
|------|---------------------------|------------------------------------|
| T201 | but not over \$4,100,000 | over \$3,600,000 |
| T202 | Over \$4,100,000 | \$154,200 plus 8.4% of the excess |
| T203 | but not over \$5,100,000 | over \$4,100,000 |
| T204 | Over \$5,100,000 | \$238,200 plus 9.0% of the excess |
| T205 | but not over \$6,100,000 | over \$5,100,000 |
| T206 | Over \$6,100,000 | \$328,200 plus 9.6% of the excess |
| T207 | but not over \$7,100,000 | over \$6,100,000 |
| T208 | Over \$7,100,000 | \$424,200 plus 10.2% of the excess |
| T209 | but not over \$8,100,000 | over \$7,100,000 |
| T210 | Over \$8,100,000 | \$526,200 plus 10.8% of the excess |
| T211 | but not over \$9,100,000 | over \$8,100,000 |
| T212 | Over \$9,100,000 | \$634,200 plus 11.4% of the excess |
| T213 | but not over \$10,100,000 | over \$9,100,000 |
| T214 | Over \$10,100,000 | \$748,200 plus 12% of the excess |
| T215 | | over \$10,100,000 |

700 (6) With respect to Connecticut taxable gifts, as defined in section
701 12-643, as amended by this act, made by a donor during a calendar
702 year commencing on or after January 1, 2018, but prior to January 1,
703 2019, including the aggregate amount of all Connecticut taxable gifts
704 made by the donor during all calendar years commencing on or after
705 January 1, 2005, the tax imposed by section 12-640 for the calendar year
706 shall be at the rate set forth in the following schedule, with a credit
707 allowed against such tax for any tax previously paid to this state
708 pursuant to this subdivision or pursuant to subdivision (3), (4) or (5) of
709 this subsection, provided such credit shall not exceed the amount of
710 tax imposed by this section:

| | <u>Amount of Taxable Gifts</u> | <u>Rate of Tax</u> |
|------|---------------------------------|---|
| T216 | | |
| T217 | <u>Not over \$2,600,000</u> | <u>None</u> |
| T218 | <u>Over \$2,600,000</u> | <u>7.2% of the excess</u> |
| T219 | <u>but not over \$3,600,000</u> | <u>over \$2,600,000</u> |
| T220 | <u>Over \$3,600,000</u> | <u>\$72,000 plus 7.8% of the excess</u> |

| | | |
|------|----------------------------------|---|
| T221 | <u>but not over \$4,100,000</u> | <u>over \$3,600,000</u> |
| T222 | <u>Over \$4,100,000</u> | <u>\$111,000 plus 8.4% of the excess</u> |
| T223 | <u>but not over \$5,100,000</u> | <u>over \$4,100,000</u> |
| T224 | <u>Over \$5,100,000</u> | <u>\$195,000 plus 10% of the excess</u> |
| T225 | <u>but not over \$6,100,000</u> | <u>over \$5,100,000</u> |
| T226 | <u>Over \$6,100,000</u> | <u>\$295,000 plus 10.4% of the excess</u> |
| T227 | <u>but not over \$7,100,000</u> | <u>over \$6,100,000</u> |
| T228 | <u>Over \$7,100,000</u> | <u>\$399,900 plus 10.8% of the excess</u> |
| T229 | <u>but not over \$8,100,000</u> | <u>over \$7,100,000</u> |
| T230 | <u>Over \$8,100,000</u> | <u>\$507,000 plus 11.2% of the excess</u> |
| T231 | <u>but not over \$9,100,000</u> | <u>over \$8,100,000</u> |
| T232 | <u>Over \$9,100,000</u> | <u>\$619,000 plus 11.6% of the excess</u> |
| T233 | <u>but not over \$10,100,000</u> | <u>over \$9,100,000</u> |
| T234 | <u>Over \$10,100,000</u> | <u>\$735,000 plus 12% of the excess</u> |
| T235 | | <u>over \$10,100,000</u> |

711 (7) With respect to Connecticut taxable gifts, as defined in section
712 12-643, as amended by this act, made by a donor during a calendar
713 year commencing on or after January 1, 2019, but prior to January 1,
714 2020, including the aggregate amount of all Connecticut taxable gifts
715 made by the donor during all calendar years commencing on or after
716 January 1, 2005, the tax imposed by section 12-640 for the calendar year
717 shall be at the rate set forth in the following schedule, with a credit
718 allowed against such tax for any tax previously paid to this state
719 pursuant to this subdivision or pursuant to subdivision (3), (4), (5) or
720 (6) of this subsection, provided such credit shall not exceed the amount
721 of tax imposed by this section:

| | <u>Amount of Taxable Gifts</u> | <u>Rate of Tax</u> |
|------|---------------------------------|---|
| T236 | | |
| T237 | <u>Not over \$3,600,000</u> | <u>None</u> |
| T238 | <u>Over \$3,600,000</u> | <u>7.8% of the excess</u> |
| T239 | <u>but not over \$4,100,000</u> | <u>over \$3,600,000</u> |
| T240 | <u>Over \$4,100,000</u> | <u>\$39,000 plus 8.4% of the excess</u> |

| | | |
|------|----------------------------------|---|
| T241 | <u>but not over \$5,100,000</u> | <u>over \$4,100,000</u> |
| T242 | <u>Over \$5,100,000</u> | <u>\$123,000 plus 10% of the excess</u> |
| T243 | <u>but not over \$6,100,000</u> | <u>over \$5,100,000</u> |
| T244 | <u>Over \$6,100,000</u> | <u>\$223,000 plus 10.4% of the excess</u> |
| T245 | <u>but not over \$7,100,000</u> | <u>over \$6,100,000</u> |
| T246 | <u>Over \$7,100,000</u> | <u>\$327,000 plus 10.8% of the excess</u> |
| T247 | <u>but not over \$8,100,000</u> | <u>over \$7,100,000</u> |
| T248 | <u>Over \$8,100,000</u> | <u>\$435,000 plus 11.2% of the excess</u> |
| T249 | <u>but not over \$9,100,000</u> | <u>over \$8,100,000</u> |
| T250 | <u>Over \$9,100,000</u> | <u>\$547,000 plus 11.6% of the excess</u> |
| T251 | <u>but not over \$10,100,000</u> | <u>over \$9,100,000</u> |
| T252 | <u>Over \$10,100,000</u> | <u>\$663,000 plus 12% of the excess</u> |
| T253 | | <u>over \$10,100,000</u> |

722 (8) With respect to Connecticut taxable gifts, as defined in section
 723 12-643, as amended by this act, made by a donor during a calendar
 724 year commencing on or after January 1, 2020, including the aggregate
 725 amount of all Connecticut taxable gifts made by the donor during all
 726 calendar years commencing on or after January 1, 2005, the tax
 727 imposed by section 12-640 for the calendar year shall be at the rate set
 728 forth in the following schedule, with a credit allowed against such tax
 729 for any tax previously paid to this state pursuant to this subdivision or
 730 pursuant to subdivision (3), (4), (5), (6) or (7) of this subsection,
 731 provided such credit shall not exceed the amount of tax imposed by
 732 this section:

| | | |
|------|--|---------------------------------------|
| T254 | <u>Amount of Taxable Gifts</u> | <u>Rate of Tax</u> |
| T255 | <u>Not over the</u> | <u>None</u> |
| T256 | <u>federal basic exclusion amount,</u> | |
| T257 | <u>as defined in section 12-643,</u> | |
| T258 | <u>as amended by this act,</u> | |
| T259 | <u>Over the</u> | <u>10% of the excess over the</u> |
| T260 | <u>federal basic exclusion amount</u> | <u>federal basic exclusion amount</u> |

| | | |
|------|----------------------------------|---------------------------------------|
| T261 | <u>but not over \$6,100,000</u> | |
| T262 | <u>Over \$6,100,000</u> | <u>10.4% of the excess over the</u> |
| T263 | <u>but not over \$7,100,000</u> | <u>federal basic exclusion amount</u> |
| T264 | <u>Over \$7,100,000</u> | <u>10.8% of the excess over the</u> |
| T265 | <u>but not over \$8,100,000</u> | <u>federal basic exclusion amount</u> |
| T266 | <u>Over \$8,100,000</u> | <u>11.2% of the excess over the</u> |
| T267 | <u>but not over \$9,100,000</u> | <u>federal basic exclusion amount</u> |
| T268 | <u>Over \$9,100,000</u> | <u>11.6% of the excess over the</u> |
| T269 | <u>but not over \$10,100,000</u> | <u>federal basic exclusion amount</u> |
| T270 | <u>Over \$10,100,000</u> | <u>12% of the excess over the</u> |
| T271 | | <u>federal basic exclusion amount</u> |

733 (b) The tax imposed by section 12-640 shall be paid by the donor. If
 734 the gift tax is not paid when due the donee of any gift shall be
 735 personally liable for the tax to the extent of the value of the gift.

736 (c) (1) With respect to Connecticut taxable gifts, as defined in section
 737 12-643, as amended by this act, made by a donor during a calendar
 738 year commencing on or after January 1, 2016, but prior to January 1,
 739 2018, the aggregate amount of tax imposed by section 12-640 for all
 740 calendar years commencing on or after January 1, 2016, shall not
 741 exceed twenty million dollars.

742 (2) With respect to Connecticut taxable gifts, as defined in section
 743 12-643, as amended by this act, made by a donor during a calendar
 744 year commencing on or after January 1, 2018, the aggregate amount of
 745 tax imposed by section 12-640 for all calendar years commencing on or
 746 after January 1, 2016, shall not exceed fifteen million dollars.

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

750 [(a) The term "taxable gifts"] (1) "Taxable gifts" means the transfers
 751 by gift which are included in taxable gifts for federal gift tax purposes

752 under Section 2503 and Sections 2511 to 2514, inclusive, and Sections
753 2516 to 2519, inclusive, of the Internal Revenue Code of 1986, or any
754 subsequent corresponding internal revenue code of the United States,
755 as from time to time amended, less the deductions allowed in Sections
756 2522 to 2524, inclusive, of said Internal Revenue Code, except in the
757 event of repeal of the federal gift tax, then all references to the Internal
758 Revenue Code in this section shall mean the Internal Revenue Code as
759 in force on the day prior to the effective date of such repeal.

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

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

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

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

780 A tax is imposed on all cigarettes held in this state by any person for
781 sale, [said] such tax to be at the rate of [one hundred ninety-five] two
782 hundred seventeen and one-half mills for each cigarette and the

783 payment thereof shall be for the account of the purchaser or consumer
784 of such cigarettes and shall be evidenced by the affixing of stamps to
785 the packages containing the cigarettes as provided in this chapter.

786 Sec. 14. Section 12-316 of the general statutes is repealed and the
787 following is substituted in lieu thereof (*Effective July 1, 2017, and*
788 *applicable to sales occurring on or after July 1, 2017*):

789 A tax is hereby imposed at the rate of [one hundred ninety-five] two
790 hundred seventeen and one-half mills for each cigarette upon the
791 storage or use within this state of any unstamped cigarettes in the
792 possession of any person other than a licensed distributor or dealer, or
793 a carrier for transit from without this state to a licensed distributor or
794 dealer within this state. Any person, including distributors, dealers,
795 carriers, warehousemen and consumers, last having possession of
796 unstamped cigarettes in this state shall be liable for the tax on such
797 cigarettes if such cigarettes are unaccounted for in transit, storage or
798 otherwise, and in such event a presumption shall exist for the purpose
799 of taxation that such cigarettes were used and consumed in
800 Connecticut.

