



General Assembly

Substitute Bill No. 787

January Session, 2017



AN ACT CONCERNING REVENUE.

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

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

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

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

47 (d) Notwithstanding the provisions of subsections (a) to (c),
48 inclusive, of this section or of any fresh start agreement, the waiver of
49 penalties and interest shall not be binding on the commissioner if the
50 commissioner finds that any of the following circumstances exist: (1)
51 The qualified taxpayer misrepresented any material fact in applying
52 for or entering into the fresh start agreement; (2) the qualified taxpayer
53 fails to provide any information required for any taxable period

54 covered by the fresh start agreement on or before the due date
55 prescribed under the terms of the fresh start agreement; (3) the
56 qualified taxpayer fails to pay any tax, penalty or interest due in the
57 time, form or manner prescribed under the terms of the fresh start
58 agreement; (4) the tax reported by the qualified taxpayer for any
59 taxable period covered by the fresh start agreement, including any
60 amount shown on an amended tax return, understates by ten per cent
61 or more the tax due and such taxpayer cannot demonstrate to the
62 satisfaction of the commissioner that a good faith effort was made to
63 accurately compute the tax; or (5) the qualified taxpayer fails to timely
64 file any required tax returns or pay any associated tax obligations to
65 this state, during the three-year period after the date the fresh start
66 agreement was signed by the parties to such agreement. No payment
67 made by a qualified taxpayer for a taxable period covered by a fresh
68 start agreement shall be refunded to such taxpayer or credited to a
69 taxable period other than the taxable period for which such payment
70 was made.

71 Sec. 2. Subsection (e) of section 12-704e of the general statutes is
72 repealed and the following is substituted in lieu thereof (*Effective from*
73 *passage and applicable to taxable years commencing on or after January 1,*
74 *2017*):

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

81 Sec. 3. (NEW) (*Effective January 1, 2018*) (a) For taxable years
82 commencing on or after January 1, 2018, there shall be allowed a credit
83 against the personal income tax imposed under chapter 229 of the
84 general statutes for individuals who (1) are employed in this state, (2)
85 receive, on or after January 1, 2018, a bachelor's, master's or doctoral
86 degree in a science, technology, engineering or math-related field,

87 from an institution of higher education in this or another state, and (3)
88 (A) reside in this state, or (B) move to this state within two years after
89 receiving such degree. Such credit shall be in the amount of five
90 hundred dollars and may be claimed for the five successive taxable
91 years after the date of graduation, provided the requirements under
92 subdivisions (1) to (3), inclusive, are met in each taxable year.

93 (b) If the amount of the credit allowed pursuant to subsection (a) of
94 this section exceeds the individual's liability for the personal income
95 tax imposed under chapter 229 of the general statutes, the
96 Commissioner of Revenue Services shall treat such excess as an
97 overpayment and, except as provided under section 12-739 of the
98 general statutes or 12-742 of the general statutes, shall refund the
99 amount of such excess, without interest, to the individual.

100 (c) Any individual claiming a credit under subsection (a) of this
101 section shall provide any documentation required by the
102 Commissioner of Revenue Services in a form and manner prescribed
103 by said commissioner.

104 Sec. 4. Subparagraph (B) of subdivision (20) of subsection (a) of
105 section 12-701 of the general statutes is repealed and the following is
106 substituted in lieu thereof (*Effective January 1, 2019, and applicable to*
107 *taxable years commencing on or after January 1, 2019*):

108 (B) There shall be subtracted therefrom (i) to the extent properly
109 includable in gross income for federal income tax purposes, any
110 income with respect to which taxation by any state is prohibited by
111 federal law, (ii) to the extent allowable under section 12-718, exempt
112 dividends paid by a regulated investment company, (iii) the amount of
113 any refund or credit for overpayment of income taxes imposed by this
114 state, or any other state of the United States or a political subdivision
115 thereof, or the District of Columbia, to the extent properly includable
116 in gross income for federal income tax purposes, (iv) to the extent
117 properly includable in gross income for federal income tax purposes
118 and not otherwise subtracted from federal adjusted gross income

119 pursuant to clause (x) of this subparagraph in computing Connecticut
120 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
121 extent any additional allowance for depreciation under Section 168(k)
122 of the Internal Revenue Code, as provided by Section 101 of the Job
123 Creation and Worker Assistance Act of 2002, for property placed in
124 service after December 31, 2001, but prior to September 10, 2004, was
125 added to federal adjusted gross income pursuant to subparagraph
126 (A)(ix) of this subdivision in computing Connecticut adjusted gross
127 income for a taxable year ending after December 31, 2001, twenty-five
128 per cent of such additional allowance for depreciation in each of the
129 four succeeding taxable years, (vi) to the extent properly includable in
130 gross income for federal income tax purposes, any interest income
131 from obligations issued by or on behalf of the state of Connecticut, any
132 political subdivision thereof, or public instrumentality, state or local
133 authority, district or similar public entity created under the laws of the
134 state of Connecticut, (vii) to the extent properly includable in
135 determining the net gain or loss from the sale or other disposition of
136 capital assets for federal income tax purposes, any gain from the sale
137 or exchange of obligations issued by or on behalf of the state of
138 Connecticut, any political subdivision thereof, or public
139 instrumentality, state or local authority, district or similar public entity
140 created under the laws of the state of Connecticut, in the income year
141 such gain was recognized, (viii) any interest on indebtedness incurred
142 or continued to purchase or carry obligations or securities the interest
143 on which is subject to tax under this chapter but exempt from federal
144 income tax, to the extent that such interest on indebtedness is not
145 deductible in determining federal adjusted gross income and is
146 attributable to a trade or business carried on by such individual, (ix)
147 ordinary and necessary expenses paid or incurred during the taxable
148 year for the production or collection of income which is subject to
149 taxation under this chapter but exempt from federal income tax, or the
150 management, conservation or maintenance of property held for the
151 production of such income, and the amortizable bond premium for the
152 taxable year on any bond the interest on which is subject to tax under
153 this chapter but exempt from federal income tax, to the extent that

154 such expenses and premiums are not deductible in determining federal
155 adjusted gross income and are attributable to a trade or business
156 carried on by such individual, [(x) (I) for a person who files a return
157 under the federal income tax as an unmarried individual whose
158 federal adjusted gross income for such taxable year is less than fifty
159 thousand dollars, or as a married individual filing separately whose
160 federal adjusted gross income for such taxable year is less than fifty
161 thousand dollars, or for a husband and wife who file a return under
162 the federal income tax as married individuals filing jointly whose
163 federal adjusted gross income for such taxable year is less than sixty
164 thousand dollars or a person who files a return under the federal
165 income tax as a head of household whose federal adjusted gross
166 income for such taxable year is less than sixty thousand dollars, an
167 amount equal to the Social Security benefits includable for federal
168 income tax purposes; and (II) for a person who files a return under the
169 federal income tax as an unmarried individual whose federal adjusted
170 gross income for such taxable year is fifty thousand dollars or more, or
171 as a married individual filing separately whose federal adjusted gross
172 income for such taxable year is fifty thousand dollars or more, or for a
173 husband and wife who file a return under the federal income tax as
174 married individuals filing jointly whose federal adjusted gross income
175 from such taxable year is sixty thousand dollars or more or for a
176 person who files a return under the federal income tax as a head of
177 household whose federal adjusted gross income for such taxable year
178 is sixty thousand dollars or more, an amount equal to the difference
179 between the amount of Social Security benefits includable for federal
180 income tax purposes and the lesser of twenty-five per cent of the Social
181 Security benefits received during the taxable year, or twenty-five per
182 cent of the excess described in Section 86(b)(1) of the Internal Revenue
183 Code] (x) an amount equal to the Social Security benefits includable for
184 federal income tax purposes, (xi) to the extent properly includable in
185 gross income for federal income tax purposes, any amount rebated to a
186 taxpayer pursuant to section 12-746, (xii) to the extent properly
187 includable in the gross income for federal income tax purposes of a
188 designated beneficiary, any distribution to such beneficiary from any

189 qualified state tuition program, as defined in Section 529(b) of the
190 Internal Revenue Code, established and maintained by this state or
191 any official, agency or instrumentality of the state, (xiii) to the extent
192 allowable under section 12-701a, contributions to accounts established
193 pursuant to any qualified state tuition program, as defined in Section
194 529(b) of the Internal Revenue Code, established and maintained by
195 this state or any official, agency or instrumentality of the state, (xiv) to
196 the extent properly includable in gross income for federal income tax
197 purposes, the amount of any Holocaust victims' settlement payment
198 received in the taxable year by a Holocaust victim, (xv) to the extent
199 properly includable in gross income for federal income tax purposes of
200 an account holder, as defined in section 31-51ww, interest earned on
201 funds deposited in the individual development account, as defined in
202 section 31-51ww, of such account holder, (xvi) to the extent properly
203 includable in the gross income for federal income tax purposes of a
204 designated beneficiary, as defined in section 3-123aa, interest,
205 dividends or capital gains earned on contributions to accounts
206 established for the designated beneficiary pursuant to the Connecticut
207 Homecare Option Program for the Elderly established by sections 3-
208 123aa to 3-123ff, inclusive, (xvii) to the extent properly includable in
209 gross income for federal income tax purposes, any income received
210 from the United States government as retirement pay for a retired
211 member of (I) the Armed Forces of the United States, as defined in
212 Section 101 of Title 10 of the United States Code, or (II) the National
213 Guard, as defined in Section 101 of Title 10 of the United States Code,
214 (xviii) to the extent properly includable in gross income for federal
215 income tax purposes for the taxable year, any income from the
216 discharge of indebtedness in connection with any reacquisition, after
217 December 31, 2008, and before January 1, 2011, of an applicable debt
218 instrument or instruments, as those terms are defined in Section 108 of
219 the Internal Revenue Code, as amended by Section 1231 of the
220 American Recovery and Reinvestment Act of 2009, to the extent any
221 such income was added to federal adjusted gross income pursuant to
222 subparagraph (A)(xi) of this subdivision in computing Connecticut
223 adjusted gross income for a preceding taxable year, (xix) to the extent

224 not deductible in determining federal adjusted gross income, the
225 amount of any contribution to a manufacturing reinvestment account
226 established pursuant to section 32-9zz in the taxable year that such
227 contribution is made, and (xx) to the extent properly includable in
228 gross income for federal income tax purposes, for the taxable year
229 commencing January 1, 2015, ten per cent of the income received from
230 the state teachers' retirement system, for the taxable year commencing
231 January 1, 2016, twenty-five per cent of the income received from the
232 state teachers' retirement system, and for the taxable year commencing
233 January 1, 2017, and each taxable year thereafter, fifty per cent of the
234 income received from the state teachers' retirement system.

235 Sec. 5. Section 12-391 of the general statutes is repealed and the
236 following is substituted in lieu thereof (*Effective January 1, 2018, and*
237 *applicable to estates of decedents dying on or after January 1, 2018*):

238 (a) With respect to estates of decedents who die prior to January 1,
239 2005, and except as otherwise provided in section 59 of public act 03-1
240 of the June 30 special session, a tax is imposed upon the transfer of the
241 estate of each person who at the time of death was a resident of this
242 state. The amount of the tax shall be the amount of the federal credit
243 allowable for estate, inheritance, legacy and succession taxes paid to
244 any state or the District of Columbia under the provisions of the
245 federal internal revenue code in force at the date of such decedent's
246 death in respect to any property owned by such decedent or subject to
247 such taxes as part of or in connection with the estate of such decedent.
248 If real or tangible personal property of such decedent is located outside
249 [of] this state and is subject to estate, inheritance, legacy, or succession
250 taxes by any state or states, other than the state of Connecticut, or by
251 the District of Columbia for which such federal credit is allowable, the
252 amount of tax due under this section shall be reduced by the lesser of:
253 (1) The amount of any such taxes paid to such other state or states or
254 said district and allowed as a credit against the federal estate tax; or (2)
255 an amount computed by multiplying such federal credit by a fraction,
256 (A) the numerator of which is the value of that part of the decedent's

257 gross estate over which such other state or states or said district have
258 jurisdiction for estate tax purposes to the same extent to which this
259 state would assert jurisdiction for estate tax purposes under this
260 chapter with respect to the residents of such other state or states or
261 said district, and (B) the denominator of which is the value of the
262 decedent's gross estate. Property of a resident estate over which this
263 state has jurisdiction for estate tax purposes includes real property
264 situated in this state, tangible personal property having an actual situs
265 in this state, and intangible personal property owned by the decedent,
266 regardless of where it is located. The amount of any estate tax imposed
267 under this subsection shall also be reduced, but not below zero, by the
268 amount of any tax that is imposed under chapter 216 and that is
269 actually paid to this state.

270 (b) With respect to the estates of decedents who die prior to January
271 1, 2005, and except as otherwise provided in section 59 of public act 03-
272 1 of the June 30 special session, a tax is imposed upon the transfer of
273 the estate of each person who at the time of death was a nonresident of
274 this state, the amount of which shall be computed by multiplying (1)
275 the federal credit allowable for estate, inheritance, legacy, and
276 succession taxes paid to any state or states or the District of Columbia
277 under the provisions of the federal internal revenue code in force at the
278 date of such decedent's death in respect to any property owned by
279 such decedent or subject to such taxes as a part of or in connection
280 with the estate of such decedent by (2) a fraction, (A) the numerator of
281 which is the value of that part of the decedent's gross estate over which
282 this state has jurisdiction for estate tax purposes and (B) the
283 denominator of which is the value of the decedent's gross estate.
284 Property of a nonresident estate over which this state has jurisdiction
285 for estate tax purposes includes real property situated in this state and
286 tangible personal property having an actual situs in this state. The
287 amount of any estate tax imposed under this subsection shall also be
288 reduced, but not below zero, by the amount of any tax that is imposed
289 under chapter 216 and that is actually paid to this state.

290 (c) For purposes of this section:

291 (1) (A) "Connecticut taxable estate" means, with respect to the
292 estates of decedents dying on or after January 1, 2005, but prior to
293 January 1, 2010, (i) the gross estate less allowable deductions, as
294 determined under Chapter 11 of the Internal Revenue Code, plus (ii)
295 the aggregate amount of all Connecticut taxable gifts, as defined in
296 section 12-643, as amended by this act, made by the decedent for all
297 calendar years beginning on or after January 1, 2005, but prior to
298 January 1, 2010. The deduction for state death taxes paid under Section
299 2058 of said code shall be disregarded.

300 (B) "Connecticut taxable estate" means, with respect to the estates of
301 decedents dying on or after January 1, 2010, but prior to January 1,
302 2015, (i) the gross estate less allowable deductions, as determined
303 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
304 amount of all Connecticut taxable gifts, as defined in section 12-643, as
305 amended by this act, made by the decedent for all calendar years
306 beginning on or after January 1, 2005. The deduction for state death
307 taxes paid under Section 2058 of said code shall be disregarded.

308 (C) "Connecticut taxable estate" means, with respect to the estates of
309 decedents dying on or after January 1, 2015, but prior to January 1,
310 2020, (i) the gross estate less allowable deductions, as determined
311 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
312 amount of all Connecticut taxable gifts, as defined in section 12-643, as
313 amended by this act, made by the decedent for all calendar years
314 beginning on or after January 1, 2005, other than Connecticut taxable
315 gifts that are includable in the gross estate for federal estate tax
316 purposes of the decedent, plus (iii) the amount of any tax paid to this
317 state pursuant to section 12-642, as amended by this act, by the
318 decedent or the decedent's estate on any gift made by the decedent or
319 the decedent's spouse during the three-year period preceding the date
320 of the decedent's death. The deduction for state death taxes paid under
321 Section 2058 of the Internal Revenue Code shall be disregarded.

322 (D) "Connecticut taxable estate" means, with respect to the estates of
323 decedents dying on or after January 1, 2020, (i) the gross estate less
324 allowable deductions, as determined under Chapter 11 of the Internal
325 Revenue Code, plus (ii) the aggregate amount of all taxable gifts, as
326 defined in section 12-643, as amended by this act, made by the
327 decedent during the three-year period preceding the date of the
328 decedent's death, but excluding (I) any taxable gifts that are includable
329 in the gross estate for federal estate tax purposes of the decedent, (II)
330 any taxable gifts of real estate or tangible personal property located
331 outside this state, and (III) any taxable gifts made by a nonresident of
332 property other than real estate or tangible personal property located
333 within this state, plus (iii) the amount of any tax paid to this state
334 pursuant to section 12-642, as amended by this act, by the decedent or
335 the decedent's estate on any gift made by the decedent or the
336 decedent's spouse during the three-year period preceding the date of
337 the decedent's death. The deduction for state death taxes paid under
338 Section 2058 of the Internal Revenue Code shall be disregarded.

339 (2) "Internal Revenue Code" means the Internal Revenue Code of
340 1986, or any subsequent corresponding internal revenue code of the
341 United States, as amended from time to time, [amended,] except in the
342 event of repeal of the federal estate tax, then all references to the
343 Internal Revenue Code in this section shall mean the Internal Revenue
344 Code as in force on the day prior to the effective date of such repeal.

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

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

351 (d) (1) (A) With respect to the estates of decedents who die on or
352 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
353 upon the transfer of the estate of each person who at the time of death

354 was a resident of this state. The amount of the tax shall be determined
355 using the schedule in subsection (g) of this section. A credit shall be
356 allowed against such tax for any taxes paid to this state pursuant to
357 section 12-642, as amended by this act, for Connecticut taxable gifts
358 made on or after January 1, 2005, but prior to January 1, 2010.

359 (B) With respect to the estates of decedents who die on or after
360 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the
361 transfer of the estate of each person who at the time of death was a
362 resident of this state. The amount of the tax shall be determined using
363 the schedule in subsection (g) of this section. A credit shall be allowed
364 against such tax for any taxes paid to this state pursuant to section 12-
365 642, as amended by this act, for Connecticut taxable gifts made on or
366 after January 1, 2005, provided such credit shall not exceed the amount
367 of tax imposed by this section.

368 (C) With respect to the estates of decedents who die on or after
369 January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the
370 transfer of the estate of each person who at the time of death was a
371 resident of this state. The amount of the tax shall be determined using
372 the schedule in subsection (g) of this section. A credit shall be allowed
373 against such tax for (i) any taxes paid to this state pursuant to section
374 12-642, as amended by this act, by the decedent or the decedent's estate
375 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
376 any taxes paid by the decedent's spouse to this state pursuant to
377 section 12-642, as amended by this act, for Connecticut taxable gifts
378 made by the decedent on or after January 1, 2005, that are includable in
379 the gross estate of the decedent, provided such credit shall not exceed
380 the amount of tax imposed by this section.

381 (D) With respect to the estates of decedents who die on or after
382 January 1, 2016, but prior to January 1, 2018, a tax is imposed upon the
383 transfer of the estate of each person who at the time of death was a
384 resident of this state. The amount of the tax shall be determined using
385 the schedule in subsection (g) of this section. A credit shall be allowed
386 against such tax for (i) any taxes paid to this state pursuant to section

387 12-642, as amended by this act, by the decedent or the decedent's estate
388 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
389 any taxes paid by the decedent's spouse to this state pursuant to
390 section 12-642, as amended by this act, for Connecticut taxable gifts
391 made by the decedent on or after January 1, 2005, that are includable in
392 the gross estate of the decedent, provided such credit shall not exceed
393 the amount of tax imposed by this section. In no event shall the
394 amount of tax payable under this section exceed twenty million
395 dollars. Such twenty-million-dollar limit shall be reduced by the
396 amount of (I) any taxes paid to this state pursuant to section 12-642, as
397 amended by this act, by the decedent or the decedent's estate for
398 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
399 taxes paid by the decedent's spouse to this state pursuant to section 12-
400 642, as amended by this act, for Connecticut taxable gifts made by the
401 decedent on or after January 1, 2016, that are includable in the gross
402 estate of the decedent, but in no event shall the amount be reduced
403 below zero.

404 (E) With respect to the estates of decedents who die on or after
405 January 1, 2018, but prior to January 1, 2020, a tax is imposed upon the
406 transfer of the estate of each person who at the time of death was a
407 resident of this state. The amount of the tax shall be determined using
408 the schedule in subsection (g) of this section. A credit shall be allowed
409 against such tax for (i) any taxes paid to this state pursuant to section
410 12-642, as amended by this act, by the decedent or the decedent's estate
411 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
412 any taxes paid by the decedent's spouse to this state pursuant to
413 section 12-642, as amended by this act, for Connecticut taxable gifts
414 made by the decedent on or after January 1, 2005, that are includable in
415 the gross estate of the decedent, provided such credit shall not exceed
416 the amount of tax imposed by this section. In no event shall the
417 amount of tax payable under this section exceed fifteen million dollars.
418 Such fifteen-million-dollar limit shall be reduced by the amount of (I)
419 any taxes paid to this state pursuant to section 12-642, as amended by
420 this act, by the decedent or the decedent's estate for Connecticut

421 taxable gifts made on or after January 1, 2016, and (II) any taxes paid
422 by the decedent's spouse to this state pursuant to section 12-642, as
423 amended by this act, for Connecticut taxable gifts made by the
424 decedent on or after January 1, 2016, that are includable in the gross
425 estate of the decedent, but in no event shall the amount be reduced
426 below zero.

427 (F) With respect to the estates of decedents who die on or after
428 January 1, 2020, a tax is imposed upon the transfer of the estate of each
429 person who at the time of death was a resident of this state. The
430 amount of the tax shall be determined using the schedule in subsection
431 (g) of this section. A credit shall be allowed against such tax for (i) any
432 taxes paid to this state pursuant to section 12-642, as amended by this
433 act, by the decedent or the decedent's estate for Connecticut taxable
434 gifts made on or after January 1, 2005, but prior to January 1, 2020, and
435 (ii) 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, but prior to January
438 1, 2020, that are includable in the gross estate of the decedent,
439 provided such credit shall not exceed the amount of tax imposed by
440 this section. In no event shall the amount of tax payable under this
441 section exceed fifteen million dollars. Such fifteen-million-dollar limit
442 shall be reduced by the amount of (I) any taxes paid to this state
443 pursuant to section 12-642, as amended by this act, by the decedent or
444 the decedent's estate for Connecticut taxable gifts made on or after
445 January 1, 2016, but prior to January 1, 2020, and (II) any taxes paid by
446 the decedent's spouse to this state pursuant to section 12-642, as
447 amended by this act, for Connecticut taxable gifts made by the
448 decedent on or after January 1, 2016, but prior to January 1, 2020, that
449 are includable in the gross estate of the decedent, but in no event shall
450 the amount be reduced below zero.

451 (2) If real or tangible personal property of such decedent is located
452 outside [of] this state, the amount of tax due under this section shall be
453 reduced by an amount computed by multiplying the tax otherwise due

454 pursuant to subdivision (1) of this subsection, without regard to the
455 credit allowed for any taxes paid to this state pursuant to section 12-
456 642, as amended by this act, by a fraction, (A) the numerator of which
457 is the value of that part of the decedent's gross estate attributable to
458 real or tangible personal property located outside of the state, and (B)
459 the denominator of which is the value of the decedent's gross estate.

460 (3) For a resident estate, the state shall have the power to levy the
461 estate tax upon real property situated in this state, tangible personal
462 property having an actual situs in this state and intangible personal
463 property included in the gross estate of the decedent, regardless of
464 where it is located. The state is permitted to calculate the estate tax and
465 levy said tax to the fullest extent permitted by the Constitution of the
466 United States.

467 (e) (1) (A) With respect to the estates of decedents who die on or
468 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
469 upon the transfer of the estate of each person who at the time of death
470 was a nonresident of this state. The amount of such tax shall be
471 computed by multiplying (i) the amount of tax determined using the
472 schedule in subsection (g) of this section by (ii) a fraction, the
473 numerator of which is the value of that part of the decedent's gross
474 estate over which this state has jurisdiction for estate tax purposes, and
475 the denominator of which is the value of the decedent's gross estate. A
476 credit shall be allowed against such tax for any taxes paid to this state
477 pursuant to section 12-642, as amended by this act, for Connecticut
478 taxable gifts made on or after January 1, 2005, but prior to January 1,
479 2010.

480 (B) With respect to the estates of decedents who die on or after
481 January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the
482 transfer of the estate of each person who at the time of death was a
483 nonresident of this state. The amount of such tax shall be computed by
484 multiplying (i) the amount of tax determined using the schedule in
485 subsection (g) of this section by (ii) a fraction, the numerator of which
486 is the value of that part of the decedent's gross estate over which this

487 state has jurisdiction for estate tax purposes, and the denominator of
488 which is the value of the decedent's gross estate. A credit shall be
489 allowed against such tax for any taxes paid to this state pursuant to
490 section 12-642, as amended by this act, for Connecticut taxable gifts
491 made on or after January 1, 2005, provided such credit shall not exceed
492 the amount of tax imposed by this section.

493 (C) With respect to the estates of decedents who die on or after
494 January 1, 2016, but prior to January 1, 2018, a tax is imposed upon the
495 transfer of the estate of each person who at the time of death was a
496 nonresident of this state. The amount of such tax shall be computed by
497 multiplying (i) the amount of tax determined using the schedule in
498 subsection (g) of this section by (ii) a fraction, the numerator of which
499 is the value of that part of the decedent's gross estate over which this
500 state has jurisdiction for estate tax purposes, and the denominator of
501 which is the value of the decedent's gross estate. A credit shall be
502 allowed against such tax for any taxes paid to this state pursuant to
503 section 12-642, as amended by this act, for Connecticut taxable gifts
504 made on or after January 1, 2005, provided such credit shall not exceed
505 the amount of tax imposed by this section. In no event shall the
506 amount of tax payable under this section exceed twenty million
507 dollars. Such twenty-million-dollar limit shall be reduced by the
508 amount of (I) any taxes paid to this state pursuant to section 12-642, as
509 amended by this act, by the decedent or the decedent's estate for
510 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
511 taxes paid by the decedent's spouse to this state pursuant to section 12-
512 642, as amended by this act, for Connecticut taxable gifts made by the
513 decedent on or after January 1, 2016, that are includable in the gross
514 estate of the decedent, but in no event shall the amount be reduced
515 below zero.

516 (D) With respect to the estates of decedents who die on or after
517 January 1, 2018, but prior to January 1, 2020, a tax is imposed upon the
518 transfer of the estate of each person who at the time of death was a
519 nonresident of this state. The amount of such tax shall be computed by

520 multiplying the amount of tax determined using the schedule in
521 subsection (g) of this section by a fraction, the numerator of which is
522 the value of that part of the decedent's gross estate over which this
523 state has jurisdiction for estate tax purposes, and the denominator of
524 which is the value of the decedent's gross estate. A credit shall be
525 allowed against such tax for (i) any taxes paid to this state pursuant to
526 section 12-642, as amended by this act, by the decedent or the
527 decedent's estate for Connecticut taxable gifts made on or after January
528 1, 2005, and (ii) any taxes paid by the decedent's spouse to this state
529 pursuant to section 12-642, as amended by this act, for Connecticut
530 taxable gifts made by the decedent on or after January 1, 2005, that are
531 includable in the gross estate of the decedent, provided such credit
532 shall not exceed the amount of tax imposed by this section. In no event
533 shall the amount of tax payable under this section exceed fifteen
534 million dollars. Such fifteen-million-dollar limit shall be reduced by
535 the amount of (I) any taxes paid to this state pursuant to section 12-642,
536 as amended by this act, by the decedent or the decedent's estate for
537 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
538 taxes paid by the decedent's spouse to this state pursuant to section 12-
539 642, as amended by this act, for Connecticut taxable gifts made by the
540 decedent on or after January 1, 2016, that are includable in the gross
541 estate of the decedent, but in no event shall the amount be reduced
542 below zero.

543 (E) With respect to the estates of decedents who die on or after
544 January 1, 2020, a tax is imposed upon the transfer of the estate of each
545 person who at the time of death was a nonresident of this state. The
546 amount of such tax shall be computed by multiplying the amount of
547 tax determined using the schedule in subsection (g) of this section by a
548 fraction, the numerator of which is the value of that part of the
549 decedent's gross estate over which this state has jurisdiction for estate
550 tax purposes, and the denominator of which is the value of the
551 decedent's gross estate. A credit shall be allowed against such tax for
552 (i) any taxes paid to this state pursuant to section 12-642, as amended
553 by this act, by the decedent or the decedent's estate for Connecticut

554 taxable gifts made on or after January 1, 2005, but prior to January 1,
555 2020, and (ii) any taxes paid by the decedent's spouse to this state
556 pursuant to section 12-642, as amended by this act, for Connecticut
557 taxable gifts made by the decedent on or after January 1, 2005, but
558 prior to January 1, 2020, that are includable in the gross estate of the
559 decedent, provided such credit shall not exceed the amount of tax
560 imposed by this section. In no event shall the amount of tax payable
561 under this section exceed fifteen million dollars. Such fifteen-million-
562 dollar limit shall be reduced by the amount of (I) any taxes paid to this
563 state pursuant to section 12-642, as amended by this act, by the
564 decedent or the decedent's estate for Connecticut taxable gifts made on
565 or after January 1, 2016, but prior to January 1, 2020, and (II) any taxes
566 paid by the decedent's spouse to this state pursuant to section 12-642,
567 as amended by this act, for Connecticut taxable gifts made by the
568 decedent on or after January 1, 2016, but prior to January 1, 2020, that
569 are includable in the gross estate of the decedent, but in no event shall
570 the amount be reduced below zero.