801 Sec. 15. (*Effective from passage*) (a) An excise tax is hereby imposed
802 upon each distributor and each dealer, as each is defined in section 12-
803 285 of the general statutes and licensed pursuant to chapter 214 of the
804 general statutes, in the amount of twenty-two and one-half mills per
805 cigarette, as defined in section 12-285 of the general statutes, in such
806 distributor's or such dealer's inventory as of the close of business on
807 June 30, 2017, or, if the business closes after eleven fifty-nine o'clock
808 p.m. on said date, at eleven fifty-nine o'clock p.m. on said date.

809 (b) Each such licensed distributor or dealer shall, not later than
810 August 15, 2017, file with the Commissioner of Revenue Services, on
811 forms prescribed by said commissioner, a report that shows the
812 number of cigarettes in inventory as of the close of business on June 30,
813 2017, or, if the business closes after eleven fifty-nine o'clock p.m. on

814 said date, at eleven fifty-nine o'clock p.m. on said date, upon which
815 inventory the tax under subsection (a) of this section shall be imposed.
816 The tax shall be due and payable on the due date of such report. If any
817 distributor or dealer required to file a report pursuant to this section
818 fails to file such report on or before August 15, 2017, the commissioner
819 shall make an estimate of the number of cigarettes in such distributor's
820 or dealer's inventory as of the close of business on June 30, 2017, based
821 upon any information that is in the commissioner's possession or that
822 may come into the commissioner's possession. The provisions of
823 chapter 214 of the general statutes pertaining to failure to file returns,
824 examination of returns by the commissioner, the issuance of deficiency
825 assessments or assessments where no return has been filed, the
826 collection of tax, the imposition of penalties and the accrual of interest
827 shall apply to the distributors and dealers required to pay the tax
828 imposed under this section. Failure of any distributor or dealer to file
829 such report when due shall be sufficient reason to revoke such
830 distributor's or dealer's license under the provisions of said chapter 214
831 and to revoke any other state license or permit issued by the
832 Department of Revenue Services and held by such distributor or
833 dealer. If, in the discretion of the commissioner, the enforcement of this
834 section would otherwise be adversely affected, the commissioner shall
835 not renew the dealer's license of any dealer who fails to file such
836 report, or the distributor's license of any distributor who fails to file
837 such report, until such report is filed.

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

840 (a) (1) A tax is imposed on all untaxed tobacco products held in this
841 state by any person. Except as otherwise provided in subdivision (2) of
842 this subsection with respect to the tax on cigars, or in subdivision (3) of
843 this subsection with respect to the rate of tax on snuff tobacco
844 products, the tax shall be imposed at the rate of fifty per cent of the
845 wholesale sales price of such products.

846 (2) Notwithstanding the provisions of subdivision (1) of this
847 subsection, in the case of cigars the tax shall not exceed one dollar and
848 fifty cents per cigar.

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

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

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

859 Sec. 17. Subsection (b) of section 19a-323 of the general statutes is
860 repealed and the following is substituted in lieu thereof (*Effective July*
861 *1, 2017*):

862 (b) If death occurred in this state, the death certificate required by
863 law shall be filed with the registrar of vital statistics for the town in
864 which such person died, if known, or, if not known, for the town in
865 which the body was found. The Chief Medical Examiner, Deputy Chief
866 Medical Examiner, associate medical examiner, an authorized assistant
867 medical examiner or other authorized designee shall complete the
868 cremation certificate, stating that such medical examiner or other
869 authorized designee has made inquiry into the cause and manner of
870 death and is of the opinion that no further examination or judicial
871 inquiry is necessary. The cremation certificate shall be submitted to the
872 registrar of vital statistics of the town in which such person died, if
873 known, or, if not known, of the town in which the body was found, or
874 with the registrar of vital statistics of the town in which the funeral
875 director having charge of the body is located. Upon receipt of the
876 cremation certificate, the registrar shall authorize such certificate, keep

877 such certificate on permanent record, and issue a cremation permit,
878 except that if the cremation certificate is submitted to the registrar of
879 the town where the funeral director is located, such certificate shall be
880 forwarded to the registrar of the town where the person died to be
881 kept on permanent record. If a cremation permit must be obtained
882 during the hours that the office of the local registrar of the town where
883 death occurred is closed, a subregistrar appointed to serve such town
884 may authorize such cremation permit upon receipt and review of a
885 properly completed cremation permit and cremation certificate. A
886 subregistrar who is licensed as a funeral director or embalmer
887 pursuant to chapter 385, or the employee or agent of such funeral
888 director or embalmer shall not issue a cremation permit to himself or
889 herself. A subregistrar shall forward the cremation certificate to the
890 local registrar of the town where death occurred, not later than seven
891 days after receiving such certificate. The estate of the deceased person,
892 if any, shall pay the sum of [one hundred fifty] two hundred dollars
893 for the issuance of the cremation certificate, provided the Office of the
894 Chief Medical Examiner shall not assess any fees for costs that are
895 associated with the cremation of a stillborn fetus. Upon request of the
896 Chief Medical Examiner, the Secretary of the Office of Policy and
897 Management may waive payment of such cremation certificate fee. No
898 cremation certificate shall be required for a permit to cremate the
899 remains of bodies pursuant to section 19a-270a. When the cremation
900 certificate is submitted to a town other than that where the person
901 died, the registrar of vital statistics for such other town shall ascertain
902 from the original removal, transit and burial permit that the certificates
903 required by the [state] general statutes have been received and
904 recorded, that the body has been prepared in accordance with the
905 Public Health Code and that the entry regarding the place of disposal
906 is correct. Whenever the registrar finds that the place of disposal is
907 incorrect, the registrar shall issue a corrected removal, transit and
908 burial permit and, after inscribing and recording the original permit in
909 the manner prescribed for sextons' reports under section 7-66, shall
910 then immediately give written notice to the registrar for the town

911 where the death occurred of the change in place of disposal stating the
912 name and place of the crematory and the date of cremation. Such
913 written notice shall be sufficient authorization to correct these items on
914 the original certificate of death. The fee for a cremation permit shall be
915 three dollars and for the written notice one dollar. The Department of
916 Public Health shall provide forms for cremation permits, which shall
917 not be the same as for regular burial permits and shall include space to
918 record information about the intended manner of disposition of the
919 cremated remains, and such blanks and books as may be required by
920 the registrars.

921 Sec. 18. Subsection (c) of section 29-11 of the general statutes is
922 repealed and the following is substituted in lieu thereof (*Effective July*
923 *1, 2017, and applicable to background check services requested on or after July*
924 *1, 2017*):

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

935 Sec. 19. Subsection (a) of section 29-30 of the general statutes is
936 repealed and the following is substituted in lieu thereof (*Effective July*
937 *1, 2017, and applicable to applications submitted on or after July 1, 2017*):

938 (a) The fee for each permit originally issued under the provisions of
939 subsection (a) of section 29-28 for the sale at retail of pistols and
940 revolvers shall be two hundred dollars and for each renewal of such
941 permit two hundred dollars. The fee for each state permit originally

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

960 Sec. 20. Subsection (d) of section 7-34a of the general statutes is
961 repealed and the following is substituted in lieu thereof (*Effective July*
962 *1, 2017*):

963 (d) In addition to the fees for recording a document under
964 subsection (a) of this section, town clerks shall receive a fee of [three]
965 ten dollars for each document recorded in the land records of the
966 municipality. Not later than the fifteenth day of each month, town
967 clerks shall remit [two-thirds] two-fifths of the fees paid pursuant to
968 this subsection during the previous calendar month to the State
969 Treasurer for deposit in the General Fund and two-fifths of the fees
970 paid pursuant to this subsection during the previous calendar month
971 to the State Librarian for deposit in a bank account of the State
972 Treasurer and crediting to the historic documents preservation account
973 established under section 11-8i. [One-third] One-fifth of the amount
974 paid for fees pursuant to this subsection shall be retained by town

975 clerks and used for the preservation and management of historic
976 documents. The provisions of this subsection shall not apply to any
977 document recorded on the land records by an employee of the state or
978 of a municipality in conjunction with [said] the employee's official
979 duties. As used in this section "municipality" includes each town,
980 consolidated town and city, city, consolidated town and borough,
981 borough, district, as defined in chapter 105 or chapter 105a, and each
982 municipal board, commission and taxing district not previously
983 mentioned.

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

986 (a) For the purposes of this section:

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

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

998 [(3) "Bottle price" means the price per unit of the contents of any
999 case of alcoholic liquor, other than beer, and shall be arrived at by
1000 dividing the case price by the number of units or bottles making up
1001 such case price and adding to the quotient an amount that is not less
1002 than the following: A unit or bottle one-half pint or two hundred
1003 milliliters or less, two cents; a unit or bottle more than one-half pint or
1004 two hundred milliliters but not more than one pint or five hundred
1005 milliliters, four cents; and a unit or bottle greater than one pint or five

1006 hundred milliliters, eight cents.]

1007 (b) No retail permittee shall sell alcoholic liquor at a price below his
1008 or her cost.

1009 (c) Notwithstanding the provisions of subsection (b) of this section,
1010 a retail permittee may sell one beer item identified by a stock-keeping
1011 unit number or one item of alcoholic liquor other than beer identified
1012 by a stock-keeping unit number below his or her cost each month,
1013 provided the item is not sold at less than ninety per cent of such retail
1014 permittee's cost. A retail permittee who intends to sell an item below
1015 cost pursuant to this subsection shall notify the Department of
1016 Consumer Protection of such sale not later than the second day of the
1017 month such item will be offered for sale.

1018 Sec. 22. (NEW) (*Effective from passage*) (a) There is established an
1019 account to be known as the "transportation excess surplus account"
1020 which shall be a separate, nonlapsing account within the Special
1021 Transportation Fund established pursuant to section 13b-68 of the
1022 general statutes. The account shall contain any moneys required by
1023 law to be deposited in the account. Moneys in the account shall be
1024 expended by the Commissioner of Transportation, with the approval
1025 of the Secretary of the Office of Policy and Management, for the
1026 payment of transportation costs, as defined in section 13b-75 of the
1027 general statutes.

1028 (b) At the end of each fiscal year commencing with the fiscal year
1029 ending June 30, 2017, after the accounts for the Special Transportation
1030 Fund have been closed for the fiscal year and the Comptroller has
1031 determined the amount of unappropriated surplus in said fund, the
1032 Comptroller shall transfer such unappropriated surplus in excess of
1033 fifteen per cent of total expenditures for the most recently completed
1034 fiscal year to the transportation excess surplus account within the
1035 Special Transportation Fund.

1036 Sec. 23. (NEW) (*Effective from passage*) (a) There is established an

1037 account to be known as the "Connecticut airport and aviation account"
1038 which shall be a separate, nonlapsing account within the Grants and
1039 Restricted Accounts Fund established pursuant to section 4-31c of the
1040 general statutes. The account shall contain any moneys required by
1041 law to be deposited in the account. Moneys in the account shall be
1042 expended by the Commissioner of Transportation, with the approval
1043 of the Secretary of the Office of Policy and Management, for the
1044 purposes of airport and aviation-related purposes.

1045 (b) Notwithstanding the provisions of section 13b-61a of the general
1046 statutes, on and after September 1, 2017, the Commissioner of Revenue
1047 Services shall deposit into said account seventy-five and three-tenths
1048 per cent of the amounts received by the state from aviation fuel
1049 sources from the tax imposed under section 12-587 of the general
1050 statutes.

1051 Sec. 24. Subsection (e) of section 3-20 of the general statutes is
1052 repealed and the following is substituted in lieu thereof (*Effective from*
1053 *passage*):

1054 (e) The principal and interest of bonds, refunding bonds, other
1055 obligations or borrowings in anticipation thereof, their transfer and the
1056 income therefrom, including any profit on the sale or transfer thereof,
1057 shall at all times be exempt from any taxation by the state of
1058 Connecticut or under its authority, except for estate or succession
1059 taxes, but the interest on such bonds, obligations or borrowings shall
1060 be included in the computation of any excise or franchise tax.