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

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

582 (2) An election under said Section 2056(b)(7) may be made for state
583 estate tax purposes regardless of whether any such election is made for
584 federal estate tax purposes. The value of the gross estate shall include
585 the value of any property in which the decedent had a qualifying
586 income interest for life for which an election was made under this

587 subsection.

588 (g) (1) With respect to the estates of decedents dying on or after
 589 January 1, 2005, but prior to January 1, 2010, the tax based on the
 590 Connecticut taxable estate shall be as provided in the following
 591 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

592 (2) With respect to the estates of decedents dying on or after January
 593 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut
 594 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

595 (3) With respect to the estates of decedents dying on or after January
 596 1, 2011, but prior to January 1, 2018, the tax based on the Connecticut
 597 taxable estate shall be as provided in the following schedule:

T49	Amount of Connecticut	
T50	Taxable Estate	Rate of Tax
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

598 (4) With respect to the estates of decedents dying on or after January
599 1, 2018, but prior to January 1, 2019, the tax based on the Connecticut
600 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>

601 (5) With respect to the estates of decedents dying on or after January
 602 1, 2019, but prior to January 1, 2020, the tax based on the Connecticut
 603 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>

604 (6) With respect to the estates of decedents dying on or after January
 605 1, 2020, the tax based on the Connecticut taxable estate shall be as
 606 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>

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

611 (2) Any person required to make and file a tax return under this
 612 chapter, believing that the decedent died a nonresident of this state,
 613 may file a request for determination of domicile in writing with the
 614 Commissioner of Revenue Services, stating the specific grounds upon
 615 which the request is founded provided (A) such person has filed such
 616 return, (B) at least two hundred seventy days, but no more than three
 617 years, has elapsed since the due date of such return or, if an
 618 application for extension of time to file such return has been granted,

619 the extended due date of such return, (C) such person has not been
620 notified, in writing, by said commissioner that a written agreement of
621 compromise with the taxing authorities of another jurisdiction, under
622 section 12-395a, is being negotiated, and (D) the commissioner has not
623 previously determined whether the decedent died a resident of this
624 state. Not later than one hundred eighty days following receipt of such
625 request for determination, the commissioner shall determine whether
626 such decedent died a resident or a nonresident of this state. If the
627 commissioner commences negotiations over a written agreement of
628 compromise with the taxing authorities of another jurisdiction after a
629 request for determination of domicile is filed, the one-hundred-eighty-
630 day period shall be tolled for the duration of such negotiations. When,
631 before the expiration of such one-hundred-eighty-day period, both the
632 commissioner and the person required to make and file a tax return
633 under this chapter have consented in writing to the making of such
634 determination after such time, the determination may be made at any
635 time prior to the expiration of the period agreed upon. The period so
636 agreed upon may be extended by subsequent agreements in writing
637 made before the expiration of the period previously agreed upon. The
638 commissioner shall mail notice of his proposed determination to the
639 person required to make and file a tax return under this chapter. Such
640 notice shall set forth briefly the commissioner's findings of fact and the
641 basis of such proposed determination. Sixty days after the date on
642 which it is mailed, a notice of proposed determination shall constitute
643 a final determination unless the person required to make and file a tax
644 return under this chapter has filed, as provided in subdivision (3) of
645 this subsection, a written protest with the Commissioner of Revenue
646 Services.

647 (3) On or before the sixtieth day after mailing of the proposed
648 determination, the person required to make and file a tax return under
649 this chapter may file with the commissioner a written protest against
650 the proposed determination in which such person shall set forth the
651 grounds on which the protest is based. If such a protest is filed, the
652 commissioner shall reconsider the proposed determination and, if the

653 person required to make and file a tax return under this chapter has so
654 requested, may grant or deny such person or the authorized
655 representatives of such person an oral hearing.

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

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

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

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

679 Sec. 6. Section 12-640 of the general statutes is repealed and the
680 following is substituted in lieu thereof (*Effective January 1, 2018*):

681 For [the calendar year 1991 and each year thereafter] calendar years
682 commencing January 1, 1991, but prior to January 1, 2020, a tax
683 computed as provided in section 12-642, as amended by this act, is

684 hereby imposed on the transfer of property by gift during such taxable
 685 year by any individual resident or nonresident provided, for the
 686 calendar year commencing January 1, 1991, such tax shall be imposed
 687 only on those gifts which are transferred on or after September 1, 1991.

688 Sec. 7. Section 12-642 of the general statutes is repealed and the
 689 following is substituted in lieu thereof (*Effective January 1, 2018, and*
 690 *applicable to gifts made on or after January 1, 2018*):

691 (a) (1) With respect to calendar years commencing prior to January
 692 1, 2001, the tax imposed by section 12-640, as amended by this act, for
 693 the calendar year shall be at a rate of the taxable gifts made by the
 694 donor during the calendar 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

695 (2) With respect to the calendar years commencing January 1, 2001,
 696 January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed
 697 by section 12-640, as amended by this act, for each such calendar year
 698 shall be at a rate of the taxable gifts made by the donor during the
 699 calendar year set forth in 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

700 (3) 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, 2005, but prior to January 1,
 703 2010, 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, but prior to January 1, 2010, the tax imposed by
 706 section 12-640, as amended by this act, for the calendar year shall be at
 707 the rate set forth in the following schedule, with a credit allowed
 708 against such tax for any tax previously paid to this state pursuant to
 709 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

710 (4) With respect to Connecticut taxable gifts, as defined in section
 711 12-643, as amended by this act, made by a donor during a calendar
 712 year commencing on or after January 1, 2010, but prior to January 1,
 713 2011, including the aggregate amount of all Connecticut taxable gifts
 714 made by the donor during all calendar years commencing on or after
 715 January 1, 2005, the tax imposed by section 12-640, as amended by this
 716 act, for the calendar year shall be at the rate set forth in the following
 717 schedule, with a credit allowed against such tax for any tax previously
 718 paid to this state pursuant to this subdivision or pursuant to
 719 subdivision (3) of this subsection, provided such credit shall not
 720 exceed the amount of tax 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

721 (5) With respect to Connecticut taxable gifts, as defined in section
722 12-643, as amended by this act, made by a donor during a calendar
723 year commencing on or after January 1, 2011, but prior to January 1,
724 2018, including the aggregate amount of all Connecticut taxable gifts
725 made by the donor during all calendar years commencing on or after
726 January 1, 2005, the tax imposed by section 12-640, as amended by this
727 act, for the calendar year shall be at the rate set forth in the following
728 schedule, with a credit allowed against such tax for any tax previously
729 paid to this state pursuant to this subdivision or pursuant to
730 subdivision (3) or (4) of this subsection, provided such credit shall not
731 exceed the amount of tax imposed by this section:

	Amount of Taxable Gifts	Rate of Tax
T196		
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

732 (6) With respect to Connecticut taxable gifts, as defined in section
733 12-643, as amended by this act, made by a donor during a calendar
734 year commencing on or after January 1, 2018, but prior to January 1,
735 2019, including the aggregate amount of all Connecticut taxable gifts
736 made by the donor during all calendar years commencing on or after
737 January 1, 2005, the tax imposed by section 12-640, as amended by this
738 act, for the calendar year shall be at the rate set forth in the following
739 schedule, with a credit allowed against such tax for any tax previously
740 paid to this state pursuant to this subdivision or pursuant to
741 subdivision (3), (4) or (5) of this subsection, provided such credit shall
742 not exceed the amount of tax imposed by this section:

T216	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
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>

743 (7) With respect to Connecticut taxable gifts, as defined in section
744 12-643, as amended by this act, made by a donor during a calendar
745 year commencing on or after January 1, 2019, but prior to January 1,
746 2020, including the aggregate amount of all Connecticut taxable gifts
747 made by the donor during all calendar years commencing on or after
748 January 1, 2005, the tax imposed by section 12-640, as amended by this
749 act, for the calendar year shall be at the rate set forth in the following
750 schedule, with a credit allowed against such tax for any tax previously
751 paid to this state pursuant to this subdivision or pursuant to
752 subdivision (3), (4), (5) or (6) of this subsection, provided such credit
753 shall not exceed the amount 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>

754 (b) The tax imposed by section 12-640, as amended by this act, shall
755 be paid by the donor. If the gift tax is not paid when due the donee of
756 any gift shall be personally liable for the tax to the extent of the value
757 of the gift.

758 (c) (1) With respect to Connecticut taxable gifts, as defined in section
759 12-643, as amended by this act, made by a donor during a calendar
760 year commencing on or after January 1, 2016, but prior to January 1,
761 2018, the aggregate amount of tax imposed by section 12-640, as
762 amended by this act, for all calendar years commencing on or after
763 January 1, 2016, shall not exceed twenty million dollars.

764 (2) With respect to Connecticut taxable gifts, as defined in section
765 12-643, as amended by this act, made by a donor during a calendar
766 year commencing on or after January 1, 2018, but prior to January 1,
767 2020, the aggregate amount of tax imposed by section 12-640, as
768 amended by this act, for all calendar years commencing on or after
769 January 1, 2016, and prior to January 1, 2020, shall not exceed fifteen
770 million dollars.

771 Sec. 8. Section 12-643 of the general statutes is repealed and the
772 following is substituted in lieu thereof (*Effective January 1, 2018*):

773 [(a) The term "taxable gifts"] (1) "Taxable gifts" means the transfers
774 by gift which are included in taxable gifts for federal gift tax purposes
775 under Section 2503 and Sections 2511 to 2514, inclusive, and Sections
776 2516 to 2519, inclusive, of the Internal Revenue Code of 1986, or any
777 subsequent corresponding internal revenue code of the United States,

778 as amended from time to time, [amended,] less the deductions allowed
779 in Sections 2522 to 2524, inclusive, of said Internal Revenue Code,
780 except in the event of repeal of the federal gift tax, then all references
781 to the Internal Revenue Code in this section shall mean the Internal
782 Revenue Code as in force on the day prior to the effective date of such
783 repeal.

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

790 [(c) The term] (3) "Connecticut taxable gifts" means taxable gifts
791 made during a calendar year commencing on or after January 1, 2005,
792 but prior to January 1, 2020, that are, [(1)] (A) for residents of this state,
793 taxable gifts, wherever located, but excepting gifts of real estate or
794 tangible personal property located outside this state, and [(2)] (B) for
795 nonresidents of this state, gifts of real estate or tangible personal
796 property located within this state.

797 Sec. 9. Subsection (a) of section 12-211a of the general statutes is
798 repealed and the following is substituted in lieu thereof (*Effective from*
799 *passage*):

800 (a) (1) Notwithstanding any provision of the general statutes, and
801 except as otherwise provided in subdivision (5) of this subsection or in
802 subsection (b) of this section, the amount of tax credit or credits
803 otherwise allowable against the tax imposed under this chapter for any
804 calendar year shall not exceed seventy per cent of the amount of tax
805 due from such taxpayer under this chapter with respect to such
806 calendar year of the taxpayer prior to the application of such credit or
807 credits.

808 (2) For the calendar year commencing January 1, 2011, "type one tax

809 credits" means tax credits allowable under section 12-217jj, as amended
810 by this act, 12-217kk or 12-217ll; "type two tax credits" means tax
811 credits allowable under section 38a-88a; "type three tax credits" means
812 tax credits that are not type one tax credits or type two tax credits;
813 "thirty per cent threshold" means thirty per cent of the amount of tax
814 due from a taxpayer under this chapter prior to the application of tax
815 credit; "fifty-five per cent threshold" means fifty-five per cent of the
816 amount of tax due from a taxpayer under this chapter prior to the
817 application of tax credits; and "seventy per cent threshold" means
818 seventy per cent of the amount of tax due from a taxpayer under this
819 chapter prior to the application of tax credits.

820 (3) For the calendar year commencing January 1, 2012, "type one tax
821 credits" means the tax credit allowable under section 12-217ll; "type
822 two tax credits" means tax credits allowable under section 38a-88a;
823 "type three tax credits" means tax credits that are not type one tax
824 credits or type two tax credits; "thirty per cent threshold" means thirty
825 per cent of the amount of tax due from a taxpayer under this chapter
826 prior to the application of tax credit; "fifty-five per cent threshold"
827 means fifty-five per cent of the amount of tax due from a taxpayer
828 under this chapter prior to the application of tax credits; and "seventy
829 per cent threshold" means seventy per cent of the amount of tax due
830 from a taxpayer under this chapter prior to the application of tax
831 credits.

832 (4) For [the] calendar years commencing on or after January 1, 2013,
833 [January 1, 2014, January 1, 2015, and January 1, 2016,] "type one tax
834 credits" means the tax credit allowable under sections 12-217jj, as
835 amended by this act, 12-217kk and 12-217ll; "type two tax credits"
836 means tax credits allowable under section 38a-88a; "type three tax
837 credits" means tax credits that are not type one tax credits or type two
838 tax credits; "thirty per cent threshold" means thirty per cent of the
839 amount of tax due from a taxpayer under this chapter prior to the
840 application of tax credit; "fifty-five per cent threshold" means fifty-five
841 per cent of the amount of tax due from a taxpayer under this chapter

842 prior to the application of tax credits; and "seventy per cent threshold"
843 means seventy per cent of the amount of tax due from a taxpayer
844 under this chapter prior to the application of tax credits.

845 (5) For calendar years commencing on or after January 1, 2011, [and
846 prior to January 1, 2017,] and subject to the provisions of subdivisions
847 (2), (3) and (4) of this subsection, the amount of tax credit or credits
848 otherwise allowable against the tax imposed under this chapter shall
849 not exceed:

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

854 (B) If the tax credit or credits being claimed by a taxpayer are type
855 one tax credits and type three tax credits, but not type two tax credits,
856 fifty-five per cent of the amount of tax due from such taxpayer under
857 this chapter with respect to said calendar years of the taxpayer prior to
858 the application of such credit or credits, provided (i) type three tax
859 credits shall be claimed before type one tax credits are claimed, (ii) the
860 type three tax credits being claimed may not exceed the thirty per cent
861 threshold, and (iii) the sum of the type one tax credits and the type
862 three tax credits being claimed may not exceed the fifty-five per cent
863 threshold.

864 (C) If the tax credit or credits being claimed by a taxpayer are type
865 two tax credits and type three tax credits, but not type one tax credits,
866 seventy per cent of the amount of tax due from such taxpayer under
867 this chapter with respect to said calendar years of the taxpayer prior to
868 the application of such credit or credits, provided (i) type three tax
869 credits shall be claimed before type two tax credits are claimed, (ii) the
870 type three tax credits being claimed may not exceed the thirty per cent
871 threshold, and (iii) the sum of the type two tax credits and the type
872 three tax credits being claimed may not exceed the seventy per cent
873 threshold.

874 (D) If the tax credit or credits being claimed by a taxpayer are type
875 one tax credits, type two tax credits and type three tax credits, seventy
876 per cent of the amount of tax due from such taxpayer under this
877 chapter with respect to said calendar years of the taxpayer prior to the
878 application of such credits, provided (i) type three tax credits shall be
879 claimed before type one tax credits or type two tax credits are claimed,
880 and the type one tax credits shall be claimed before the type two tax
881 credits are claimed, (ii) the type three tax credits being claimed may
882 not exceed the thirty per cent threshold, (iii) the sum of the type one
883 tax credits and the type three tax credits being claimed may not exceed
884 the fifty-five per cent threshold, and (iv) the sum of the type one tax
885 credits, the type two tax credits and the type three tax credits being
886 claimed may not exceed the seventy per cent threshold.

887 (E) If the tax credit or credits being claimed by a taxpayer are type
888 one tax credits and type two tax credits only, but not type three tax
889 credits, seventy per cent of the amount of tax due from such taxpayer
890 under this chapter with respect to said calendar years of the taxpayer
891 prior to the application of such credits, provided (i) the type one tax
892 credits shall be claimed before type two tax credits are claimed, (ii) the
893 type one tax credits being claimed may not exceed the fifty-five per
894 cent threshold, and (iii) the sum of the type one tax credits and the
895 type two tax credits being claimed may not exceed the seventy per cent
896 threshold.

897 Sec. 10. Subparagraph (A) of subdivision (3) of subsection (a) of
898 section 12-217jj of the general statutes is repealed and the following is
899 substituted in lieu thereof (*Effective from passage*):

900 (3) (A) "Qualified production" means entertainment content created
901 in whole or in part within the state, including motion pictures, except
902 as otherwise provided in this subparagraph; documentaries; long-
903 form, specials, mini-series, series, sound recordings, videos and music
904 videos and interstitials television programming; interactive television;
905 relocated television production; interactive games; videogames;
906 commercials; any format of digital media, including an interactive web

907 site, created for distribution or exhibition to the general public; and
908 any trailer, pilot, video teaser or demo created primarily to stimulate
909 the sale, marketing, promotion or exploitation of future investment in
910 either a product or a qualified production via any means and media in
911 any digital media format, film or videotape, provided such program
912 meets all the underlying criteria of a qualified production. For [the]
913 state fiscal years ending on or after June 30, 2014, [June 30, 2015, June
914 30, 2016, and June 30, 2017,] "qualified production" shall not include a
915 motion picture that has not been designated as a state-certified
916 qualified production prior to July 1, 2013, and no tax credit voucher for
917 such motion picture may be issued [during said years] for such motion
918 picture, except, for [the] state fiscal years ending on or after June 30,
919 2015, [June 30, 2016, and June 30, 2017,] "qualified production" shall
920 include a motion picture for which twenty-five per cent or more of the
921 principal photography shooting days are in this state at a facility that
922 receives not less than twenty-five million dollars in private investment
923 and opens for business on or after July 1, 2013, and a tax credit voucher
924 may be issued for such motion picture.

925 Sec. 11. Section 12-217jj of the general statutes is repealed and the
926 following is substituted in lieu thereof (*Effective July 1, 2017*):

927 (a) As used in this section:

928 (1) "Commissioner" means the Commissioner of Revenue Services.

929 (2) "Department" means the Department of Economic and
930 Community Development.

931 (3) (A) "Qualified production" means entertainment content created
932 in whole or in part within the state, including motion pictures, except
933 as otherwise provided in this subparagraph; documentaries; long-
934 form, specials, mini-series, series, sound recordings, videos and music
935 videos and interstitials television programming; interactive television;
936 relocated television production; interactive games; videogames;
937 commercials; any format of digital media, including an interactive web

938 site, created for distribution or exhibition to the general public; and
939 any trailer, pilot, video teaser or demo created primarily to stimulate
940 the sale, marketing, promotion or exploitation of future investment in
941 either a product or a qualified production via any means and media in
942 any digital media format, film or videotape, provided such program
943 meets all the underlying criteria of a qualified production. For the state
944 fiscal years ending June 30, 2014, June 30, 2015, June 30, 2016, and June
945 30, 2017, "qualified production" shall not include a motion picture that
946 has not been designated as a state-certified qualified production prior
947 to July 1, 2013, and no tax credit voucher for such motion picture may
948 be issued during said years, except, for the state fiscal years ending
949 June 30, 2015, June 30, 2016, and June 30, 2017, "qualified production"
950 shall include a motion picture for which twenty-five per cent or more
951 of the principal photography shooting days are in this state at a facility
952 that receives not less than twenty-five million dollars in private
953 investment and opens for business on or after July 1, 2013, and a tax
954 credit voucher may be issued for such motion picture.

955 (B) "Qualified production" shall not include any ongoing television
956 program created primarily as news, weather or financial market
957 reports; a production featuring current events, other than a relocated
958 television production, sporting events, an awards show or other gala
959 event; a production whose sole purpose is fundraising; a long-form
960 production that primarily markets a product or service; a production
961 used for corporate training or in-house corporate advertising or other
962 similar productions; or any production for which records are required
963 to be maintained under 18 USC 2257, as amended from time to time,
964 with respect to sexually explicit content.

965 (4) "Eligible production company" means a corporation, partnership,
966 limited liability company, or other business entity engaged in the
967 business of producing qualified productions on a one-time or ongoing
968 basis, and qualified by the Secretary of the State to engage in business
969 in the state.

970 (5) "Production expenses or costs" means all expenditures clearly

971 and demonstrably incurred in the state in the preproduction,
972 production or postproduction costs of a qualified production,
973 including:

974 (A) Expenditures incurred in the state in the form of either
975 compensation or purchases including production work, production
976 equipment not eligible for the infrastructure tax credit provided in
977 section 12-217kk, production software, postproduction work,
978 postproduction equipment, postproduction software, set design, set
979 construction, props, lighting, wardrobe, makeup, makeup accessories,
980 special effects, visual effects, audio effects, film processing, music,
981 sound mixing, editing, location fees, soundstages and any and all other
982 costs or services directly incurred in connection with a state-certified
983 qualified production;

984 (B) Expenditures for distribution, including preproduction,
985 production or postproduction costs relating to the creation of trailers,
986 marketing videos, commercials, point-of-purchase videos and any and
987 all content created on film or digital media, including the duplication
988 of films, videos, CDs, DVDs and any and all digital files now in
989 existence and those yet to be created for mass consumer consumption;
990 the purchase, by a company in the state, of any and all equipment
991 relating to the duplication or mass market distribution of any content
992 created or produced in the state by any digital media format which is
993 now in use and those formats yet to be created for mass consumer
994 consumption; and

995 (C) "Production expenses or costs" does not include the following:
996 (i) On and after January 1, 2008, compensation in excess of fifteen
997 million dollars paid to any individual or entity representing an
998 individual, for services provided in the production of a qualified
999 production and on or after January 1, 2010, compensation subject to
1000 Connecticut personal income tax in excess of twenty million dollars
1001 paid in the aggregate to any individuals or entities representing
1002 individuals, for star talent provided in the production of a qualified
1003 production; (ii) media buys, promotional events or gifts or public

1004 relations associated with the promotion or marketing of any qualified
1005 production; (iii) deferred, leveraged or profit participation costs
1006 relating to any and all personnel associated with any and all aspects of
1007 the production, including, but not limited to, producer fees, director
1008 fees, talent fees and writer fees; (iv) costs relating to the transfer of the
1009 production tax credits; (v) any amounts paid to persons or businesses
1010 as a result of their participation in profits from the exploitation of the
1011 qualified production; and (vi) any expenses or costs relating to an
1012 independent certification, as required by subsection (g) of this section,
1013 or as the department may otherwise require, pertaining to the amount
1014 of production expenses or costs set forth by an eligible production
1015 company in its application for a production tax credit.

1016 (6) "Sound recording" means a recording of music, poetry or
1017 spoken-word performance, but does not include the audio portions of
1018 dialogue or words spoken and recorded as part of a motion picture,
1019 video, theatrical production, television news coverage or athletic event.

1020 (7) "State-certified qualified production" means a qualified
1021 production produced by an eligible production company that (A) is in
1022 compliance with regulations adopted pursuant to subsection (k) of this
1023 section, (B) is authorized to conduct business in this state, and (C) has
1024 been approved by the department as qualifying for a production tax
1025 credit under this section.

1026 (8) "Interactive web site" means a web site, the production costs of
1027 which (A) exceed five hundred thousand dollars per income year, and
1028 (B) is primarily (i) interactive games or end user applications, or (ii)
1029 animation, simulation, sound, graphics, story lines or video created or
1030 repurposed for distribution over the Internet. An interactive web site
1031 does not include a web site primarily used for institutional, private,
1032 industrial, retail or wholesale marketing or promotional purposes, or
1033 which contains obscene content.

1034 (9) "Post-certification remedy" means the recapture, disallowance,
1035 recovery, reduction, repayment, forfeiture, decertification or any other

1036 remedy that would have the effect of reducing or otherwise limiting
1037 the use of a tax credit provided by this section.

1038 (10) "Compensation" means base salary or wages and does not
1039 include bonus pay, stock options, restricted stock units or similar
1040 arrangements.

1041 (11) "Relocated television production" means:

1042 (A) An ongoing television program all of the prior seasons of which
1043 were filmed outside this state, and may include current events shows,
1044 except those referenced in subparagraph (B)(i) of this subdivision.

1045 (B) An eligible production company's television programming in
1046 this state that (i) is not a general news program, sporting event or
1047 game broadcast, and (ii) is created at a qualified production facility
1048 that has had a minimum investment of twenty-five million dollars
1049 made by such eligible production company on or after January 1, 2012,
1050 at which facility the eligible production company creates ongoing
1051 television programming as defined in subparagraph (A) of this
1052 subdivision, and creates at least two hundred new jobs in Connecticut
1053 on or after January 1, 2012. For purposes of this subdivision, "new job"
1054 means a full-time job, as defined in section 12-217ii, that did not exist
1055 in this state prior to January 1, 2012, and is filled by a new employee,
1056 and "new employee" includes a person who was employed outside this
1057 state by the eligible production company prior to January 1, 2012, but
1058 does not include a person who was employed in this state by the
1059 eligible production company or a related person, as defined in section
1060 12-217ii, with respect to the eligible production company during the
1061 prior twelve months.

1062 (C) A relocated television production may be a state-certified
1063 qualified production for not more than ten successive income years,
1064 after which period the eligible production company shall be ineligible
1065 to resubmit an application for certification.

1066 (b) (1) The Department of Economic and Community Development

1067 shall administer a system of tax credit vouchers within the resources,
1068 requirements and purposes of this section for eligible production
1069 companies producing a state-certified qualified production in the state.

1070 [(1) For income years commencing on or after January 1, 2006, but
1071 prior to January 1, 2010, any eligible production company incurring
1072 production expenses or costs in excess of fifty thousand dollars shall be
1073 eligible for a credit against the tax imposed under chapter 207 or this
1074 chapter equal to thirty per cent of such production expenses or costs.]

1075 (2) [For income years commencing on or after January 1, 2010, (A)
1076 any] Any eligible production company incurring production expenses
1077 or costs shall be eligible for a credit (A) for income years commencing
1078 on or after January 1, 2010, but prior to January 1, 2018, against the tax
1079 imposed under chapter 207 or this chapter, and (B) for income years
1080 commencing on or after January 1, 2018, against the tax imposed under
1081 chapter 207 or 211 or this chapter, as follows: (i) For any such company
1082 incurring [production] such expenses or costs of not less than one
1083 hundred thousand dollars, but not more than five hundred thousand
1084 dollars, [shall be eligible for a credit against the tax imposed under
1085 chapter 207 or this chapter] a credit equal to ten per cent of such
1086 [production] expenses or costs, [(B)] (ii) any such company incurring
1087 such expenses or costs of more than five hundred thousand dollars,
1088 but not more than one million dollars, [shall be eligible for a credit
1089 against the tax imposed under chapter 207 or this chapter] a credit
1090 equal to fifteen per cent of such [production] expenses or costs, and
1091 [(C)] (iii) any such company incurring such expenses or costs of more
1092 than one million dollars, [shall be eligible for a credit against the tax
1093 imposed under chapter 207 or this chapter] a credit equal to thirty per
1094 cent of such [production] expenses or costs.

1095 (c) No eligible production company incurring an amount of
1096 production expenses or costs that qualifies for such credit shall be
1097 eligible for such credit unless on or after January 1, 2010, such
1098 company conducts (1) not less than fifty per cent of principal
1099 photography days within the state, or (2) expends not less than fifty

1100 per cent of postproduction costs within the state, or (3) expends not
1101 less than one million dollars of postproduction costs within the state.

1102 [(d) (1) For income years commencing on or after January 1, 2009,
1103 but prior to January 1, 2010, fifty per cent of production expenses or
1104 costs shall be counted toward such credit when incurred outside the
1105 state and used within the state, and one hundred per cent of such
1106 expenses or costs shall be counted toward such credit when incurred
1107 within the state and used within the state.]

1108 [(2)] (d) For income years commencing on or after January 1, 2010,
1109 no expenses or costs incurred outside the state and used within the
1110 state shall be eligible for a credit, and one hundred per cent of such
1111 expenses or costs shall be counted toward such credit when incurred
1112 within the state and used within the state.

1113 (e) (1) On and after July 1, 2006, and for income years commencing
1114 on or after January 1, 2006, any credit allowed pursuant to this section
1115 may be sold, assigned or otherwise transferred, in whole or in part, to
1116 one or more taxpayers, provided (A) no credit, after issuance, may be
1117 sold, assigned or otherwise transferred, in whole or in part, more than
1118 three times, (B) in the case of a credit allowed for the income year
1119 commencing on or after January 1, 2011, and prior to January 1, 2012,
1120 any entity that is not subject to tax under chapter 207 or this chapter
1121 may transfer not more than fifty per cent of such credit in any one
1122 income year, and (C) in the case of a credit allowed for an income year
1123 commencing on or after January 1, 2012, any entity that is not subject
1124 to tax under chapter 207 or this chapter may transfer not more than
1125 twenty-five per cent of such credit in any one income year.

1126 (2) Notwithstanding the provisions of subdivision (1) of this
1127 subsection, any entity that is not subject to tax under this chapter or
1128 chapter 207 shall not be subject to the limitations on the transfer of
1129 credits provided in subparagraphs (B) and (C) of said subdivision (1),
1130 provided such entity owns not less than fifty per cent, directly or
1131 indirectly, of a business entity subject to tax under section 12-284b.