1061 Sec. 25. Section 7-209 of the general statutes is repealed and the
1062 following is substituted in lieu thereof (*Effective from passage*):

1063 Revenue bonds issued under the provisions of this chapter, their
1064 transfer and the income therefrom, including any profit made on the
1065 sale thereof, shall at all times be free from taxation within the state, but
1066 the interest on such bonds shall be included in the computation of any
1067 excise or franchise tax.

1068 Sec. 26. Section 7-233s of the general statutes is repealed and the
1069 following is substituted in lieu thereof (*Effective from passage*):

1070 The creation of a municipal electric energy cooperative pursuant to
1071 the provisions of this chapter is in all respects for the benefit of the
1072 people of the state and for the improvement of their health, safety,
1073 welfare, comfort and security, and its purposes are public purposes
1074 and a municipal cooperative will be performing an essential
1075 governmental function. The real and personal property of a municipal
1076 electric energy cooperative, and its income and operations, shall be
1077 exempt from all taxation by the state and any political subdivision
1078 thereof; provided, however, that in connection with the acquisition or
1079 construction or ownership of any project or projects, or portions
1080 thereof, which may be located outside the boundaries of the members
1081 of the municipal cooperative, the municipal cooperative may make
1082 payments in lieu of taxation and enter into a contract therefor to the
1083 appropriate taxing entity in which such project or projects, or portions
1084 thereof, are so acquired or constructed. The state covenants with the
1085 purchasers and all subsequent holders and transferees of the notes or
1086 bonds issued by a municipal cooperative, in consideration of the
1087 acceptance of any payment for the notes or bonds, that the notes or
1088 bonds of a municipal cooperative, issued pursuant to this chapter and
1089 the income therefrom shall at all times be free from taxation, but the
1090 interest on such notes or bonds shall be included in the computation of
1091 any excise or franchise tax.

1092 Sec. 27. Subsection (g) of section 7-273g of the general statutes is
1093 repealed and the following is substituted in lieu thereof (*Effective from*
1094 *passage*):

1095 (g) Bonds and notes issued under the provisions of this chapter,
1096 their transfer and the income therefrom, including any profit made on
1097 the sale thereof, shall at all times be free from taxation within the state,
1098 but the interest on such bonds and notes shall be included in the
1099 computation of any excise or franchise tax.

1100 Sec. 28. Subsection (a) of section 7-273mm of the general statutes is
1101 repealed and the following is substituted in lieu thereof (*Effective from*
1102 *passage*):

1103 (a) The exercise of the powers granted by this chapter shall
1104 constitute the performance of an essential governmental function and
1105 the authority shall not be required to pay any taxes or assessments
1106 upon or in respect to a project, or any property or moneys of the
1107 authority, levied by any municipality or political subdivision or special
1108 district having taxing powers of the state, nor shall the authority be
1109 required to pay state taxes of any kind, and the authority, its projects,
1110 property and money and the principal and interest of bonds issued
1111 under the provisions of this chapter, their transfer and the income
1112 therefrom, including revenues derived from the sale thereof, shall at all
1113 times be free from taxation, except for estate and gift taxes imposed by
1114 the state or any political subdivision thereof, but the interest on such
1115 bonds shall be included in the computation of any excise or franchise
1116 tax. Nothing herein shall prevent the authority from entering into
1117 agreements to make payments in lieu of taxes with respect to property
1118 acquired by it or by any person leasing a project from the authority or
1119 operating or managing a project on behalf of the authority and neither
1120 the authority nor its projects, properties, money or bonds shall be
1121 obligated, liable or subject to lien of any kind for the enforcement,
1122 collection or payment thereof. If and to the extent the proceedings
1123 under which the bonds authorized to be issued under the provisions of
1124 this chapter so provide, the authority may agree to cooperate with the
1125 lessee or operator of a project in connection with any administrative or
1126 judicial proceedings for determining the validity or amount of such
1127 payment and may agree to appoint or designate and reserve the right
1128 in and for such lessee or operators to take all action which the
1129 authority may lawfully take in respect of such payments and all
1130 matters relating thereto, providing such lessee or operator shall bear
1131 and pay all costs and expenses of the authority thereby incurred at the
1132 request of such lessee or operator or by reason of any such action taken

1133 by such lessee or operator on behalf of the authority. Any lessee or
1134 operator of a project which has paid the amounts in lieu of taxes
1135 permitted by this section to be paid shall not be required to pay any
1136 such taxes in which a payment in lieu thereof has been made to the
1137 state or to any such municipality or other political subdivision or
1138 special district having taxing powers, any other law to the contrary
1139 notwithstanding.

1140 Sec. 29. Section 7-329l of the general statutes is repealed and the
1141 following is substituted in lieu thereof (*Effective from passage*):

1142 The exercise of the powers granted by sections 7-329a to 7-329u,
1143 inclusive, shall be in all respects for the benefit of the inhabitants of the
1144 state, for the increase of their commerce and for the promotion of their
1145 safety, health, welfare, convenience and prosperity, and as the
1146 operation and maintenance of any project which the port authority is
1147 authorized to undertake constitute the performance of an essential
1148 governmental function, no port authority shall be required to pay any
1149 taxes or assessments upon any project acquired and constructed by it
1150 under the provisions of said sections; and the bonds, notes, certificates
1151 or other evidences of debt issued under the provisions of said sections,
1152 their transfer and the income therefrom, including any profit made on
1153 the sale thereof, shall at all times be free and exempt from taxation by
1154 the state and by any political subdivision thereof, but the interest on
1155 such bonds, notes, certificates or other evidences of debt shall be
1156 included in the computation of any excise or franchise tax.

1157 Sec. 30. Section 7-497 of the general statutes is repealed and the
1158 following is substituted in lieu thereof (*Effective from passage*):

1159 It is hereby determined that the powers conferred upon
1160 municipalities by this chapter are in all respects for the benefit of the
1161 people of the state and for the improvement of their health, safety,
1162 welfare, comfort and security, and that the purposes of this chapter are
1163 public purposes and that municipalities will be performing an

1164 essential governmental function in the exercise of the powers
1165 conferred upon them by this chapter. The state covenants with the
1166 purchasers and all subsequent holders and transferees of notes and
1167 bonds issued by a municipality, in consideration of the acceptance of
1168 and payment for the notes and bonds, that the notes and bonds of the
1169 municipality issued pursuant to this chapter and the income therefrom
1170 shall at all times be free from taxation, except for estate and gift taxes
1171 and taxes on transfers, but the interest on such notes and bonds shall
1172 be included in the computation of any excise or franchise tax.
1173 Municipalities are authorized to include this covenant of the state in
1174 any agreement with the holder of such notes or bonds.

1175 Sec. 31. Section 8-93 of the general statutes is repealed and the
1176 following is substituted in lieu thereof (*Effective from passage*):

1177 The principal and interest of bonds and notes issued under the
1178 provisions of part II of this chapter and this part shall be exempt from
1179 taxation, but the interest on such bonds and notes shall be included in
1180 the computation of any excise or franchise tax. The provisions of this
1181 section shall apply to all notes or bonds issued prior to October 6, 1949,
1182 under the provisions of sections 102a to 138a, inclusive, of the 1949
1183 supplement to the general statutes.

1184 Sec. 32. Subsection (c) of section 8-252 of the general statutes is
1185 repealed and the following is substituted in lieu thereof (*Effective from*
1186 *passage*):

1187 (c) Any provision of any law to the contrary notwithstanding, any
1188 bonds, bond anticipation notes or other obligations issued by the
1189 authority pursuant to this chapter shall be fully negotiable within the
1190 meaning and for all purposes of title 42a and each holder or owner of
1191 such a bond, bond anticipation note or other obligation or coupon is
1192 and shall be fully negotiable within the meaning and for all purposes
1193 of said title 42a. Any such bonds, bond anticipation notes or other
1194 obligations shall be legal investments for all trust companies, banks,

1195 investment companies, savings banks, building and loan associations,
1196 executors, administrators, guardians, conservators, trustees and other
1197 fiduciaries, and pension, profit-sharing and retirement funds and shall
1198 be exempt, both as to principal and interest, from any taxes imposed
1199 by the state of Connecticut or any subdivision thereof, other than
1200 estate or succession taxes, but the interest on such bonds, bond
1201 anticipation notes or other obligations shall be included in the
1202 computation of any excise or franchise tax.

1203 Sec. 33. Section 8-312 of the general statutes is repealed and the
1204 following is substituted in lieu thereof (*Effective from passage*):

1205 It is hereby determined that the purposes of this chapter are public
1206 purposes and that the municipalities will be performing an essential
1207 governmental function in the exercise of the powers conferred upon
1208 them by this chapter. The state covenants with the purchasers and all
1209 subsequent holders and transferees of notes and bonds issued by the
1210 municipality, in consideration of the acceptance of and payment for
1211 the notes and bonds, that the principal and interest of notes and bonds
1212 of the municipality issued pursuant to this chapter shall at all times be
1213 free from taxation, except for estate and gift taxes, imposed by the state
1214 or by any political subdivision thereof, but the interest on such notes
1215 and bonds shall be included in the computation of any excise or
1216 franchise tax. Municipalities are authorized to include this covenant of
1217 the state in any agreement with the holder of such notes or bonds.

1218 Sec. 34. Section 10a-191 of the general statutes is repealed and the
1219 following is substituted in lieu thereof (*Effective from passage*):

1220 The exercise of the powers granted by this chapter will be in all
1221 respects for the benefit of the people of this state, for the increase of
1222 their commerce, welfare and prosperity, and for the improvement of
1223 their health and living conditions, and as the operation and
1224 maintenance of a project by the authority or its agent will constitute
1225 the performance of an essential public function, neither the authority

1226 nor its agent shall be required to pay any taxes or assessments upon or
1227 in respect of a project or any property acquired or used by the
1228 authority or its agent under the provisions of this chapter or upon the
1229 income therefrom, and any bonds issued under the provisions of this
1230 chapter, their transfer and the income therefrom, including any profit
1231 made on the sale thereof, shall at all times be free from taxation of
1232 every kind by the state and by the municipalities and other political
1233 subdivisions in the state, but the interest on such bonds shall be
1234 included in the computation of any excise or franchise tax.

1235 Sec. 35. Subsection (r) of section 10a-204b of the general statutes is
1236 repealed and the following is substituted in lieu thereof (*Effective from*
1237 *passage*):

1238 (r) The state covenants with the purchasers and all other subsequent
1239 owners and transferees of bonds, notes or other obligations issued by
1240 the corporation or by any subsidiary created pursuant to subdivision
1241 (5) of section 10a-204 pursuant to this section, in consideration of the
1242 acceptance of and payment for the bonds, notes or other obligations,
1243 until the bonds, notes or other obligations, together with the interest
1244 thereon, with interest on any unpaid installment of interest and all
1245 costs and expenses in connection with any action or proceeding on
1246 behalf of the owners, are fully met and discharged or unless expressly
1247 permitted or otherwise authorized by the terms of each contract and
1248 agreement made or entered into by or on behalf of the issuer with or
1249 for the benefit of such owners, that the state: (1) Will not create or
1250 cause to be created any lien or charge on the assets or revenues
1251 pledged to secure such bonds, notes or other obligations, other than a
1252 lien or pledge created thereon pursuant to this section; (2) will not in
1253 any way impair the rights, exemptions or remedies of the owners; and
1254 (3) will not limit, modify, rescind, repeal or otherwise alter the rights
1255 or obligations of the issuer to take such action as may be necessary to
1256 fulfill the terms of the resolution authorizing the issuance of the bonds,
1257 notes or other obligations; provided nothing in this section shall
1258 preclude the state from exercising its power, through a change in law,

1259 to limit, modify, rescind, repeal or otherwise alter this chapter if and
1260 when adequate provision shall be made by law for the protection of
1261 the holders of outstanding bonds, notes or other obligations, pursuant
1262 to the resolution under which the bonds, notes or other obligations are
1263 issued. The state further covenants with the purchasers and all
1264 subsequent owners and transferees of bonds, notes or other obligations
1265 issued by the corporation or by such a subsidiary pursuant to this
1266 section, in consideration of the acceptance of and payment for the
1267 bonds, notes or other obligations that, notwithstanding any provision
1268 of title 12, the bonds, notes or other obligations shall be free at all times
1269 from taxes levied by any municipality or political subdivision or
1270 special district having taxing powers of the state, and the principal and
1271 interest of any bonds, notes or other obligations issued under the
1272 provisions of this section, the transfer of such bonds, notes or other
1273 obligations and the income from such bonds, notes or other
1274 obligations, including any profit on the sale or transfer of such bonds,
1275 notes or other obligations, shall at all times be exempt from any
1276 taxation by the state or under its authority, except for estate or
1277 succession taxes, but the interest on such bonds, notes or other
1278 obligations shall be included in the computation of any excise or
1279 franchise tax. The issuer is authorized to include covenants of the state
1280 provided for in this subsection, as a contract of the state, in any
1281 agreement with the owners of any bonds, notes or other obligations, in
1282 any credit facility or reimbursement agreement with respect to the
1283 bonds, notes or other obligations and in any agreement authorized by
1284 subsection (p) or (q) of this section.

1285 Sec. 36. Subsection (h) of section 10-289f of the general statutes is
1286 repealed and the following is substituted in lieu thereof (*Effective from*
1287 *passage*):

1288 (h) It is determined that the powers conferred on municipalities by
1289 sections 10-289d to 10-289g, inclusive, are in all respect for the benefit
1290 of the people of the state and for the improvement of their health,
1291 safety, welfare, comfort and security and that the purposes of said

1292 sections are public purposes and that municipalities will be
1293 performing an essential governmental function in the exercise of the
1294 powers conferred upon them by said sections. In consideration of the
1295 acceptance of any payment for bonds or notes issued by a municipality
1296 pursuant to sections 10-289d to 10-289g, inclusive, the state covenants
1297 with the purchasers and all subsequent holders and transferees of such
1298 bonds or notes that such bonds or notes and the income therefrom
1299 shall at all times be free from taxation, except for estate and gift taxes
1300 and taxes on transfers, but the interest on such bonds or notes shall be
1301 included in the computation of any excise or franchise tax. Issuing
1302 municipalities are authorized to include this covenant of the state in
1303 any agreement with the holder of such bonds or notes.

1304 Sec. 37. Section 15-120m of the general statutes is repealed and the
1305 following is substituted in lieu thereof (*Effective from passage*):

1306 The exercise of the powers granted by sections 15-120g to 15-120o,
1307 inclusive, constitute the performance of an essential governmental
1308 function and the authority shall not be required to pay any taxes or
1309 assessments upon or in respect of the project, levied by any
1310 municipality or political subdivision or special district having taxing
1311 powers of the state and the project and the principal and interest of
1312 any bonds and notes issued under the provisions of said sections, their
1313 transfer and the income therefrom, including revenues derived from
1314 the sale thereof, shall at all times be free from taxation of every kind by
1315 the state of Connecticut or under its authority, except for estate or
1316 succession taxes, but the interest on such bonds and notes shall be
1317 included in the computation of any excise or franchise tax.

1318 Sec. 38. Section 16-338 of the general statutes is repealed and the
1319 following is substituted in lieu thereof (*Effective from passage*):

1320 All bonds authorized or issued pursuant to this section under or
1321 pursuant to proceedings of the State Bond Commission had or taken
1322 prior to July 1, 1974, shall be general obligations of the state and the

1323 full faith and credit of the state of Connecticut are pledged for the
1324 payment of the principal of and interest on said bonds as the same
1325 become due and accordingly, and as part of the contract of the state
1326 with the holders of said bonds, appropriation of all amounts necessary
1327 for punctual payment of such principal and interest is hereby made,
1328 and the Treasurer shall pay such principal and interest as the same
1329 become due. All of said bonds and temporary notes in anticipation of
1330 the money to be derived from the sale thereof may be sold, executed,
1331 issued and delivered, and their proceeds collected, held, invested,
1332 applied and used, in all respects as authorized under the provisions of
1333 the general statutes in effect on June 30, 1974. Said bonds are made and
1334 declared to be (1) legal investments for savings banks and trustees
1335 unless otherwise provided in the instrument creating the trust, (2)
1336 securities in which all public officers and bodies, all insurance
1337 companies and associations and persons carrying on an insurance
1338 business, all banks, bankers, trust companies, savings banks and
1339 savings associations, including savings and loan associations, building
1340 and loan associations, investment companies and persons carrying on
1341 a banking or investment business, all administrators, guardians,
1342 executors, trustees and other fiduciaries and all persons whatsoever
1343 who are or may be authorized to invest in bonds of the state, may
1344 properly and legally invest funds including capital in their control or
1345 belonging to them, and (3) securities which may be deposited with and
1346 shall be received by all public officers and bodies for any purpose for
1347 which the deposit of bonds of the state is or may be authorized. All
1348 such bonds, their transfer and the income therefrom including any
1349 profit on the sale or transfer thereof, shall at all times be exempt from
1350 all taxation by the state or under its authority, but the interest on such
1351 bonds shall be included in the computation of any excise or franchise
1352 tax.

1353 Sec. 39. Subsection (a) of section 22a-270 of the general statutes is
1354 repealed and the following is substituted in lieu thereof (*Effective from*
1355 *passage*):

1356 (a) The exercise of the powers granted by this chapter constitute the
1357 performance of an essential governmental function and the authority
1358 shall not be required to pay any taxes or assessments upon or in
1359 respect of a project, or any property or moneys of the authority, levied
1360 by any municipality or political subdivision or special district having
1361 taxing powers of the state, nor shall the authority be required to pay
1362 state taxes of any kind, and the authority, its projects, property and
1363 money and any bonds and notes issued under the provisions of this
1364 chapter, their transfer and the income therefrom, including revenues
1365 derived from the sale thereof, shall at all times be free from taxation of
1366 every kind by the state except for estate or succession taxes and by the
1367 municipalities and all other political subdivisions or special districts
1368 having taxing powers of the state, but the interest on such bonds and
1369 notes shall be included in the computation of any excise or franchise
1370 tax; provided nothing herein shall prevent the authority from entering
1371 into agreements to make payments in lieu of taxes with respect to
1372 property acquired by it or by any person leasing a project from the
1373 authority or operating or managing a project on behalf of the authority
1374 and neither the authority nor its projects, properties, money or bonds
1375 and notes shall be obligated, liable or subject to lien of any kind for the
1376 enforcement, collection or payment thereof. If and to the extent the
1377 proceedings under which the bonds authorized to be issued under the
1378 provisions of this chapter so provide, the authority may agree to
1379 cooperate with the lessee or operator of a project in connection with
1380 any administrative or judicial proceedings for determining the validity
1381 or amount of such payment and may agree to appoint or designate and
1382 reserve the right in and for such lessees or operators to take all action
1383 which the authority may lawfully take in respect of such payments and
1384 all matters relating thereto, provided such lessee or operator shall bear
1385 and pay all costs and expenses of the authority thereby incurred at the
1386 request of such lessee or operator or by reason of any such action taken
1387 by such lessee or operator on behalf of the authority. Any lessee or
1388 operator of a project which has paid the amounts in lieu of taxes
1389 permitted by this section to be paid shall not be required to pay any

1390 such taxes in which a payment in lieu thereof has been made to the
1391 state or to any such municipality or other political subdivision or
1392 special district having taxing powers, any other statute to the contrary
1393 notwithstanding.

1394 Sec. 40. Subsection (k) of section 22a-483 of the general statutes is
1395 repealed and the following is substituted in lieu thereof (*Effective from*
1396 *passage*):

1397 (k) The state covenants with the purchasers and all subsequent
1398 owners and transferees of bonds, state bond anticipation notes and
1399 state grant anticipation notes issued by the state pursuant to sections
1400 22a-475 to 22a-483, inclusive, in consideration of the acceptance of and
1401 payment for the bonds, state bond anticipation notes and state grant
1402 anticipation notes, that such bonds, state bond anticipation notes and
1403 state grant anticipation notes shall be free at all times from taxes levied
1404 by any municipality or political subdivision or special district having
1405 taxing powers of the state and the principal and interest of any bonds,
1406 state bond anticipation notes and grant anticipation notes issued under
1407 the provisions of sections 22a-475 to 22a-483, inclusive, their transfer
1408 and the income therefrom, including revenues derived from the sale
1409 thereof, shall at all times be free from taxation of every kind by the
1410 state of Connecticut or under its authority, except for estate or
1411 succession taxes, but the interest on such bonds, state bond
1412 anticipation notes and state grant anticipation notes shall be included
1413 in the computation of any excise or franchise tax. The Treasurer is
1414 authorized to include this covenant of the state in any agreement with
1415 the owner of any such bonds, state bond anticipation notes or state
1416 grant anticipation notes.

1417 Sec. 41. Section 32-23h of the general statutes is repealed and the
1418 following is substituted in lieu thereof (*Effective from passage*):

1419 The exercise of the powers granted to the corporation shall
1420 constitute the performance of an essential governmental function and

1421 the corporation shall not be required to pay any taxes or assessments
1422 upon or in respect of a project, or any property or moneys of the
1423 corporation, levied by any municipality or political subdivision or
1424 special district having taxing powers of the state, nor shall the
1425 corporation be required to pay state taxes of any kind, and the
1426 corporation, its projects, property and moneys and any bonds and
1427 notes issued under the provisions of said chapters and sections, their
1428 transfer and the income therefrom, including any profit made on the
1429 sale thereof, shall at all times be free from taxation of every kind by the
1430 state except for estate or succession taxes and by the municipalities and
1431 all other political subdivisions or special districts having taxing powers
1432 of the state, but the interest on such bonds and notes shall be included
1433 in the computation of any excise or franchise tax; provided any person
1434 leasing a project from the corporation shall pay to the municipality, or
1435 other political subdivision or special district having taxing powers, in
1436 which such project is located, a payment in lieu of taxes which shall
1437 equal the taxes on real and personal property, including water and
1438 sewer assessments, which such lessee would have been required to
1439 pay had it been the owner of such property during the period for
1440 which such payment is made and neither the corporation nor its
1441 projects, properties, money or bonds and notes shall be obligated,
1442 liable or subject to lien of any kind for the enforcement, collection or
1443 payment thereof. The sale of tangible personal property or services by
1444 the corporation is exempt from the sales tax under chapter 219, and the
1445 storage, use or other consumption in this state of tangible personal
1446 property or services purchased from the corporation is exempt from
1447 the use tax under chapter 219. If and to the extent the proceedings by
1448 the corporation so provide, the corporation may agree to cooperate
1449 with the lessee of a project in connection with any administrative or
1450 judicial proceedings for determining the validity or amount of such
1451 payments and may agree to appoint or designate and reserve the right
1452 in and for such lessee to take all action which the corporation may
1453 lawfully take in respect of such payments and all matters relating
1454 thereto, provided such lessee shall bear and pay all costs and expenses

1455 of the corporation thereby incurred at the request of such lessee or by
1456 reason of any such action taken by such lessee on behalf of the
1457 corporation. Any lessee of a project which has paid the amounts in lieu
1458 of taxes required by this section to be paid shall not be required to pay
1459 any such taxes in which a payment in lieu thereof has been made to the
1460 state or to any such municipality or other political subdivision or
1461 special district having taxing powers, any other statute to the contrary
1462 notwithstanding. Any industrial pollution control facility financed by
1463 the corporation shall be subject to such approvals, as may be required
1464 by law, of any agency of the state and any agency of the United States
1465 having jurisdiction in the matter and, in the discretion of the
1466 corporation, may be acquired, constructed or improved as part of or
1467 jointly with a pollution control facility undertaken by a municipality or
1468 political subdivision or special district having taxing powers in the
1469 state and the corporation is authorized to cooperate and execute
1470 contracts with such a municipality or political subdivision or special
1471 district.