1132 (3) Notwithstanding the provisions of subdivision (1) of this
1133 subsection, any qualified production that is created in whole or in
1134 significant part, as determined by the Commissioner of Economic and
1135 Community Development, at a qualified production facility shall not
1136 be subject to the limitations of subparagraph (B) or (C) of said
1137 subdivision (1). For purposes of this subdivision, "qualified production
1138 facility" means a facility (A) located in this state, (B) intended for film,
1139 television or digital media production, and (C) that has had a
1140 minimum investment of three million dollars, or less if the
1141 Commissioner of Economic and Community Development determines
1142 such facility otherwise qualifies.

1143 (4) For income years commencing on or after January 1, 2018, any
1144 credit that is sold, assigned or otherwise transferred, in whole or in
1145 part, to one or more taxpayers pursuant to subdivision (1) of this
1146 subsection, which credit is claimed against the tax imposed under
1147 chapter 211, shall be subject to the following limits:

1148 (A) The taxpayer may only claim ninety-five per cent of the amount
1149 of such credit entered by the department on the production tax credit
1150 voucher; and

1151 (B) If there is common ownership of at least fifty per cent between
1152 such taxpayer and the eligible production company that sold, assigned
1153 or otherwise transferred such credit, such taxpayer may only claim
1154 ninety-two per cent of the amount of such credit entered by the
1155 department on the production tax credit voucher.

1156 (f) (1) On and after July 1, 2006, and for income years commencing
1157 on or after January 1, 2006, all or part of any such credit allowed under
1158 this [subsection shall] section may be claimed against the tax imposed
1159 under chapter 207 or this chapter for the income year in which the
1160 production expenses or costs were incurred, or in the three
1161 immediately succeeding income years.

1162 (2) For production tax credit vouchers issued on or after July 1, 2015,

1163 all or part of any such credit [shall] may be claimed against (A) the tax
1164 imposed under chapter 207 or this chapter, or (B) for income years
1165 commencing on or after January 1, 2018, the tax imposed under
1166 chapter 207 or 211 or this chapter, for the income year in which the
1167 production expenses or costs were incurred, or in the five immediately
1168 succeeding income years.

1169 (3) Any production tax credit allowed under this subsection shall be
1170 nonrefundable.

1171 (g) (1) An eligible production company shall apply to the
1172 department for a tax credit voucher on an annual basis, but not later
1173 than ninety days after the first production expenses or costs are
1174 incurred in the production of a qualified production, and shall provide
1175 with such application such information as the department may require
1176 to determine such company's eligibility to claim a credit under this
1177 section. No production expenses or costs may be listed more than once
1178 for purposes of the tax credit voucher pursuant to this section, or
1179 pursuant to section 12-217kk or 12-217ll, and if a production expense
1180 or cost has been included in a claim for a credit, such production
1181 expense or cost may not be included in any subsequent claim for a
1182 credit.

1183 (2) Not later than ninety days after the end of the annual period, or
1184 after the last production expenses or costs are incurred in the
1185 production of a qualified production, an eligible production company
1186 shall apply to the department for a production tax credit voucher, and
1187 shall provide with such application such information and independent
1188 certification as the department may require pertaining to the amount
1189 of such company's production expenses or costs. Such independent
1190 certification shall be provided by an audit professional chosen from a
1191 list compiled by the department. If the department determines that
1192 such company is eligible to be issued a production tax credit voucher,
1193 the department shall enter on the voucher the amount of production
1194 expenses or costs that has been established to the satisfaction of the
1195 department and the amount of such company's credit under this

1196 section. The department shall provide a copy of such voucher to the
1197 commissioner, upon request.

1198 (3) The department shall charge a reasonable administrative fee
1199 sufficient to cover the department's costs to analyze applications
1200 submitted under this section.

1201 (h) If an eligible production company sells, assigns or otherwise
1202 transfers a credit under this section to another taxpayer, the transferor
1203 and transferee shall jointly submit written notification of such transfer
1204 to the department not later than thirty days after such transfer. If such
1205 transferee sells, assigns or otherwise transfers a credit under this
1206 section to a subsequent transferee, such transferee and such
1207 subsequent transferee shall jointly submit written notification of such
1208 transfer to the department not later than thirty days after such transfer.
1209 The notification after each transfer shall include the credit voucher
1210 number, the date of transfer, the amount of such credit transferred, the
1211 tax credit balance before and after the transfer, the tax identification
1212 numbers for both the transferor and the transferee, and any other
1213 information required by the department. Failure to comply with this
1214 subsection will result in a disallowance of the tax credit until there is
1215 full compliance on the part of the transferor and the transferee, and for
1216 a second or third transfer, on the part of all subsequent transferors and
1217 transferees. The department shall provide a copy of the notification of
1218 assignment to the commissioner upon request.

1219 (i) Any eligible production company that submits information to the
1220 department that it knows to be fraudulent or false shall, in addition to
1221 any other penalties provided by law, be liable for a penalty equal to
1222 the amount of such company's credit entered on the production tax
1223 credit [certificate] voucher issued under this section.

1224 (j) No tax credits transferred pursuant to this section shall be subject
1225 to a post-certification remedy, and the department and the
1226 commissioner shall have no right, except in the case of possible
1227 material misrepresentation or fraud, to conduct any further or

1228 additional review, examination or audit of the expenditures or costs
1229 for which such tax credits were issued. The sole and exclusive remedy
1230 of the department and the commissioner shall be to seek collection of
1231 the amount of such tax credits from the entity that committed the
1232 fraud or misrepresentation.

1233 (k) The department, in consultation with the commissioner, shall
1234 adopt regulations, in accordance with the provisions of chapter 54, as
1235 may be necessary for the administration of this section.

1236 Sec. 12. Subdivision (62) of section 12-412 of the general statutes is
1237 repealed and the following is substituted in lieu thereof (*Effective July*
1238 *1, 2017*):

1239 (62) (A) Sales of any of the services enumerated in subparagraph (I),
1240 (K) or (L) of subdivision (2) of subsection (a) of section 12-407 that are
1241 rendered for a business entity affiliated with the business entity
1242 rendering such service in such manner that (i) either business entity in
1243 such transaction owns a controlling interest in the other business
1244 entity, or (ii) a controlling interest in each business entity in such
1245 transaction is owned by the same person or persons or business entity
1246 or business entities.

1247 (B) For purposes of this subdivision, (i) "business entity" means a
1248 corporation, trust, estate, partnership, limited partnership, limited
1249 liability partnership, limited liability company, single member limited
1250 liability company, sole proprietorship, nonstock corporation or a
1251 federally-recognized Indian tribe; (ii) "controlling interest" means, in
1252 the case of a business entity that is a corporation, ownership of stock
1253 possessing [one hundred] at least eighty per cent of the total combined
1254 voting power of all classes of stock entitled to vote or [one hundred] at
1255 least eighty per cent of the total value of shares of all classes of stock of
1256 such corporation; in the case of a business entity that is a trust or
1257 estate, ownership of a beneficial interest of one hundred per cent in
1258 such trust or estate; in the case of a business entity that is a
1259 partnership, limited partnership or limited liability partnership,

1260 ownership of one hundred per cent of the profits interest or capital
1261 interest in such partnership, limited partnership or limited liability
1262 partnership; in the case of a limited liability company with more than
1263 one member, ownership of [one hundred] at least eighty per cent of the
1264 profits interest, capital interest or membership interests in such limited
1265 liability company; in the case of a business entity that is a sole
1266 proprietorship or single member limited liability company, ownership
1267 of such sole proprietorship or single member limited liability
1268 company; in the case of a business entity that is a nonstock corporation
1269 with voting members, control of one hundred per cent of all voting
1270 membership interests in such corporation; and in the case of a business
1271 entity that is a nonstock corporation with no voting members, control
1272 of one hundred per cent of the board of directors of such corporation;
1273 (iii) whether a controlling interest in a business entity is owned shall be
1274 determined in accordance with Section 267 of the Internal Revenue
1275 Code of 1986, or any subsequent corresponding internal revenue code
1276 of the United States, as from time to time amended, provided where a
1277 controlling interest is owned in a business entity other than a stock
1278 corporation, the term "stock" as used in said Section 267 of the Internal
1279 Revenue Code means, in the case of a partnership, limited partnership,
1280 limited liability partnership or limited liability company treated as a
1281 partnership for federal income tax purposes, the profits interest or
1282 capital interest in such partnership, in the case of a business entity that
1283 is a trust or estate, the beneficial interests in such trust or estate, and in
1284 the case of a business entity that is a nonstock corporation, the voting
1285 membership interests in such corporation, or if it has no voting
1286 members, the control of the board of directors; (iv) a business entity
1287 has "control of" the board of directors of a nonstock corporation if one
1288 hundred per cent of the voting members of the board of directors are
1289 either representatives of, including ex-officio directors, or persons
1290 appointed by such business entity, or "control of" one hundred per
1291 cent of the voting membership interests in a nonstock corporation if
1292 one hundred per cent of the voting membership interests are held by
1293 the business entity or by representatives of, including ex-officio
1294 members, or persons appointed by such business entity.

1295 Sec. 13. (NEW) (*Effective July 1, 2017*) (a) As used in this section:

1296 (1) "Accumulated credits" means the amount of credits allowed, in
1297 accordance with the provisions of section 12-217n of the general
1298 statutes, that have not been taken through an applicant's last income
1299 year completed prior to the date of an application submitted as
1300 provided in subsection (b) of this section.

1301 (2) "Commissioner" means the Commissioner of Economic and
1302 Community Development.

1303 (b) The commissioner shall establish and administer a program to
1304 allow businesses in the state to utilize accumulated credits against the
1305 tax imposed under chapters 208 and 219 of the general statutes in
1306 exchange for capital projects, planned or underway, in the state that
1307 propose to (1) expand the scale or scope of such business, (2) increase
1308 employment at such business, or (3) generate a substantial return to
1309 the state economy. A business seeking to utilize accumulated credits
1310 under this section shall submit to the commissioner, on forms
1311 provided by the commissioner, an application that shall include, but
1312 not be limited to: (A) A detailed plan outlining the capital project, (B)
1313 the term of such project, (C) the estimated costs of such project, and
1314 (D) the amount of accumulated credits the business proposes it be
1315 allowed to utilize under this section. The commissioner shall perform
1316 an econometric analysis of each application and shall only approve an
1317 application if he or she determines that such project will generate
1318 revenues for the state that exceed the amount of the accumulated
1319 credits proposed to be utilized. The amount of such accumulated
1320 credits shall be subject to confirmation, in accordance with the
1321 provisions of title 12 of the general statutes, by the Commissioner of
1322 Revenue Services in consultation with the commissioner.

1323 (c) The commissioner shall determine, in consultation with the
1324 Commissioner of Revenue Services, when such accumulated credits
1325 may be utilized by the business, provided the commissioner shall not
1326 approve the utilization of the accumulated credits until the capital

1327 project under subsection (b) of this section generates revenues for the
1328 state that exceed the amount of the accumulated credits proposed to be
1329 utilized.

1330 (d) The commissioner shall adopt regulations, in accordance with
1331 the provisions of chapter 54 of the general statutes, to implement the
1332 provisions of this section.

1333 (e) Not later than July 1, 2018, and annually thereafter, the
1334 commissioner shall submit a report, in accordance with the provisions
1335 of section 11-4a of the general statutes, to the joint standing committees
1336 of the General Assembly having cognizance of matters relating to
1337 commerce and finance. Such report shall include (1) information on the
1338 number of applications received and the number of applications
1339 approved under this section, (2) the status of the capital projects
1340 associated with such approved applications, (3) the amount of
1341 accumulated credits that are proposed to be utilized under this section,
1342 and (4) (A) the amount and type of state revenue generated in
1343 connection with each such capital project to date, and (B) the projected
1344 amount and type of such revenue for the five succeeding fiscal years
1345 after completion of such capital project.

1346 Sec. 14. (NEW) (*Effective July 1, 2017*) (a) (1) As used in this section,
1347 (A) "accumulated credits" means credits allowed under sections 12-217j
1348 and 12-217n of the general statutes that have not been taken through
1349 the last income year completed prior to the date of an auction under
1350 this section, (B) "commissioner" means the Commissioner of Economic
1351 and Community Development, and (C) "chief executive officer" means
1352 the chief executive officer of Connecticut Innovations, Incorporated.

1353 (2) The commissioner, in consultation with the Commissioner of
1354 Revenue Services and the chief executive officer, shall hold a Technical
1355 Education Cooperative (TEC) initiative tax credit auction and an
1356 innovation investment fund tax credit auction, at such time and as
1357 frequently as the commissioner deems appropriate and effective, to
1358 allow taxpayers with accumulated credits to utilize such credits in

1359 exchange for making an investment as provided under subsections (b)
1360 and (c) of this section.

1361 (3) The commissioner shall specify, in consultation with the chief
1362 executive officer, for each tax credit auction, the deadline for
1363 submitting a bid and the information required to be included with
1364 such bid. Each bidder shall submit a sealed bid and the commissioner
1365 shall select, in consultation with the chief executive officer, the
1366 winning bid or bids based upon the amounts of accumulated credits
1367 the bidder proposes to exchange, the amounts the bidder proposes to
1368 invest for such exchange and any other criteria the commissioner and
1369 the chief executive officer deem appropriate to evaluate the bids,
1370 taking into consideration the total amount of investments sought, if
1371 any, from each auction.

1372 (4) Credits allowed under this section may be claimed against the
1373 taxes imposed under chapters 207 and 219 of the general statutes and
1374 section 12-263b of the general statutes, as amended by this act, with
1375 respect to the following income years of the taxpayer: (A) With respect
1376 to the income year in which the taxpayer made the investment
1377 required under this section and the two next succeeding income years,
1378 zero per cent; and (B) with respect to the third full income year
1379 succeeding the year in which the taxpayer made the investment
1380 required under this section and the four next succeeding income years,
1381 twenty per cent.

1382 (5) The total amount of accumulated credits exchanged in the
1383 aggregate under this section shall not exceed fifty million dollars.

1384 (b) (1) The commissioner, in consultation with the chief executive
1385 officer, shall hold a TEC initiative tax credit auction, for which the
1386 minimum bid shall be eighty cents for each dollar of accumulated
1387 credit. The commissioner shall deposit the amount received from the
1388 auction in the TEC initiative account established pursuant to
1389 subsection (d) of this section.