1472 Sec. 42. (NEW) (*Effective July 1, 2017*) (a) The purpose of sections 42
1473 to 50, inclusive, of this act, is to establish a comprehensive and uniform
1474 system of taxation of certain uniquely situated health care providers to
1475 raise revenue in conformity with Title XIX of the Social Security Act, as
1476 amended from time to time, and to promote the state's financial
1477 stability.

1478 (b) As used in this section and sections 43 to 50, inclusive, of this act:

1479 (1) "Commissioner" means the Commissioner of Revenue Services;

1480 (2) "Department" means the Department of Revenue Services;

1481 (3) "Taxpayer" means any health care provider subject to any tax or
1482 fee under this section;

1483 (4) "Health care provider" means an individual or entity that
1484 receives any payment or payments for health care items or services

1485 provided;

1486 (5) "Gross receipts" means the amount received or receivable,
1487 whether in cash or in kind, from patients, third-party payers and
1488 others for taxable health care items or services furnished by the
1489 taxpayer in the state, including retroactive adjustments under
1490 reimbursement agreements with third-party payers, without any
1491 deduction for any expenses of any kind;

1492 (6) "Net revenue" means gross receipts less payer discounts, charity
1493 care and bad debts, to the extent the taxpayer previously paid tax
1494 under this section on the amount of such bad debts;

1495 (7) "Payer discounts" means the difference between a health care
1496 provider's published charges and payments received in accordance
1497 with negotiated agreements with one or more health care payers for a
1498 different or discounted rate or method of payment than such
1499 published charges. "Payer discounts" does not include charity care or
1500 bad debts;

1501 (8) "Charity care" means free or discounted health care services
1502 rendered by a health care provider to individuals who cannot afford to
1503 pay, including, but not limited to, care to the uninsured patient or
1504 patients who are not expected to pay all or part of a health care
1505 provider's bill based on income guidelines and other financial criteria
1506 set forth in the general statutes or in a health care provider's charity
1507 care policies on file at the office of such provider. "Charity care" does
1508 not include bad debts or payer discounts;

1509 (9) "Received" means "received" or "accrued", construed according
1510 to the method of accounting customarily employed by the taxpayer;

1511 (10) "Hospital" means any health care facility, as defined in section
1512 19a-630 of the general statutes, that (A) is licensed by the Department
1513 of Public Health as a short-term general hospital; (B) is maintained
1514 primarily for the care and treatment of patients with disorders other

1515 than mental diseases; (C) meets the requirements for participation in
1516 Medicare as a hospital; and (D) has in effect a utilization review plan,
1517 applicable to all Medicaid patients, that meets the requirements of 42
1518 CFR 482.30, as amended from time to time, unless a waiver has been
1519 granted by the Secretary of the United States Department of Health
1520 and Human Services;

1521 (11) "Inpatient hospital services" means, in accordance with the
1522 provisions of 42 CFR 433.56(a)(1), as amended from time to time, and
1523 42 CFR 440.10, as amended from time to time, all services that are (A)
1524 ordinarily furnished in a hospital for the care and treatment of
1525 inpatients; (B) furnished under the direction of a physician or dentist;
1526 and (C) furnished in a hospital. "Inpatient hospital services" does not
1527 include skilled nursing facility and intermediate care facility services
1528 furnished by a hospital with swing bed approval;

1529 (12) "Inpatient" means a patient who has been admitted to a medical
1530 institution as an inpatient on the recommendation of a physician or
1531 dentist and who (A) receives room, board and professional services in
1532 the institution for a twenty-four-hour period or longer, or (B) is
1533 expected by the institution to receive room, board and professional
1534 services in the institution for a twenty-four-hour period or longer, even
1535 though it later develops that the patient does not actually stay in the
1536 institution for twenty-four hours;

1537 (13) "Outpatient hospital services" means, in accordance with the
1538 provisions of 42 CFR 433.56(a)(2), as amended from time to time, and
1539 42 CFR 440.20, as amended from time to time, preventive, diagnostic,
1540 therapeutic, rehabilitative or palliative services that are (A) furnished
1541 to outpatients; (B) furnished by or under the direction of a physician or
1542 dentist; and (C) furnished by a hospital;

1543 (14) "Outpatient" means a patient of an organized medical facility or
1544 a distinct part of such facility, who is expected by the facility to receive,
1545 and who does receive, professional services for less than a twenty-

1546 four-hour period regardless of the hour of admission, whether or not a
1547 bed is used or the patient remains in the facility past midnight;

1548 (15) "Nursing home" means any licensed chronic and convalescent
1549 nursing home or a rest home with nursing supervision;

1550 (16) "Intermediate care facility for individuals with intellectual
1551 disabilities" or "intermediate care facility" means a residential facility
1552 for persons with intellectual disability that is certified to meet the
1553 requirements of 42 CFR 442, Subpart C, as amended from time to time,
1554 and, in the case of a private facility, licensed pursuant to section 17a-
1555 227 of the general statutes;

1556 (17) "Medicare day" means a day of nursing home care service
1557 provided to an individual who is eligible for payment, in full or with a
1558 coinsurance requirement, under the federal Medicare program,
1559 including fee for service and managed care coverage;

1560 (18) "Nursing home resident day" means a day of nursing home care
1561 service provided to an individual and includes the day a resident is
1562 admitted and any day for which the nursing home is eligible for
1563 payment for reserving a resident's bed due to hospitalization or
1564 temporary leave and for the date of death. For purposes of this
1565 subdivision, a day of nursing home care service shall be the period of
1566 time between the census-taking hour in a nursing home on two
1567 successive calendar days. "Nursing home resident day" does not
1568 include a Medicare day or the day a resident is discharged;

1569 (19) "Intermediate care facility resident day" means a day of
1570 intermediate care facility residential care provided to an individual
1571 and includes the day a resident is admitted and any day for which the
1572 intermediate care facility is eligible for payment for reserving a
1573 resident's bed due to hospitalization or temporary leave and for the
1574 date of death. For purposes of this subdivision, a day of intermediate
1575 care facility residential care shall be the period of time between the
1576 census-taking hour in a facility on two successive calendar days.

1577 "Intermediate care facility resident day" does not include the day a
1578 resident is discharged;

1579 (20) "Ambulatory surgical center" means any distinct entity that (A)
1580 operates exclusively for the purpose of providing surgical services to
1581 patients not requiring hospitalization and in which the expected
1582 duration of services would not exceed twenty-four hours following an
1583 admission; (B) has an agreement with the Centers for Medicare and
1584 Medicaid Services to participate in Medicare as an ambulatory surgical
1585 center; and (C) meets the general and specific conditions for
1586 participation in Medicare set forth in 42 CFR Part 416, Subparts B and
1587 C, as amended from time to time;

1588 (21) "Ambulatory surgical center services" means, in accordance
1589 with 42 CFR 433.56(a)(9), as amended from time to time, services that
1590 are furnished in connection with covered surgical procedures
1591 performed in an ambulatory surgical center as provided in 42 CFR
1592 416.164(a), as amended from time to time, for which payment is
1593 included in the ambulatory surgical center payment established under
1594 42 CFR 416.171, as amended from time to time, for the covered surgical
1595 procedure. "Ambulatory surgical center services" includes facility
1596 services only and does not include surgical procedures;

1597 (22) "Medicaid" means the program operated by the Department of
1598 Social Services pursuant to section 17b-260 of the general statutes and
1599 authorized by Title XIX of the Social Security Act, as amended from
1600 time to time; and

1601 (23) "Medicare" means the program operated by the Centers for
1602 Medicare and Medicaid Services in accordance with Title XVIII of the
1603 Social Security Act, as amended from time to time.

1604 Sec. 43. (NEW) (*Effective July 1, 2017*) (a) (1) For each calendar
1605 quarter commencing on or after July 1, 2017, each hospital and
1606 ambulatory surgical center shall pay a tax on the total net revenue
1607 received by each such health care provider for the provision of

1608 inpatient hospital services, outpatient hospital services and
1609 ambulatory surgical center services. The rate of tax on all net revenue
1610 received on and after July 1, 2017, shall be six per cent.

1611 (2) Net revenue derived from furnishing a health care item or
1612 service to a patient shall be taxed only one time under this section. Net
1613 revenue from each hospital-owned ambulatory surgical center shall be
1614 considered net revenue of the hospital and shall be reported as net
1615 revenue from inpatient hospital services or outpatient hospital services
1616 to the extent such net revenue is derived from services that fall within
1617 the scope of inpatient hospital services or outpatient hospital services,
1618 as defined in subsection (b) of section 42 of this act. As used in this
1619 subsection, "hospital-owned ambulatory surgical center" includes only
1620 those ambulatory surgical centers that are considered departments of
1621 the owner-hospital and that have provider-based status in accordance
1622 with 42 CFR 413.65, as amended from time to time. If an ambulatory
1623 surgical center is owned by a hospital, but is not considered to be a
1624 department of the hospital or does not have provider-based status in
1625 accordance with 42 CFR 413.65, as amended from time to time, the net
1626 revenue of such ambulatory surgical center shall not be considered net
1627 revenue of the owner-hospital, and such ambulatory surgical center
1628 shall be required to file and pay tax for any net revenue received from
1629 the provision of ambulatory surgical center services.

1630 (b) The Commissioner of Social Services shall seek approval from
1631 the Centers for Medicare and Medicaid Services to exempt from the
1632 net revenue tax imposed under subsection (a) of this section the
1633 following: (1) Specialty hospitals; (2) children's general hospitals; and
1634 (3) hospitals operated exclusively by the state other than a short-term
1635 acute hospital operated by the state as a receiver pursuant to chapter
1636 920 of the general statutes. Any health care provider for which the
1637 Centers for Medicare and Medicaid Services grants an exemption shall
1638 be exempt from the net revenue tax imposed under subsection (a) of
1639 this section. Any such health care provider for which the Centers for
1640 Medicare and Medicaid Services denies an exemption shall be required

1641 to pay the net revenue tax imposed under subsection (a) of this section
1642 on inpatient hospital services and outpatient hospital services, as
1643 defined in section 42 of this act. As used in this subsection, (A)
1644 "specialty hospitals" means health care facilities, as defined in section
1645 19a-630 of the general statutes, other than facilities licensed by the
1646 Department of Public Health as a short-term general hospital or a
1647 short-term children's hospital. "Specialty hospitals" includes, but is not
1648 limited to, psychiatric hospitals and chronic disease hospitals, and (B)
1649 "children's general hospitals" means health care facilities, as defined in
1650 section 19a-630 of the general statutes, that are licensed by the
1651 Department of Public Health as a short-term children's hospital.
1652 "Children's general hospitals" does not include specialty hospitals.

1653 (c) Prior to January 1, 2018, and every three years thereafter, the
1654 Commissioner of Social Services shall seek approval from the Centers
1655 for Medicare and Medicaid Services to exempt financially distressed
1656 hospitals from the net revenue tax imposed on outpatient hospital
1657 services. Any such hospital for which the Centers for Medicare and
1658 Medicaid Services grants an exemption shall be exempt from the net
1659 revenue tax imposed on outpatient hospital services under subsection
1660 (a) of this section. Any hospital for which the Centers for Medicare and
1661 Medicaid Services denies an exemption shall be required to pay the net
1662 revenue tax imposed on outpatient hospital services under subsection
1663 (a) of this section. "Financially distressed hospitals" means hospitals
1664 that have experienced over a five-year period an average net loss of
1665 more than one per cent of aggregate revenue. A hospital has an
1666 average net loss of more than one per cent of aggregate revenue if such
1667 a loss is reflected in the five most recent years of financial reporting
1668 that have been made available by the Office of Healthcare Access for
1669 such hospital, in accordance with section 19a-670 of the general
1670 statutes, as of the effective date of the request for approval, which
1671 effective date shall be July first of the year in which the request is
1672 made.

1673 (d) The provisions of section 17b-8 of the general statutes shall not

1674 apply to any waiver or waivers sought by the Department of Social
1675 Services from the Centers for Medicare and Medicaid Services under
1676 this section.

1677 Sec. 44. (NEW) (*Effective July 1, 2017*) (a) For each calendar quarter
1678 commencing on or after July 1, 2017, there is hereby imposed a
1679 quarterly fee on each nursing home and intermediate care facility in
1680 this state, which fee shall be the product of each facility's total resident
1681 days during the calendar quarter multiplied by the user fee. Except as
1682 otherwise provided in this section, the user fee for nursing homes shall
1683 be twenty-one dollars and two cents and the user fee for intermediate
1684 care facilities shall be twenty-seven dollars and twenty-six cents. As
1685 used in this subsection, "resident day" means nursing home resident
1686 day and intermediate care facility resident day, as applicable.

1687 (b) The Commissioner of Social Services shall seek approval from
1688 the Centers for Medicare and Medicaid Services to exempt from the
1689 quarterly fee imposed on nursing homes under subsection (a) of this
1690 section those nursing homes owned and operated by a legal entity
1691 registered as a continuing care facility with the Department of Social
1692 Services in accordance with section 17b-521 of the general statutes.
1693 Any nursing home for which the Centers for Medicare and Medicaid
1694 Services grants an exemption shall be exempt from the quarterly fee
1695 imposed on nursing homes under subsection (a) of this section. Any
1696 nursing home for which the Centers for Medicare and Medicaid
1697 Services denies an exemption shall be required to pay the quarterly fee
1698 imposed on nursing homes under subsection (a) of this section.

1699 (c) The Commissioner of Social Services shall seek approval from
1700 the Centers for Medicare and Medicaid Services for permission to
1701 impose a user fee in the amount of sixteen dollars and thirteen cents
1702 upon nursing homes owned by municipalities and nursing homes
1703 licensed for more than two hundred thirty beds. If the Centers for
1704 Medicare and Medicaid Services grants permission, the user fee
1705 imposed on nursing homes owned by municipalities and nursing

1706 homes licensed for more than two hundred thirty beds shall be sixteen
1707 dollars and thirteen cents. If the Centers for Medicare and Medicaid
1708 Services denies permission, the user fee for nursing homes owned by
1709 municipalities and nursing homes licensed for more than two hundred
1710 thirty beds shall be twenty-one dollars and two cents.

1711 (d) The provisions of section 17b-8 of the general statutes shall not
1712 apply to any waiver or waivers sought by the Department of Social
1713 Services from the Centers for Medicare and Medicaid Services under
1714 this section.

1715 Sec. 45. (NEW) (*Effective July 1, 2017*) (a) No tax credit or credits shall
1716 be allowable against any tax or fee imposed under section 43 or 44 of
1717 this act.

1718 (b) Each taxpayer doing business in this state shall, on or before the
1719 last day of January, April, July and October of each year, render to the
1720 commissioner a quarterly return, on forms prescribed or furnished by
1721 the commissioner and signed by one of the taxpayer's principal
1722 officers, stating specifically the name and location of such taxpayer, the
1723 amount of its net patient revenue or resident days during the calendar
1724 quarter ending on the last day of the preceding month and such other
1725 information as the commissioner deems necessary for the proper
1726 administration of this section and the state's Medicaid program. The
1727 taxes and fees imposed under this section shall be due and payable on
1728 the due date of such return. Each taxpayer shall be required to file such
1729 return electronically with the department and to make such payment
1730 by electronic funds transfer in the manner provided by chapter 228g of
1731 the general statutes, irrespective of whether the taxpayer would have
1732 otherwise been required to file such return electronically or to make
1733 such payment by electronic funds transfer under the provisions of said
1734 chapter.

1735 (c) (1) If any taxpayer fails to pay the amount of tax or fee reported
1736 to be due on such taxpayer's return within the time specified under the

1737 provisions of this section, there shall be imposed a penalty equal to ten
1738 per cent of such amount due and unpaid, or fifty dollars, whichever is
1739 greater. The tax or fee shall bear interest at the rate of one per cent per
1740 month or fraction thereof, from the due date of such tax or fee until the
1741 date of payment.

1742 (2) If any taxpayer has not made its return within one month of the
1743 due date of such return, the commissioner may make such return at
1744 any time thereafter, according to the best information obtainable and
1745 according to the form prescribed. There shall be added to the tax or fee
1746 imposed upon the basis of such return an amount equal to ten per cent
1747 of such tax or fee, or fifty dollars, whichever is greater. The tax or fee
1748 shall bear interest at the rate of one per cent per month or fraction
1749 thereof, from the due date of such tax or fee until the date of payment.

1750 (3) Subject to the provisions of section 12-3a of the general statutes,
1751 the commissioner may waive all or part of the penalties provided
1752 under this subsection when it is proven to the commissioner's
1753 satisfaction that the failure to pay any tax or fee on time was due to
1754 reasonable cause and was not intentional or due to neglect.

1755 (4) The commissioner shall notify the Commissioner of Social
1756 Services of any amount delinquent under this section and, upon
1757 receipt of such notice, the Commissioner of Social Services shall deduct
1758 and withhold such amount from amounts otherwise payable by the
1759 Department of Social Services to the delinquent taxpayer.

1760 (d) (1) Any person required under sections 43 to 48, inclusive, of this
1761 act to pay any tax or fee, make a return, keep any records or supply
1762 any information, who wilfully fails, at the time required by law, to pay
1763 such tax or fee, make such return, keep such records or supply such
1764 information, shall, in addition to any other penalty provided by law,
1765 be fined not more than one thousand dollars or imprisoned not more
1766 than one year, or both. As used in this subsection, "person" includes
1767 any officer or employee of a taxpayer under a duty to pay such tax or

1768 fee, make such return, keep such records or supply such information.
1769 Notwithstanding the provisions of section 54-193 of the general
1770 statutes, no person shall be prosecuted for a violation of the provisions
1771 of this subsection committed on or after July 1, 1997, except within
1772 three years next after such violation has been committed.

1773 (2) Any person who wilfully delivers or discloses to the
1774 commissioner or the commissioner's authorized agent any list, return,
1775 account, statement or other document, known by such person to be
1776 fraudulent or false in any material matter, shall, in addition to any
1777 other penalty provided by law, be guilty of a class D felony. No person
1778 shall be charged with an offense under both this subdivision and
1779 subdivision (1) of this subsection in relation to the same tax period but
1780 such person may be charged and prosecuted for both such offenses
1781 upon the same information.

1782 Sec. 46. (NEW) (*Effective July 1, 2017*) (a) (1) The commissioner may
1783 examine the records of any taxpayer subject to a tax or fee imposed
1784 under the provisions of section 43 or 44 of this act as the commissioner
1785 deems necessary. If the commissioner determines from such
1786 examination that there is a deficiency with respect to the payment of
1787 any such tax or fee due under the provisions of section 43 or 44 of this
1788 act, the commissioner shall assess the deficiency in tax or fee, give
1789 notice of such deficiency assessment to the taxpayer and make demand
1790 for payment. Such amount shall bear interest at the rate of one per cent
1791 per month or fraction thereof from the date when the original tax or fee
1792 was due and payable. (A) When it appears that any part of the
1793 deficiency for which a deficiency assessment is made is due to
1794 negligence or intentional disregard of the provisions of this section or
1795 regulations adopted thereunder, there shall be imposed a penalty
1796 equal to ten per cent of the amount of such deficiency assessment, or
1797 fifty dollars, whichever is greater. (B) When it appears that any part of
1798 the deficiency for which a deficiency assessment is made is due to
1799 fraud or intent to evade the provisions of this section or regulations
1800 adopted thereunder, there shall be imposed a penalty equal to twenty-

1801 five per cent of the amount of such deficiency assessment. No taxpayer
1802 shall be subject to more than one penalty under this subdivision in
1803 relation to the same tax period. Not later than thirty days after the
1804 mailing of such notice, the taxpayer shall pay to the commissioner, in
1805 cash or by check, draft or money order drawn to the order of the
1806 Commissioner of Revenue Services, any additional amount of tax,
1807 penalty and interest shown to be due.

1808 (2) Except in the case of a wilfully false or fraudulent return with
1809 intent to evade the tax or fee, no assessment of additional tax or fee
1810 shall be made after the expiration of more than three years from the
1811 date of the filing of a return or from the original due date of a return,
1812 whichever is later. Where, before the expiration of the period
1813 prescribed under this subsection for the assessment of an additional
1814 tax or fee, a taxpayer has consented, in writing, that such period may
1815 be extended, the amount of such additional tax due may be
1816 determined at any time within such extended period. The period so
1817 extended may be further extended by subsequent consents, in writing,
1818 before the expiration of the extended period.

1819 (b) (1) The commissioner may enter into an agreement with the
1820 Commissioner of Social Services delegating to the Commissioner of
1821 Social Services the authority to examine the records and returns of any
1822 taxpayer subject to any tax or fee imposed under section 43 or 44 of
1823 this act and to determine whether such tax has been underpaid or
1824 overpaid. If such authority is so delegated, examinations of such
1825 records and returns by the Commissioner of Social Services and
1826 determinations by the Commissioner of Social Services that such tax or
1827 fee has been underpaid or overpaid shall have the same effect as
1828 similar examinations or determinations made by the commissioner.

1829 (2) The commissioner may enter into an agreement with the
1830 Commissioner of Social Services in order to facilitate the exchange of
1831 return or return information necessary for the Commissioner of Social
1832 Services to perform his or her responsibilities under this section and to

1833 ensure compliance with the state's Medicaid program.

1834 (3) The Commissioner of Social Services may engage an
1835 independent auditor to assist in the performance of said
1836 commissioner's duties and responsibilities under this subsection. Any
1837 reports generated by such independent auditor shall be provided
1838 simultaneously to the department and the Department of Social
1839 Services.

1840 (c) (1) The commissioner may require all persons subject to a tax or
1841 fee imposed under section 43 or 44 of this act to keep such records as
1842 the commissioner may prescribe and may require the production of
1843 books, papers, documents and other data, to provide or secure
1844 information pertinent to the determination of the taxes or fees imposed
1845 under section 43 or 44 of this act and the enforcement and collection
1846 thereof.

1847 (2) The commissioner or any person authorized by the
1848 commissioner may examine the books, papers, records and equipment
1849 of any person liable under the provisions of this section and may
1850 investigate the character of the business of such person to verify the
1851 accuracy of any return made or, if no return is made by the person, to
1852 ascertain and determine the amount required to be paid.

1853 (d) The commissioner may adopt regulations, in accordance with
1854 the provisions of chapter 54 of the general statutes, to implement the
1855 provisions of sections 43 to 50, inclusive, of this act.

1856 Sec. 47. (NEW) (*Effective July 1, 2017*) (a) Any taxpayer subject to any
1857 tax or fee under section 43 or 44 of this act, believing that it has
1858 overpaid any tax or fee due under said sections, may file a claim for
1859 refund, in writing, with the commissioner not later than three years
1860 after the due date for which such overpayment was made, stating the
1861 specific grounds upon which the claim is founded. Failure to file a
1862 claim within the time prescribed in this subsection shall constitute a
1863 waiver of any demand against the state on account of overpayment.