1390 (2) The commissioner shall administer, in consultation with the chief
1391 executive officer, the TEC initiative account to provide funding and
1392 expand education and training opportunities as set forth in this
1393 subdivision in order to prepare the state's workforce to fill existing and
1394 anticipated manufacturing jobs and increase the number of state high
1395 school and community college graduates with training and experience
1396 in manufacturing, computer programming, information technology
1397 and data management. Components of the TEC initiative shall include,
1398 but not be limited to:

1399 (A) Providing funds to expand and enhance, in consultation with
1400 the Connecticut Center for Advanced Technology, Incorporated,
1401 manufacturing technology support programs and services offered to
1402 manufacturers in the state;

1403 (B) Providing funds to expand to additional schools in the state, in
1404 consultation with the Connecticut Center for Advanced Technology,
1405 Incorporated, programs to engage and encourage students to consider
1406 a technical education as a highly successful and desirable career path;

1407 (C) Building new, proactive partnerships with employers and
1408 manufacturers in the state by (i) establishing employer-led job pipeline
1409 initiatives in each workforce development board region in the state to
1410 match open jobs with qualified workers identified by such board, (ii)
1411 providing funds to support the Subsidized Training and Employment
1412 program established pursuant to section 31-3pp of the general statutes
1413 and apprenticeship programs in the state, and (iii) providing funds to
1414 expand adult education programs and classes for workers seeking new
1415 skills for new careers; and

1416 (D) Providing grants to partnerships between (i) local school
1417 districts, technical schools or community colleges, and (ii) private
1418 businesses, that are seeking to establish a technical education program
1419 or to expand the capacity of a technical education program at a public
1420 high school, technical school or community college. Preference for
1421 awarding grants under this subdivision shall be given to applications

1422 that include private matching funds.

1423 (c) The commissioner, in consultation with the chief executive
1424 officer, shall hold an innovation investment fund tax credit auction, for
1425 which the minimum bid shall be eighty cents for each dollar of
1426 accumulated credit and the amounts received from the winning bidder
1427 or bidders shall be invested in the winning bidder's corporate venture
1428 fund, subject to the following requirements:

1429 (1) All investments shall be made with a representative of
1430 Connecticut Innovations, Incorporated, who is a member of the
1431 corporate venture fund's investment committee;

1432 (2) The amount invested in a corporate venture fund shall be not
1433 less than five million dollars and not more than ten million dollars;

1434 (3) All such amounts invested shall be invested in (A) start-up
1435 businesses located in the state, or (B) spin-off companies from the
1436 bidder's research and development department;

1437 (4) All profits from such investments shall be divided equally
1438 between the state and the bidder and the state's share shall be
1439 deposited in the General Fund; and

1440 (5) The bidder agrees to reinvest the bidder's profits in the bidder's
1441 corporate venture fund.

1442 (d) There is established an account to be known as the "TEC
1443 initiative account" which shall be a separate, nonlapsing account
1444 within the General Fund. The account shall contain any moneys
1445 required by law to be deposited in the account. Moneys in the account
1446 shall be expended by the commissioner, in consultation with the chief
1447 executive officer, for the purposes of subsection (b) of this section.

1448 Sec. 15. Section 12-217jj of the general statutes is repealed and the
1449 following is substituted in lieu thereof (*Effective July 1, 2017*):

1450 (a) As used in this section:

1451 (1) "Commissioner" means the Commissioner of Revenue Services.

1452 (2) "Department" means the Department of Economic and
1453 Community Development.

1454 (3) (A) "Qualified production" means entertainment content created
1455 in whole or in part within the state, including motion pictures, except
1456 as otherwise provided in this subparagraph; documentaries; long-
1457 form, specials, mini-series, series, sound recordings, videos and music
1458 videos and interstitials television programming; interactive television;
1459 relocated television production; interactive games; videogames;
1460 commercials; any format of digital media, including an interactive web
1461 site, created for distribution or exhibition to the general public; and
1462 any trailer, pilot, video teaser or demo created primarily to stimulate
1463 the sale, marketing, promotion or exploitation of future investment in
1464 either a product or a qualified production via any means and media in
1465 any digital media format, film or videotape, provided such program
1466 meets all the underlying criteria of a qualified production. For the state
1467 fiscal years ending June 30, 2014, June 30, 2015, June 30, 2016, and June
1468 30, 2017, "qualified production" shall not include a motion picture that
1469 has not been designated as a state-certified qualified production prior
1470 to July 1, 2013, and no tax credit voucher for such motion picture may
1471 be issued during said years, except, for the state fiscal years ending
1472 June 30, 2015, June 30, 2016, and June 30, 2017, "qualified production"
1473 shall include a motion picture for which twenty-five per cent or more
1474 of the principal photography shooting days are in this state at a facility
1475 that receives not less than twenty-five million dollars in private
1476 investment and opens for business on or after July 1, 2013, and a tax
1477 credit voucher may be issued for such motion picture.

1478 (B) "Qualified production" shall not include any ongoing television
1479 program created primarily as news, weather or financial market
1480 reports; a production featuring current events, other than a relocated
1481 television production, sporting events, an awards show or other gala

1482 event; a production whose sole purpose is fundraising; a long-form
1483 production that primarily markets a product or service; a production
1484 used for corporate training or in-house corporate advertising or other
1485 similar productions; or any production for which records are required
1486 to be maintained under 18 USC 2257, as amended from time to time,
1487 with respect to sexually explicit content.

1488 (4) "Eligible production company" means a corporation, partnership,
1489 limited liability company, or other business entity engaged in the
1490 business of producing qualified productions on a one-time or ongoing
1491 basis, and qualified by the Secretary of the State to engage in business
1492 in the state.

1493 (5) "Production expenses or costs" means all expenditures clearly
1494 and demonstrably incurred in the state in the preproduction,
1495 production or postproduction costs of a qualified production,
1496 including:

1497 (A) Expenditures incurred in the state in the form of either
1498 compensation or purchases including production work, production
1499 equipment not eligible for the infrastructure tax credit provided in
1500 section 12-217kk, production software, postproduction work,
1501 postproduction equipment, postproduction software, set design, set
1502 construction, props, lighting, wardrobe, makeup, makeup accessories,
1503 special effects, visual effects, audio effects, film processing, music,
1504 sound mixing, editing, location fees, soundstages and any and all other
1505 costs or services directly incurred in connection with a state-certified
1506 qualified production;

1507 (B) Expenditures for distribution, including preproduction,
1508 production or postproduction costs relating to the creation of trailers,
1509 marketing videos, commercials, point-of-purchase videos and any and
1510 all content created on film or digital media, including the duplication
1511 of films, videos, CDs, DVDs and any and all digital files now in
1512 existence and those yet to be created for mass consumer consumption;
1513 the purchase, by a company in the state, of any and all equipment

1514 relating to the duplication or mass market distribution of any content
1515 created or produced in the state by any digital media format which is
1516 now in use and those formats yet to be created for mass consumer
1517 consumption; and

1518 (C) "Production expenses or costs" does not include the following:
1519 (i) On and after January 1, 2008, compensation in excess of fifteen
1520 million dollars paid to any individual or entity representing an
1521 individual, for services provided in the production of a qualified
1522 production and on or after January 1, 2010, compensation subject to
1523 Connecticut personal income tax in excess of twenty million dollars
1524 paid in the aggregate to any individuals or entities representing
1525 individuals, for star talent provided in the production of a qualified
1526 production; (ii) media buys, promotional events or gifts or public
1527 relations associated with the promotion or marketing of any qualified
1528 production; (iii) deferred, leveraged or profit participation costs
1529 relating to any and all personnel associated with any and all aspects of
1530 the production, including, but not limited to, producer fees, director
1531 fees, talent fees and writer fees; (iv) costs relating to the transfer of the
1532 production tax credits; (v) any amounts paid to persons or businesses
1533 as a result of their participation in profits from the exploitation of the
1534 qualified production; and (vi) any expenses or costs relating to an
1535 independent certification, as required by subsection (g) of this section,
1536 or as the department may otherwise require, pertaining to the amount
1537 of production expenses or costs set forth by an eligible production
1538 company in its application for a production tax credit.

1539 (6) "Sound recording" means a recording of music, poetry or
1540 spoken-word performance, but does not include the audio portions of
1541 dialogue or words spoken and recorded as part of a motion picture,
1542 video, theatrical production, television news coverage or athletic event.

1543 (7) "State-certified qualified production" means a qualified
1544 production produced by an eligible production company that (A) is in
1545 compliance with regulations adopted pursuant to subsection (k) of this
1546 section, (B) is authorized to conduct business in this state, and (C) has

1547 been approved by the department as qualifying for a production tax
1548 credit under this section.

1549 (8) "Interactive web site" means a web site, the production costs of
1550 which (A) exceed five hundred thousand dollars per income year, and
1551 (B) is primarily (i) interactive games or end user applications, or (ii)
1552 animation, simulation, sound, graphics, story lines or video created or
1553 repurposed for distribution over the Internet. An interactive web site
1554 does not include a web site primarily used for institutional, private,
1555 industrial, retail or wholesale marketing or promotional purposes, or
1556 which contains obscene content.

1557 (9) "Post-certification remedy" means the recapture, disallowance,
1558 recovery, reduction, repayment, forfeiture, decertification or any other
1559 remedy that would have the effect of reducing or otherwise limiting
1560 the use of a tax credit provided by this section.

1561 (10) "Compensation" means base salary or wages and does not
1562 include bonus pay, stock options, restricted stock units or similar
1563 arrangements.

1564 (11) "Relocated television production" means:

1565 (A) An ongoing television program all of the prior seasons of which
1566 were filmed outside this state, and may include current events shows,
1567 except those referenced in subparagraph (B)(i) of this subdivision.

1568 (B) An eligible production company's television programming in
1569 this state that (i) is not a general news program, sporting event or
1570 game broadcast, and (ii) is created at a qualified production facility
1571 that has had a minimum investment of twenty-five million dollars
1572 made by such eligible production company on or after January 1, 2012,
1573 at which facility the eligible production company creates ongoing
1574 television programming as defined in subparagraph (A) of this
1575 subdivision, and creates at least two hundred new jobs in Connecticut
1576 on or after January 1, 2012. For purposes of this subdivision, "new job"
1577 means a full-time job, as defined in section 12-217ii, that did not exist

1578 in this state prior to January 1, 2012, and is filled by a new employee,
1579 and "new employee" includes a person who was employed outside this
1580 state by the eligible production company prior to January 1, 2012, but
1581 does not include a person who was employed in this state by the
1582 eligible production company or a related person, as defined in section
1583 12-217ii, with respect to the eligible production company during the
1584 prior twelve months.

1585 (C) A relocated television production may be a state-certified
1586 qualified production for not more than ten successive income years,
1587 after which period the eligible production company shall be ineligible
1588 to resubmit an application for certification.

1589 (b) (1) The Department of Economic and Community Development
1590 shall administer a system of tax credit vouchers within the resources,
1591 requirements and purposes of this section for eligible production
1592 companies producing a state-certified qualified production in the state.

1593 [(1) For income years commencing on or after January 1, 2006, but
1594 prior to January 1, 2010, any eligible production company incurring
1595 production expenses or costs in excess of fifty thousand dollars shall be
1596 eligible for a credit against the tax imposed under chapter 207 or this
1597 chapter equal to thirty per cent of such production expenses or costs.]

1598 (2) [For income years commencing on or after January 1, 2010, (A)
1599 any] Any eligible production company incurring production expenses
1600 or costs shall be eligible for a credit (A) for income years commencing
1601 on or after January 1, 2010, but prior to January 1, 2018, against the tax
1602 imposed under chapter 207 or this chapter, and (B) for income years
1603 commencing on or after January 1, 2018, against the tax imposed under
1604 chapter 207 or 219 or this chapter, as follows: (i) For any such company
1605 incurring [production] such expenses or costs of not less than one
1606 hundred thousand dollars, but not more than five hundred thousand
1607 dollars, [shall be eligible for a credit against the tax imposed under
1608 chapter 207 or this chapter] a credit equal to ten per cent of such
1609 [production] expenses or costs, [(B)] (ii) any such company incurring

1610 such expenses or costs of more than five hundred thousand dollars,
1611 but not more than one million dollars, [shall be eligible for a credit
1612 against the tax imposed under chapter 207 or this chapter] a credit
1613 equal to fifteen per cent of such [production] expenses or costs, and
1614 [(C)] (iii) any such company incurring such expenses or costs of more
1615 than one million dollars, [shall be eligible for a credit against the tax
1616 imposed under chapter 207 or this chapter] a credit equal to thirty per
1617 cent of such [production] expenses or costs.

1618 (3) If an eligible production company elects, for income years
1619 commencing on or after January 1, 2018, to claim a credit pursuant to
1620 this subsection against the tax imposed under chapter 219, the eligible
1621 production company shall pay to the state a fee of six cents for each
1622 dollar of credit claimed. The commissioner shall deposit such fee in the
1623 TEC initiative account established pursuant to subsection (d) of section
1624 14 of this act.

1625 (c) No eligible production company incurring an amount of
1626 production expenses or costs that qualifies for such credit shall be
1627 eligible for such credit unless on or after January 1, 2010, such
1628 company conducts (1) not less than fifty per cent of principal
1629 photography days within the state, or (2) expends not less than fifty
1630 per cent of postproduction costs within the state, or (3) expends not
1631 less than one million dollars of postproduction costs within the state.

1632 [(d) (1) For income years commencing on or after January 1, 2009,
1633 but prior to January 1, 2010, fifty per cent of production expenses or
1634 costs shall be counted toward such credit when incurred outside the
1635 state and used within the state, and one hundred per cent of such
1636 expenses or costs shall be counted toward such credit when incurred
1637 within the state and used within the state.]

1638 [(2)] (d) For income years commencing on or after January 1, 2010,
1639 no expenses or costs incurred outside the state and used within the
1640 state shall be eligible for a credit, and one hundred per cent of such
1641 expenses or costs shall be counted toward such credit when incurred

1642 within the state and used within the state.

1643 (e) (1) On and after July 1, 2006, and for income years commencing
1644 on or after January 1, 2006, any credit allowed pursuant to this section
1645 may be sold, assigned or otherwise transferred, in whole or in part, to
1646 one or more taxpayers, provided (A) no credit, after issuance, may be
1647 sold, assigned or otherwise transferred, in whole or in part, more than
1648 three times, (B) in the case of a credit allowed for the income year
1649 commencing on or after January 1, 2011, and prior to January 1, 2012,
1650 any entity that is not subject to tax under chapter 207 or this chapter
1651 may transfer not more than fifty per cent of such credit in any one
1652 income year, and (C) in the case of a credit allowed for an income year
1653 commencing on or after January 1, 2012, any entity that is not subject
1654 to tax under chapter 207 or this chapter may transfer not more than
1655 twenty-five per cent of such credit in any one income year.

1656 (2) Notwithstanding the provisions of subdivision (1) of this
1657 subsection, any entity that is not subject to tax under this chapter or
1658 chapter 207 shall not be subject to the limitations on the transfer of
1659 credits provided in subparagraphs (B) and (C) of said subdivision (1),
1660 provided such entity owns not less than fifty per cent, directly or
1661 indirectly, of a business entity subject to tax under section 12-284b.