1864 Within a reasonable time, as determined by the commissioner,
1865 following receipt of such claim for refund, the commissioner shall
1866 determine whether such claim is valid and, if so determined, the
1867 commissioner shall notify the Comptroller of the amount of such
1868 refund and the Comptroller shall draw an order on the Treasurer in
1869 the amount thereof for payment to the taxpayer. If the commissioner
1870 determines that such claim is not valid, either in whole or in part, the
1871 commissioner shall mail notice of the proposed disallowance in whole
1872 or in part of the claim to the taxpayer, which notice shall set forth
1873 briefly the commissioner's findings of fact and the basis of
1874 disallowance in each case decided in whole or in part adversely to the
1875 taxpayer. Sixty days after the date on which it is mailed, a notice of
1876 proposed disallowance shall constitute a final disallowance except
1877 only for such amounts as to which the taxpayer has filed, as provided
1878 in subsection (b) of this section, a written protest with the
1879 commissioner.

1880 (b) On or before the sixtieth day after the mailing of the proposed
1881 disallowance, the taxpayer may file with the commissioner a written
1882 protest against the proposed disallowance in which the taxpayer sets
1883 forth the grounds on which the protest is based. If a protest is filed, the
1884 commissioner shall reconsider the proposed disallowance and, if the
1885 taxpayer has so requested, may grant or deny the taxpayer or its
1886 authorized representatives a hearing.

1887 (c) The commissioner shall mail notice of the commissioner's
1888 determination to the taxpayer, which notice shall set forth briefly the
1889 commissioner's findings of fact and the basis of decision in each case
1890 decided in whole or in part adversely to the taxpayer.

1891 (d) The action of the commissioner on the taxpayer's protest shall be
1892 final upon the expiration of one month from the date on which the
1893 commissioner mails notice of the commissioner's determination to the
1894 taxpayer, unless within such period the taxpayer seeks judicial review
1895 of the commissioner's determination.

1896 (e) Notwithstanding any other provision of the general statutes, no
1897 taxpayer may challenge any tax or fee due under section 43 or 44 of
1898 this act other than in accordance with this section and section 48 of this
1899 act.

1900 Sec. 48. (NEW) (*Effective July 1, 2017*) (a) Any taxpayer subject to any
1901 tax or fee under section 43 or 44 of this act that is aggrieved by the
1902 action of the commissioner, the Commissioner of Social Services or an
1903 authorized agent of said commissioners in fixing the amount of any
1904 tax, penalty, interest or fee under sections 43 to 46, inclusive, of this act
1905 may apply to the commissioner, in writing, not later than sixty days
1906 after the notice of such action is delivered or mailed to such taxpayer,
1907 for a hearing and a correction of the amount of such tax, penalty,
1908 interest or fee, setting forth the reasons why such hearing should be
1909 granted and the amount by which such tax, penalty, interest or fee
1910 should be reduced. The commissioner shall promptly consider each
1911 such application and may grant or deny the hearing requested. If the
1912 hearing is denied, the taxpayer shall be notified immediately. If the
1913 hearing is granted, the commissioner shall notify the applicant of the
1914 date, time and place for such hearing. After such hearing, the
1915 commissioner may make such order as appears just and lawful to the
1916 commissioner and shall furnish a copy of such order to the taxpayer.
1917 The commissioner may, by notice in writing, order a hearing on the
1918 commissioner's own initiative and require a taxpayer or any other
1919 individual who the commissioner believes to be in possession of
1920 relevant information concerning such taxpayer to appear before the
1921 commissioner or the commissioner's authorized agent with any
1922 specified books of account, papers or other documents, for
1923 examination under oath.

1924 (b) Any taxpayer subject to any tax or fee under section 43 or 44 of
1925 this act that is aggrieved because of any order, decision, determination
1926 or disallowance of the commissioner made under sections 43 to 47,
1927 inclusive, of this act may, not later than one month after service of
1928 notice of such order, decision, determination or disallowance, take an

1929 appeal therefrom to the superior court for the judicial district of New
1930 Britain, which appeal shall be accompanied by a citation to the
1931 commissioner to appear before said court. Such citation shall be signed
1932 by the same authority and such appeal shall be returnable at the same
1933 time and served and returned in the same manner as is required in
1934 case of a summons in a civil action. The authority issuing the citation
1935 shall take from the appellant a bond or recognizance to the state of
1936 Connecticut, with surety, to prosecute the appeal to effect and to
1937 comply with the orders and decrees of the court in the premises. Such
1938 appeals shall be preferred cases, to be heard, unless cause appears to
1939 the contrary, at the first session, by the court or by a committee
1940 appointed by the court. Said court may grant such relief as may be
1941 equitable and, if such tax or charge has been paid prior to the granting
1942 of such relief, may order the Treasurer to pay the amount of such
1943 relief, with interest at the rate of two-thirds of one per cent per month
1944 or fraction thereof, to such taxpayer. If the appeal has been taken
1945 without probable cause, the court may tax double or triple costs, as the
1946 case demands and, upon all such appeals that are denied, costs may be
1947 taxed against such taxpayer at the discretion of the court but no costs
1948 shall be taxed against the state.

1949 (c) Notwithstanding any other provision of the general statutes, no
1950 taxpayer that is aggrieved by the action of the commissioner, the
1951 Commissioner of Social Services or an authorized agent of said
1952 commissioners in fixing the amount of any tax, penalty, interest or fee
1953 under sections 43 to 46, inclusive, of this act may challenge any such
1954 action other than in accordance with this section and section 47 of this
1955 act.

1956 Sec. 49. (NEW) (*Effective July 1, 2017*) The commissioner and any
1957 agent of the commissioner duly authorized to conduct any inquiry,
1958 investigation or hearing pursuant to sections 45 to 58, inclusive, of this
1959 act shall have power to administer oaths and take testimony under
1960 oath relative to the matter of inquiry or investigation. At any hearing
1961 ordered by the commissioner, the commissioner or the commissioner's

1962 agent authorized to conduct such hearing and having authority by law
1963 to issue such process may subpoena witnesses and require the
1964 production of books, papers and documents pertinent to such inquiry
1965 or investigation. No witness under subpoena authorized to be issued
1966 under the provisions of this section shall be excused from testifying or
1967 from producing books, papers or documentary evidence on the
1968 ground that such testimony or the production of such books, papers or
1969 documentary evidence would tend to incriminate such witness, but
1970 such books, papers or documentary evidence so produced shall not be
1971 used in any criminal proceeding against such witness. If any person
1972 disobeys such process or, having appeared in obedience thereto,
1973 refuses to answer any pertinent question put to such person by the
1974 commissioner or the commissioner's authorized agent, or to produce
1975 any books, papers or other documentary evidence pursuant thereto,
1976 the commissioner or such agent may apply to the superior court of the
1977 judicial district wherein the taxpayer resides or wherein the business
1978 has been conducted, or to any judge of such court if the same is not in
1979 session, setting forth such disobedience to process or refusal to answer,
1980 and such court or such judge shall cite such person to appear before
1981 such court or such judge to answer such question or to produce such
1982 books, papers or other documentary evidence and, upon such person's
1983 refusal so to do, shall commit such person to a community correctional
1984 center until such person testifies, but not for a period longer than sixty
1985 days. Notwithstanding the serving of the term of such commitment by
1986 any person, the commissioner may proceed in all respects with such
1987 inquiry and examination as if the witness had not previously been
1988 called upon to testify. Officers who serve subpoenas issued by the
1989 commissioner or under the commissioner's authority and witnesses
1990 attending hearings conducted by the commissioner pursuant to this
1991 section shall receive fees and compensation at the same rates as officers
1992 and witnesses in the courts of this state, to be paid on vouchers of the
1993 commissioner on order of the Comptroller from the proper
1994 appropriation for the administration of this section.

1995 Sec. 50. (NEW) (*Effective July 1, 2017*) The amount of any tax,
1996 penalty, interest or fee, due and unpaid under the provisions of
1997 sections 43 to 48, inclusive, of this act may be collected under the
1998 provisions of section 12-35 of the general statutes. The warrant
1999 provided under section 12-35 of the general statutes shall be signed by
2000 the commissioner or the commissioner's authorized agent. The amount
2001 of any such tax, penalty, interest or fee shall be a lien on the real estate
2002 of the taxpayer from the last day of the month next preceding the due
2003 date of such tax until such tax is paid. The commissioner may record
2004 such lien in the records of any town in which the real estate of such
2005 taxpayer is situated but no such lien shall be enforceable against a
2006 bona fide purchaser or qualified encumbrancer of such real estate.
2007 When any tax or fee with respect to which a lien has been recorded
2008 under the provisions of this subsection has been satisfied, the
2009 commissioner shall, upon request of any interested party, issue a
2010 certificate discharging such lien, which certificate shall be recorded in
2011 the same office in which the lien was recorded. Any action for the
2012 foreclosure of such lien shall be brought by the Attorney General in the
2013 name of the state in the superior court for the judicial district in which
2014 the property subject to such lien is situated, or, if such property is
2015 located in two or more judicial districts, in the superior court for any
2016 one such judicial district, and the court may limit the time for
2017 redemption or order the sale of such property or make such other or
2018 further decree as it judges equitable. For purposes of section 12-39g of
2019 the general statutes, a fee under this section shall be treated as a tax.

2020 Sec. 51. (NEW) (*Effective July 1, 2017*) At the close of each fiscal year
2021 commencing with the fiscal year ending June 30, 2018, the Comptroller
2022 is authorized to record as revenue for each such fiscal year the amount
2023 of tax and fee imposed under the provisions of sections 42 to 50,
2024 inclusive, of this act that is received by the commissioner not later than
2025 five business days after the last day of July immediately following the
2026 end of such fiscal year.

2027 Sec. 52. Subsection (a) of section 12-263b of the general statutes is

2028 repealed and the following is substituted in lieu thereof (*Effective July*
2029 *1, 2017*):

2030 (a) For each calendar quarter commencing on or after July 1, 2011,
2031 and prior to July 1, 2017, there is hereby imposed a tax on the net
2032 patient revenue of each hospital in this state to be paid each calendar
2033 quarter. The rate of such tax shall be up to the maximum rate allowed
2034 under federal law and in conformance with the state budget adopted
2035 by the General Assembly. Each hospital shall be promptly notified of
2036 the amount of tax due by the Commissioner of Social Services. The
2037 Commissioner of Social Services shall determine the base year on
2038 which such tax shall be assessed in order to ensure conformance with
2039 the state budget adopted by the General Assembly. The Commissioner
2040 of Social Services may, in consultation with the Secretary of the Office
2041 of Policy and Management and in accordance with federal law, exempt
2042 a hospital from the tax on payment earned for the provision of
2043 outpatient services based on financial hardship. Effective July 1, 2012,
2044 and for the succeeding fifteen months, the rates of such tax, the base
2045 year on which such tax shall be assessed, and the hospitals exempt
2046 from the outpatient portion of the tax based on financial hardship shall
2047 be the same tax rates, base year and outpatient exemption for hardship
2048 in effect on January 1, 2012.

2049 Sec. 53. Subdivision (1) of subsection (b) of section 12-263i of the
2050 general statutes is repealed and the following is substituted in lieu
2051 thereof (*Effective July 1, 2017*):

2052 (b) (1) For each calendar quarter commencing on or after October 1,
2053 2015, and prior to July 1, 2017, there is hereby imposed a tax on each
2054 ambulatory surgical center in this state to be paid each calendar
2055 quarter. The tax imposed by this section shall be at the rate of six per
2056 cent of the gross receipts of each ambulatory surgical center, except
2057 that such tax shall not be imposed on any amount of such gross
2058 receipts that constitutes either (A) the first million dollars of gross
2059 receipts of the ambulatory surgical center in the applicable fiscal year,

2060 or (B) net patient revenue of a hospital that is subject to the tax
2061 imposed under this chapter. Nothing in this section shall prohibit an
2062 ambulatory surgical center from seeking remuneration for the tax
2063 imposed by this section.