1662 (3) Notwithstanding the provisions of subdivision (1) of this
1663 subsection, any qualified production that is created in whole or in
1664 significant part, as determined by the Commissioner of Economic and
1665 Community Development, at a qualified production facility shall not
1666 be subject to the limitations of subparagraph (B) or (C) of said
1667 subdivision (1). For purposes of this subdivision, "qualified production
1668 facility" means a facility (A) located in this state, (B) intended for film,
1669 television or digital media production, and (C) that has had a
1670 minimum investment of three million dollars, or less if the
1671 Commissioner of Economic and Community Development determines
1672 such facility otherwise qualifies.

1673 (4) Any taxpayer to which a credit allowed pursuant to this section

1674 is sold, assigned or otherwise transferred, in whole or in part, shall pay
1675 the fee set forth in subdivision (3) of subsection (b) of this section if
1676 such taxpayer elects, for income years commencing on or after January
1677 1, 2018, to claim such credit against the tax imposed under chapter 219.

1678 (f) (1) On and after July 1, 2006, and for income years commencing
1679 on or after January 1, 2006, all or part of any such credit allowed under
1680 this [subsection shall] section may be claimed against the tax imposed
1681 under chapter 207 or this chapter for the income year in which the
1682 production expenses or costs were incurred, or in the three
1683 immediately succeeding income years.

1684 (2) For production tax credit vouchers issued on or after July 1, 2015,
1685 all or part of any such credit [shall] may be claimed against (A) the tax
1686 imposed under chapter 207 or this chapter, or (B) for income years
1687 commencing on or after January 1, 2018, the tax imposed under
1688 chapter 207 or 219 or this chapter, for the income year in which the
1689 production expenses or costs were incurred, or in the five immediately
1690 succeeding income years.

1691 (3) Any production tax credit allowed under this subsection shall be
1692 nonrefundable.

1693 (g) (1) An eligible production company shall apply to the
1694 department for a tax credit voucher on an annual basis, but not later
1695 than ninety days after the first production expenses or costs are
1696 incurred in the production of a qualified production, and shall provide
1697 with such application such information as the department may require
1698 to determine such company's eligibility to claim a credit under this
1699 section. No production expenses or costs may be listed more than once
1700 for purposes of the tax credit voucher pursuant to this section, or
1701 pursuant to section 12-217kk or 12-217ll, and if a production expense
1702 or cost has been included in a claim for a credit, such production
1703 expense or cost may not be included in any subsequent claim for a
1704 credit.

1705 (2) Not later than ninety days after the end of the annual period, or
1706 after the last production expenses or costs are incurred in the
1707 production of a qualified production, an eligible production company
1708 shall apply to the department for a production tax credit voucher, and
1709 shall provide with such application such information and independent
1710 certification as the department may require pertaining to the amount
1711 of such company's production expenses or costs. Such independent
1712 certification shall be provided by an audit professional chosen from a
1713 list compiled by the department. If the department determines that
1714 such company is eligible to be issued a production tax credit voucher,
1715 the department shall enter on the voucher the amount of production
1716 expenses or costs that has been established to the satisfaction of the
1717 department and the amount of such company's credit under this
1718 section. The department shall provide a copy of such voucher to the
1719 commissioner, upon request.

1720 (3) The department shall charge a reasonable administrative fee
1721 sufficient to cover the department's costs to analyze applications
1722 submitted under this section.

1723 (h) If an eligible production company sells, assigns or otherwise
1724 transfers a credit under this section to another taxpayer, the transferor
1725 and transferee shall jointly submit written notification of such transfer
1726 to the department not later than thirty days after such transfer. If such
1727 transferee sells, assigns or otherwise transfers a credit under this
1728 section to a subsequent transferee, such transferee and such
1729 subsequent transferee shall jointly submit written notification of such
1730 transfer to the department not later than thirty days after such transfer.
1731 The notification after each transfer shall include the credit voucher
1732 number, the date of transfer, the amount of such credit transferred, the
1733 tax credit balance before and after the transfer, the tax identification
1734 numbers for both the transferor and the transferee, and any other
1735 information required by the department. Failure to comply with this
1736 subsection will result in a disallowance of the tax credit until there is
1737 full compliance on the part of the transferor and the transferee, and for

1738 a second or third transfer, on the part of all subsequent transferors and
1739 transferees. The department shall provide a copy of the notification of
1740 assignment to the commissioner upon request.

1741 (i) Any eligible production company that submits information to the
1742 department that it knows to be fraudulent or false shall, in addition to
1743 any other penalties provided by law, be liable for a penalty equal to
1744 the amount of such company's credit entered on the production tax
1745 credit [certificate] voucher issued under this section.

1746 (j) No tax credits transferred pursuant to this section shall be subject
1747 to a post-certification remedy, and the department and the
1748 commissioner shall have no right, except in the case of possible
1749 material misrepresentation or fraud, to conduct any further or
1750 additional review, examination or audit of the expenditures or costs
1751 for which such tax credits were issued. The sole and exclusive remedy
1752 of the department and the commissioner shall be to seek collection of
1753 the amount of such tax credits from the entity that committed the
1754 fraud or misrepresentation.

1755 (k) The department, in consultation with the commissioner, shall
1756 adopt regulations, in accordance with the provisions of chapter 54, as
1757 may be necessary for the administration of this section.

1758 Sec. 16. Subsection (i) of section 12-391 of the general statutes is
1759 repealed and the following is substituted in lieu thereof (*Effective July*
1760 *1, 2017*):

1761 (i) [The] With respect to the estates of decedents who die on or after
1762 January 1, 2021, the tax calculated pursuant to the provisions of this
1763 section shall be reduced in an amount equal to half of the amount
1764 invested by a decedent in a private investment fund or fund of funds
1765 pursuant to subdivision (43) of section 32-39 or in the TEC initiative or
1766 an innovation investment fund pursuant to section 14 of this act,
1767 provided (1) any such reduction shall not exceed five million dollars
1768 for any such decedent, (2) any such amount invested by the decedent

1769 shall have been invested in such fund or fund of funds for [ten] four
1770 years or more, and (3) the aggregate amount of all taxes reduced under
1771 this subsection shall not exceed thirty million dollars.

1772 Sec. 17. Section 12-217zz of the general statutes is repealed and the
1773 following is substituted in lieu thereof (*Effective July 1, 2017*):

1774 (a) Notwithstanding any other provision of law, and except as
1775 otherwise provided in subsection (b) of this section and section 14 of
1776 this act, the amount of tax credit or credits otherwise allowable against
1777 the tax imposed under this chapter shall be as follows:

1778 (1) For any income year commencing on or after January 1, 2002,
1779 and prior to January 1, 2015, the amount of tax credit or credits
1780 otherwise allowable shall not exceed seventy per cent of the amount of
1781 tax due from such taxpayer under this chapter with respect to any such
1782 income year of the taxpayer prior to the application of such credit or
1783 credits;

1784 (2) For any income year commencing on or after January 1, 2015, the
1785 amount of tax credit or credits otherwise allowable shall not exceed
1786 fifty and one one-hundredths per cent of the amount of tax due from
1787 such taxpayer under this chapter with respect to any such income year
1788 of the taxpayer prior to the application of such credit or credits;

1789 (3) Notwithstanding the provisions of subdivision (2) of this
1790 subsection, any taxpayer that possesses excess credits may utilize the
1791 excess credits as follows:

1792 (A) For income years commencing on or after January 1, 2016, and
1793 prior to January 1, 2017, the aggregate amount of tax credits and excess
1794 credits allowable shall not exceed fifty-five per cent of the amount of
1795 tax due from such taxpayer under this chapter with respect to any such
1796 income year of the taxpayer prior to the application of such credit or
1797 credits;

1798 (B) For income years commencing on or after January 1, 2017, and

1799 prior to January 1, 2018, the aggregate amount of tax credits and excess
1800 credits allowable shall not exceed sixty per cent of the amount of tax
1801 due from such taxpayer under this chapter with respect to any such
1802 income year of the taxpayer prior to the application of such credit or
1803 credits;

1804 (C) For income years commencing on or after January 1, 2018, and
1805 prior to January 1, 2019, the aggregate amount of tax credits and excess
1806 credits allowable shall not exceed sixty-five per cent of the amount of
1807 tax due from such taxpayer under this chapter with respect to any such
1808 income year of the taxpayer prior to the application of such credit or
1809 credits;

1810 (D) For income years commencing on or after January 1, 2019, the
1811 aggregate amount of tax credits and excess credits allowable shall not
1812 exceed seventy per cent of the amount of tax due from such taxpayer
1813 under this chapter with respect to any such income year of the
1814 taxpayer prior to the application of such credit or credits;

1815 (4) For purposes of this subsection, "excess credits" means any
1816 remaining credits available under section 12-217j, 12-217n or 32-9t after
1817 tax credits are utilized in accordance with subdivision (2) of this
1818 subsection.

1819 (b) (1) For an income year commencing on or after January 1, 2011,
1820 and prior to January 1, 2013, the amount of tax credit or credits
1821 otherwise allowable against the tax imposed under this chapter for
1822 such income year may exceed the amount specified in subsection (a) of
1823 this section only by the amount computed under subparagraph (A) of
1824 subdivision (2) of this subsection, provided in no event may the
1825 amount of tax credit or credits otherwise allowable against the tax
1826 imposed under this chapter for such income year exceed one hundred
1827 per cent of the amount of tax due from such taxpayer under this
1828 chapter with respect to such income year of the taxpayer prior to the
1829 application of such credit or credits.

1830 (2) (A) The taxpayer's average monthly net employee gain for an
1831 income year shall be multiplied by six thousand dollars.

1832 (B) The taxpayer's average monthly net employee gain for an
1833 income year shall be computed as follows: For each month in the
1834 taxpayer's income year, the taxpayer shall subtract from the number of
1835 its employees in this state on the last day of such month the number of
1836 its employees in this state on the first day of its income year. The
1837 taxpayer shall total the differences for the twelve months in such
1838 income year, and such total, when divided by twelve, shall be the
1839 taxpayer's average monthly net employee gain for the income year. For
1840 purposes of this computation, only employees who are required to
1841 work at least thirty-five hours per week and only employees who were
1842 not employed in this state by a related person, as defined in section 12-
1843 217ii, within the twelve months prior to the first day of the income
1844 year may be taken into account in computing the number of
1845 employees.

1846 (C) If the taxpayer's average monthly net employee gain is zero or
1847 less than zero, the taxpayer may not exceed the seventy per cent limit
1848 imposed under subsection (a) of this section.

1849 Sec. 18. Section 12-202 of the general statutes is repealed and the
1850 following is substituted in lieu thereof (*Effective from passage*):

1851 Each domestic insurance company shall, annually, pay a tax on the
1852 total net direct premiums received by such company during the
1853 calendar year next preceding from policies written on property or risks
1854 located or resident in this state. The rate of tax on all net direct
1855 insurance premiums received (1) on [and] or after January 1, 1995, and
1856 prior to January 1, 2018, shall be one and three-quarters per cent, and
1857 (2) on or after January 1, 2018, shall be one and one-half per cent. The
1858 franchise tax imposed under this section on premium income for the
1859 privilege of doing business in the state is in addition to the tax
1860 imposed under chapter 208. In the case of any local domestic insurance
1861 company the admitted assets of which as of the end of an income year

1862 do not exceed ninety-five million dollars, eighty per cent of the tax
1863 paid by such company under chapter 208 during such income year
1864 reduced by any refunds of taxes paid by such company and granted
1865 under said chapter within such income year and eighty per cent of the
1866 assessment paid by such company under section 38a-48 during such
1867 income year shall be allowed as a credit in the determination of the tax
1868 under this chapter payable with respect to total net direct premiums
1869 received during such income year, provided [that] these two credits
1870 shall not reduce the tax under this chapter to less than zero, and
1871 provided further in the case of a local domestic insurance company
1872 [which] that is a member of an insurance holding company system, as
1873 defined in section 38a-129, these credits shall apply if the total
1874 admitted assets of the local domestic insurance company and its
1875 affiliates, as defined in said section, do not exceed two hundred fifty
1876 million dollars or, in the alternative, in the case of a local domestic
1877 insurance company [which] that is a member of an insurance holding
1878 company system, as defined in section 38a-129, these credits shall
1879 apply only if total direct written premiums are derived from policies
1880 issued or delivered in Connecticut, on risk located in Connecticut and,
1881 as of the end of the income year the company and its affiliates have
1882 admitted assets minus unpaid losses and loss adjustment expenses that
1883 are also discounted for federal and state tax purposes and which for
1884 said local domestic insurance company and its affiliates, as defined in
1885 said section, do not exceed two hundred fifty million dollars.

1886 Sec. 19. Subsection (a) of section 12-202a of the general statutes is
1887 repealed and the following is substituted in lieu thereof (*Effective from*
1888 *passage*):

1889 (a) Each health care center, as defined in section 38a-175, that is
1890 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to
1891 the Commissioner of Revenue Services for the calendar year
1892 commencing [on] January 1, 1995, and annually thereafter [, at the rate
1893 of one and three-quarters per cent of] on the total net direct subscriber
1894 charges received by such health care center during each such calendar

1895 year on any new or renewal contract or policy approved by the
1896 Insurance Commissioner under section 38a-183. The rate of tax on the
1897 total net direct subscriber charges received (1) prior to January 1, 2018,
1898 shall be one and three-quarters per cent, and (2) on or after January 1,
1899 2018, shall be one and one-half per cent. Such payment shall be in
1900 addition to any other payment required under section 38a-48.

1901 Sec. 20. Subsection (b) of section 12-210 of the general statutes is
1902 repealed and the following is substituted in lieu thereof (*Effective from*
1903 *passage*):

1904 (b) Each insurance company incorporated by or organized under
1905 the laws of any other state or foreign government and doing business
1906 in this state shall, annually, on and after January 1, 1995, pay to said
1907 [Commissioner of Revenue Services] commissioner, in addition to any
1908 other taxes imposed on such company or its agents, a tax [of one and
1909 three-quarters per cent of] on all net direct premiums received by such
1910 company in the calendar year next preceding from policies written on
1911 property or risks located or resident in this state, excluding premiums
1912 for ocean marine insurance, and, upon ceasing to transact new
1913 business in this state, shall continue to pay a tax upon the renewal
1914 premiums derived from its business remaining in force in this state at
1915 the rate [which] that was applicable when such company ceased to
1916 transact new business in this state. The rate of tax on all net direct
1917 premiums received (1) prior to January 1, 2018, shall be one and three-
1918 quarters per cent, and (2) on or after January 1, 2018, shall be one and
1919 one-half per cent.