2064 Sec. 54. Subparagraph (A) of subdivision (1) of subsection (b) of
2065 section 17b-320 of the general statutes is repealed and the following is
2066 substituted in lieu thereof (*Effective July 1, 2017*):

2067 (b) (1) (A) For each calendar quarter commencing on or after July 1,
2068 2005, and prior to July 1, 2017, there is hereby imposed a resident day
2069 user fee on each nursing home in this state, which fee shall be the
2070 product of the nursing home's total resident days during the calendar
2071 quarter multiplied by the user fee, as determined by the Commissioner
2072 of Social Services pursuant to subsection (a) of section 17b-321.

2073 Sec. 55. Subsection (a) of section 17b-321 of the general statutes is
2074 repealed and the following is substituted in lieu thereof (*Effective July*
2075 *1, 2017*):

2076 (a) On or before July 1, 2005, and on or before July first annually or
2077 biennially [thereafter] and prior to July 1, 2017, the Commissioner of
2078 Social Services shall determine the amount of the user fee and
2079 promptly notify the commissioner and nursing homes of such amount.
2080 The user fee shall be (1) the sum of each nursing home's anticipated
2081 nursing home net revenue, including, but not limited to, its estimated
2082 net revenue from any increases in Medicaid payments, during the
2083 twelve-month period ending on June thirtieth of the succeeding
2084 calendar year, (2) which sum shall be multiplied by a percentage as
2085 determined by the Secretary of the Office of Policy and Management,
2086 in consultation with the Commissioner of Social Services, provided
2087 before January 1, 2008, such percentage shall not exceed six per cent,
2088 on and after January 1, 2008, and prior to October 1, 2011, such
2089 percentage shall not exceed five and one-half per cent, and on and
2090 after October 1, 2011, and prior to July 1, 2017, such percentage shall

2091 not exceed the maximum allowed under federal law, and (3) which
2092 product shall be divided by the sum of each nursing home's
2093 anticipated resident days during the twelve-month period ending on
2094 June thirtieth of the succeeding calendar year. The Commissioner of
2095 Social Services, in anticipating nursing home net revenue and resident
2096 days, shall use the most recently available nursing home net revenue
2097 and resident day information. Notwithstanding the provisions of this
2098 section, the Commissioner of Social Services may adjust the user fee as
2099 necessary to prevent the state from exceeding the maximum allowed
2100 under federal law.

2101 Sec. 56. Section 17b-323 of the general statutes is repealed and the
2102 following is substituted in lieu thereof (*Effective July 1, 2017*):

2103 Not later than fifteen days after approval of the Medicaid state plan
2104 amendment required to implement subdivision (4) of subsection (f) of
2105 section 17b-340 and prior to July 1, 2017, the Commissioner of Social
2106 Services shall seek approval from the Centers for Medicare and
2107 Medicaid Services for, and shall file a provider user fee uniformity
2108 waiver request regarding, the user fee set forth in sections 17b-320 and
2109 17b-321, as amended by this act. The request for approval shall include
2110 a request for a waiver of federal requirements for uniform and broad-
2111 based user fees in accordance with 42 CFR 433.68, to (1) exempt from
2112 the user fee prescribed by section 17b-320 any nursing home that is
2113 owned and operated as of May 1, 2005, by the legal entity that is
2114 registered as a continuing care facility with the Department of Social
2115 Services, in accordance with section 17b-521, regardless of whether
2116 such nursing home participates in the Medicaid program and any
2117 nursing home licensed after May 1, 2005, that is owned and operated
2118 by the legal entity that is registered as a continuing care facility with
2119 the Department of Social Services in accordance with section 17b-521;
2120 and (2) impose a user fee in an amount less than the fee determined
2121 pursuant to section 17b-320, as amended by this act, as necessary to
2122 meet the requirements of 42 CFR 433.68(e)(2) on (A) nursing homes
2123 owned by a municipality, and (B) nursing homes licensed for more

2124 than two hundred thirty beds. Notwithstanding any provision of the
2125 general statutes, the provisions of section 17b-8 shall not apply to the
2126 waiver sought pursuant to this section.

2127 Sec. 57. Subdivision (1) of subsection (b) of section 17b-340a of the
2128 general statutes is repealed and the following is substituted in lieu
2129 thereof (*Effective July 1, 2017*):

2130 (b) (1) For each calendar quarter commencing on or after July 1,
2131 2011, and prior to July 1, 2017, there is hereby imposed a resident day
2132 user fee on each intermediate care facility for individuals with
2133 intellectual disabilities in this state, which fee shall be the product of
2134 the facility's total resident days during the calendar quarter multiplied
2135 by the user fee, as determined by the Commissioner of Social Services
2136 pursuant to section 17b-340b, as amended by this act.

2137 Sec. 58. Section 17b-340b of the general statutes is repealed and the
2138 following is substituted in lieu thereof (*Effective July 1, 2017*):

2139 On or before July 1, 2011, and on or before July first annually or
2140 biennially [thereafter] and prior to July 1, 2017, the Commissioner of
2141 Social Services shall determine the amount of the user fee and
2142 promptly notify the commissioner and the intermediate care facilities
2143 for individuals with intellectual disabilities of such amount. The user
2144 fee shall be (1) the sum of each facility's anticipated net revenue,
2145 including, but not limited to, its estimated net revenue from any
2146 increases in Medicaid payments during the twelve-month period
2147 ending on June thirtieth of the succeeding calendar year, (2) which
2148 sum shall be multiplied by a percentage as determined by the
2149 Secretary of the Office of Policy and Management, in consultation with
2150 the Commissioner of Social Services, provided, before October 1, 2011,
2151 such percentage shall not exceed five and one-half per cent and, on
2152 and after October 1, 2011, and prior to July 1, 2017, such percentage
2153 shall not exceed the maximum amount allowed under federal law, and
2154 (3) which product shall be divided by the sum of each facility's

2155 anticipated resident days during the twelve-month period ending on
 2156 June thirtieth of the succeeding calendar year. The Commissioner of
 2157 Social Services, in anticipating facility net revenue and resident days,
 2158 shall use the most recently available facility net revenue and resident
 2159 day information. Notwithstanding the provisions of this section, the
 2160 Commissioner of Social Services may adjust the user fee as necessary
 2161 to prevent the state from exceeding the maximum amount allowed
 2162 under federal law.

2163 Sec. 59. Subsection (d) of section 12-746 of the general statutes is
 2164 repealed and the following is substituted in lieu thereof (*Effective from*
 2165 *passage*):

2166 (d) As used in this section, "income tax liability as shown on such
 2167 return" means the liability after application of the credit for property
 2168 taxes allowed and taken on such return pursuant to section 12-704c,
 2169 revision of 1958, revised to January 1, 1999, as corrected for
 2170 mathematical error by the Commissioner of Revenue Services on the
 2171 original return filed by such taxpayer.

2172 Sec. 60. Section 12-704c of the general statutes is repealed. (*Effective*
 2173 *from passage and applicable to taxable years commencing on or after January*
 2174 *1, 2017*)

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | New section |
| Sec. 2 | <i>from passage</i> | New section |
| Sec. 3 | <i>from passage</i> | 22a-244(a) |
| Sec. 4 | <i>from passage</i> | 12-202 |
| Sec. 5 | <i>from passage</i> | 12-202a(a) |
| Sec. 6 | <i>from passage</i> | 12-210(b) |
| Sec. 7 | <i>from passage</i> | 12-211a(a) |
| Sec. 8 | <i>from passage</i> | 12-217jj(a)(3)(A) |

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| Sec. 9 | <i>from passage and applicable to taxable years commencing on or after January 1, 2017</i> | 12-704e(e) |
| Sec. 10 | <i>January 1, 2018, and applicable to estates of decedents dying on or after January 1, 2018</i> | 12-391 |
| Sec. 11 | <i>January 1, 2018, and applicable to gifts made on or after January 1, 2018</i> | 12-642 |
| Sec. 12 | <i>January 1, 2018, and applicable to gifts made on or after January 1, 2018</i> | 12-643 |
| Sec. 13 | <i>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</i> | 12-296 |
| Sec. 14 | <i>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</i> | 12-316 |
| Sec. 15 | <i>from passage</i> | New section |
| Sec. 16 | <i>July 1, 2017</i> | 12-330c |
| Sec. 17 | <i>July 1, 2017</i> | 19a-323(b) |
| Sec. 18 | <i>July 1, 2017, and applicable to background check services requested on or after July 1, 2017</i> | 29-11(c) |
| Sec. 19 | <i>July 1, 2017, and applicable to applications submitted on or after July 1, 2017</i> | 29-30(a) |
| Sec. 20 | <i>July 1, 2017</i> | 7-34a(d) |
| Sec. 21 | <i>July 1, 2017</i> | 30-68m |
| Sec. 22 | <i>from passage</i> | New section |
| Sec. 23 | <i>from passage</i> | New section |
| Sec. 24 | <i>from passage</i> | 3-20(e) |
| Sec. 25 | <i>from passage</i> | 7-209 |
| Sec. 26 | <i>from passage</i> | 7-233s |
| Sec. 27 | <i>from passage</i> | 7-273g(g) |

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| Sec. 28 | <i>from passage</i> | 7-273mm(a) |
| Sec. 29 | <i>from passage</i> | 7-329l |
| Sec. 30 | <i>from passage</i> | 7-497 |
| Sec. 31 | <i>from passage</i> | 8-93 |
| Sec. 32 | <i>from passage</i> | 8-252(c) |
| Sec. 33 | <i>from passage</i> | 8-312 |
| Sec. 34 | <i>from passage</i> | 10a-191 |
| Sec. 35 | <i>from passage</i> | 10a-204b(r) |
| Sec. 36 | <i>from passage</i> | 10-289f(h) |
| Sec. 37 | <i>from passage</i> | 15-120m |
| Sec. 38 | <i>from passage</i> | 16-338 |
| Sec. 39 | <i>from passage</i> | 22a-270(a) |
| Sec. 40 | <i>from passage</i> | 22a-483(k) |
| Sec. 41 | <i>from passage</i> | 32-23h |
| Sec. 42 | <i>July 1, 2017</i> | New section |
| Sec. 43 | <i>July 1, 2017</i> | New section |
| Sec. 44 | <i>July 1, 2017</i> | New section |
| Sec. 45 | <i>July 1, 2017</i> | New section |
| Sec. 46 | <i>July 1, 2017</i> | New section |
| Sec. 47 | <i>July 1, 2017</i> | New section |
| Sec. 48 | <i>July 1, 2017</i> | New section |
| Sec. 49 | <i>July 1, 2017</i> | New section |
| Sec. 50 | <i>July 1, 2017</i> | New section |
| Sec. 51 | <i>July 1, 2017</i> | New section |
| Sec. 52 | <i>July 1, 2017</i> | 12-263b(a) |
| Sec. 53 | <i>July 1, 2017</i> | 12-263i(b)(1) |
| Sec. 54 | <i>July 1, 2017</i> | 17b-320(b)(1)(A) |
| Sec. 55 | <i>July 1, 2017</i> | 17b-321(a) |
| Sec. 56 | <i>July 1, 2017</i> | 17b-323 |
| Sec. 57 | <i>July 1, 2017</i> | 17b-340a(b)(1) |
| Sec. 58 | <i>July 1, 2017</i> | 17b-340b |
| Sec. 59 | <i>from passage</i> | 12-746(d) |
| Sec. 60 | <i>from passage and applicable to taxable years commencing on or after January 1, 2017</i> | Repealer section |

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.]