1920 Sec. 21. Section 12-263b of the general statutes is repealed and the
1921 following is substituted in lieu thereof (*Effective July 1, 2017*):

1922 (a) For each calendar quarter commencing on or after July 1, 2011,
1923 there is hereby imposed a tax on the net patient revenue of each
1924 hospital in this state to be paid each calendar quarter. The rate of such
1925 tax shall be up to the maximum rate allowed under federal law and in
1926 conformance with the state budget adopted by the General Assembly.

1927 Each hospital shall be promptly notified of the amount of tax due by
1928 the Commissioner of Social Services. The Commissioner of Social
1929 Services shall determine the base year on which such tax shall be
1930 assessed in order to ensure conformance with the state budget adopted
1931 by the General Assembly. The Commissioner of Social Services may, in
1932 consultation with the Secretary of the Office of Policy and
1933 Management and in accordance with federal law, exempt a hospital
1934 from the tax on payment earned for the provision of outpatient
1935 services based on financial hardship. [Effective July 1, 2012, and for the
1936 succeeding fifteen months, the rates of such tax, the base year on which
1937 such tax shall be assessed, and the hospitals exempt from the
1938 outpatient portion of the tax based on financial hardship shall be the
1939 same tax rates, base year and outpatient exemption for hardship in
1940 effect on January 1, 2012.]

1941 (b) Each hospital shall, on or before the last day of January, April,
1942 July and October of each year, render to the Commissioner of Revenue
1943 Services a return, on forms prescribed or furnished by the
1944 Commissioner of Revenue Services and signed by one of its principal
1945 officers, stating specifically the name and location of such hospital, and
1946 the amount of its net patient revenue as determined by the
1947 Commissioner of Social Services. Payment shall be made with such
1948 return. Each hospital shall file such return electronically with the
1949 department and make such payment by electronic funds transfer in the
1950 manner provided by chapter 228g, irrespective of whether the hospital
1951 would otherwise have been required to file such return electronically
1952 or to make such payment by electronic funds transfer under the
1953 provisions of chapter 228g.

1954 (c) [Notwithstanding any other provision of law, for] (1) For each
1955 calendar quarter commencing on or after July 1, 2015, and prior to
1956 January 1, 2016, the amount of tax credit or credits otherwise allowable
1957 against the taxes imposed under sections 12-263a to 12-263e, inclusive,
1958 and 12-263i shall not exceed fifty and one one-hundredths per cent of
1959 the amount of tax due under sections 12-263a to 12-263e, inclusive, and

1960 12-263i with respect to such calendar quarter prior to the application of
1961 such credit or credits.

1962 (2) For each calendar quarter commencing on or after January 1,
1963 2016, and prior to January 1, 2017, the amount of tax credit or credits
1964 otherwise allowable against the taxes imposed under sections 12-263a
1965 to 12-263e, inclusive, and 12-263i shall not exceed fifty-five per cent of
1966 the amount of tax due under sections 12-263a to 12-263e, inclusive, and
1967 12-263i with respect to such calendar quarter prior to the application of
1968 such credit or credits.

1969 (3) For each calendar quarter commencing on or after January 1,
1970 2017, and prior to January 1, 2018, the amount of tax credit or credits
1971 otherwise allowable against the taxes imposed under sections 12-263a
1972 to 12-263e, inclusive, and 12-263i shall not exceed sixty per cent of the
1973 amount of tax due under sections 12-263a to 12-263e, inclusive, and 12-
1974 263i with respect to such calendar quarter prior to the application of
1975 such credit or credits.

1976 (4) For each calendar quarter commencing on or after January 1,
1977 2018, and prior to January 1, 2019, the amount of tax credit or credits
1978 otherwise allowable against the taxes imposed under sections 12-263a
1979 to 12-263e, inclusive, and 12-263i shall not exceed sixty-five per cent of
1980 the amount of tax due under sections 12-263a to 12-263e, inclusive, and
1981 12-263i with respect to such calendar quarter prior to the application of
1982 such credit or credits.

1983 (5) For each calendar quarter commencing on or after January 1,
1984 2019, the amount of tax credit or credits otherwise allowable against
1985 the taxes imposed under sections 12-263a to 12-263e, inclusive, and 12-
1986 263i shall not exceed seventy per cent of the amount of tax due under
1987 sections 12-263a to 12-263e, inclusive, and 12-263i with respect to such
1988 calendar quarter prior to the application of such credit or credits.

1989 (d) (1) For each fiscal year commencing on or after July 1, 2017, there
1990 shall be allowed a credit against the tax imposed under this section if

1991 the difference between (A) the total amount of state and federal
1992 supplemental Medicaid payments the hospital receives in a fiscal year,
1993 and (B) the amount of tax due under this section in such fiscal year
1994 prior to the application of a tax credit or credits allowable under
1995 subsection (c) of this section, exceeds the difference between such
1996 amounts in the fiscal year ending June 30, 2017. The amount of the
1997 credit under this subsection shall be equal to the difference between
1998 the total amount of state and federal supplemental Medicaid payments
1999 the hospital would have received in a fiscal year pursuant to the
2000 applicable budget adopted by the General Assembly and the actual
2001 amount the hospital received in such fiscal year.

2002 (2) The limits on credits under subsection (c) of this section shall not
2003 apply to credits under this subsection.

2004 Sec. 22. (NEW) (*Effective July 1, 2017*) Any hospital that is exempt
2005 from federal income tax under Section 501(a) of the Internal Revenue
2006 Code of 1986, or any subsequent corresponding internal revenue code
2007 of the United States, as amended from time to time, may enter into an
2008 agreement with the municipality in which such hospital is situated to
2009 make voluntary public service payments to such municipality in an
2010 amount equal to the real property taxes such hospital would have paid
2011 if such real property had been subject to tax.

2012 Sec. 23. Section 12-263b of the general statutes is repealed and the
2013 following is substituted in lieu thereof (*Effective July 1, 2017*):

2014 (a) (1) For each calendar quarter commencing on or after July 1,
2015 2011, and prior to July 1, 2020, there is hereby imposed a tax on the net
2016 patient revenue of each hospital in this state to be paid each calendar
2017 quarter. The rate of such tax shall be up to the maximum rate allowed
2018 under federal law and in conformance with the state budget adopted
2019 by the General Assembly. Each hospital shall be promptly notified of
2020 the amount of tax due by the Commissioner of Social Services. The
2021 Commissioner of Social Services shall determine the base year on
2022 which such tax shall be assessed in order to ensure conformance with

2023 the state budget adopted by the General Assembly. The Commissioner
2024 of Social Services may, in consultation with the Secretary of the Office
2025 of Policy and Management and in accordance with federal law, exempt
2026 a hospital from the tax on payment earned for the provision of
2027 outpatient services based on financial hardship. [Effective July 1, 2012,
2028 and for the succeeding fifteen months, the rates of such tax, the base
2029 year on which such tax shall be assessed, and the hospitals exempt
2030 from the outpatient portion of the tax based on financial hardship shall
2031 be the same tax rates, base year and outpatient exemption for hardship
2032 in effect on January 1, 2012.]

2033 (2) (A) For the fiscal year commencing July 1, 2020, and through the
2034 fiscal year ending June 30, 2026, the Commissioner of Social Services
2035 shall reduce each July first the amount of tax imposed under this
2036 section, in equal increments over said time period. Commencing July 1,
2037 2026, no tax shall be imposed under this section. Each hospital shall be
2038 promptly notified of the amount of tax due by the Commissioner of
2039 Social Services. The Commissioner of Social Services may, in
2040 consultation with the Secretary of the Office of Policy and
2041 Management and in accordance with federal law, exempt a hospital
2042 from the tax on payment earned for the provision of outpatient
2043 services based on financial hardship.

2044 (B) The Commissioner of Social Services shall use, as the base
2045 amount for calculating the reduction under subparagraph (A) of this
2046 subdivision, the amount of tax imposed on the hospital under
2047 subdivision (1) of this subsection during the calendar quarters
2048 commencing July 1, 2019, and prior to July 1, 2020.

2049 (b) [Each] Until August 1, 2026, each hospital shall, on or before the
2050 last day of January, April, July and October of each year, render to the
2051 Commissioner of Revenue Services a return, on forms prescribed or
2052 furnished by the Commissioner of Revenue Services and signed by one
2053 of its principal officers, stating specifically the name and location of
2054 such hospital, and the amount of its net patient revenue as determined
2055 by the Commissioner of Social Services. Payment shall be made with

2056 such return. Each hospital shall file such return electronically with the
2057 department and make such payment by electronic funds transfer in the
2058 manner provided by chapter 228g, irrespective of whether the hospital
2059 would otherwise have been required to file such return electronically
2060 or to make such payment by electronic funds transfer under the
2061 provisions of chapter 228g.

2062 (c) Notwithstanding any other provision of law: [, for]

2063 (1) For each calendar quarter commencing on or after July 1, 2015,
2064 and prior to January 1, 2016, the amount of tax credit or credits
2065 otherwise allowable against the taxes imposed under sections 12-263a
2066 to 12-263e, inclusive, and 12-263i shall not exceed fifty and one one-
2067 hundredths per cent of the amount of tax due under sections 12-263a
2068 to 12-263e, inclusive, and 12-263i with respect to such calendar quarter
2069 prior to the application of such credit or credits.

2070 (2) For each calendar quarter commencing on or after January 1,
2071 2016, and prior to January 1, 2017, the amount of tax credit or credits
2072 otherwise allowable against the taxes imposed under sections 12-263a
2073 to 12-263e, inclusive, and 12-263i shall not exceed fifty-five per cent of
2074 the amount of tax due under sections 12-263a to 12-263e, inclusive, and
2075 12-263i with respect to such calendar quarter prior to the application of
2076 such credit or credits.

2077 (3) For each calendar quarter commencing on or after January 1,
2078 2017, and prior to January 1, 2018, the amount of tax credit or credits
2079 otherwise allowable against the taxes imposed under sections 12-263a
2080 to 12-263e, inclusive, and 12-263i shall not exceed sixty per cent of the
2081 amount of tax due under sections 12-263a to 12-263e, inclusive, and 12-
2082 263i with respect to such calendar quarter prior to the application of
2083 such credit or credits.

2084 (4) For each calendar quarter commencing on or after January 1,
2085 2018, and prior to January 1, 2019, the amount of tax credit or credits
2086 otherwise allowable against the taxes imposed under sections 12-263a

2087 to 12-263e, inclusive, and 12-263i shall not exceed sixty-five per cent of
2088 the amount of tax due under sections 12-263a to 12-263e, inclusive, and
2089 12-263i with respect to such calendar quarter prior to the application of
2090 such credit or credits.

2091 (5) For each calendar quarter commencing on or after January 1,
2092 2019, the amount of tax credit or credits otherwise allowable against
2093 the taxes imposed under sections 12-263a to 12-263e, inclusive, and 12-
2094 263i shall not exceed seventy per cent of the amount of tax due under
2095 sections 12-263a to 12-263e, inclusive, and 12-263i with respect to such
2096 calendar quarter prior to the application of such credit or credits.

2097 Sec. 24. Subsection (a) of section 12-541 of the general statutes is
2098 repealed and the following is substituted in lieu thereof (*Effective*
2099 *January 1, 2018*):

2100 (a) There is hereby imposed a tax of ten per cent of the admission
2101 charge to any place of amusement, entertainment or recreation, except
2102 that no tax shall be imposed with respect to any admission charge (1)
2103 when the admission charge is less than one dollar or, in the case of any
2104 motion picture show, when the admission charge is not more than five
2105 dollars, (2) when a daily admission charge is imposed which entitles
2106 the patron to participate in an athletic or sporting activity, (3) to any
2107 event, other than events held at the stadium facility, as defined in
2108 section 32-651, if all of the proceeds from the event inure exclusively to
2109 an entity [which] that is exempt from federal income tax under the
2110 Internal Revenue Code of 1986, or any subsequent corresponding
2111 internal revenue code of the United States, as amended from time to
2112 time, provided such entity actively engages in and assumes the
2113 financial risk associated with the presentation of such event, (4) to any
2114 event, other than events held at the stadium facility, as defined in
2115 section 32-651, [which] that, in the opinion of the commissioner, is
2116 conducted primarily to raise funds for an entity [which] that is exempt
2117 from federal income tax under [the] said Internal Revenue Code,
2118 provided the commissioner is satisfied that the net profit [which] that
2119 inures to such entity from such event will exceed the amount of the

2120 admissions tax which, but for this subdivision, would be imposed
2121 upon the person making such charge to such event, (5) other than for
2122 events held at the stadium facility, as defined in section 32-651, paid by
2123 centers of service for elderly persons, as described in subdivision (d) of
2124 section 17a-310, (6) to any production featuring live performances by
2125 actors or musicians presented at Gateway's Candlewood Playhouse,
2126 Ocean Beach Park or any nonprofit theater or playhouse in the state,
2127 provided such theater or playhouse possesses evidence confirming
2128 exemption from federal tax under Section 501 of [the] said Internal
2129 Revenue Code, (7) to any carnival or amusement ride, (8) to any
2130 interscholastic athletic event held at the stadium facility, as defined in
2131 section 32-651, (9) if the admission charge would have been subject to
2132 tax under the provisions of section 12-542 of the general statutes,
2133 revision of 1958, revised to January 1, 1999, (10) to any event at (A) the
2134 XL Center in Hartford, or (B) the Webster Bank Arena in Bridgeport,
2135 (11) [from July 1, 2015, to June 30, 2017,] to any athletic event presented
2136 by a member team of the Atlantic League of Professional Baseball at
2137 the Ballpark at Harbor Yard in Bridgeport, (12) to any event presented
2138 at the Dunkin' Donuts Park in Hartford, [or] (13) on and after July 1,
2139 2017, to any athletic event presented by a member team of the Atlantic
2140 League of Professional Baseball at the New Britain Stadium, or (14) to
2141 any event at the Oakdale Theatre in Wallingford. On and after July 1,
2142 2000, the tax imposed under this section on any motion picture show
2143 shall be eight per cent of the admission charge and, on and after July 1,
2144 2001, the tax imposed on any such motion picture show shall be six per
2145 cent of such charge.

2146 Sec. 25. Subsection (a) of section 7-168a of the general statutes is
2147 repealed and the following is substituted in lieu thereof (*Effective July*
2148 *1, 2017*):

2149 (a) (1) A municipality may, by ordinance, impose a surcharge on the
2150 admission charge [, as defined in subdivision (3) of section 12-540,] for
2151 any event that is held at a facility located within the municipality. The
2152 amount of such surcharge shall not exceed five per cent of the amount

2153 of admission, except that the amount of such surcharge imposed on the
2154 facility described in subdivision (12) of subsection (a) of section 12-541,
2155 as amended by this act, shall not exceed ten per cent of the amount of
2156 admission. The amount of any such surcharge shall be in addition to
2157 any tax otherwise applicable to such admission charge, except that no
2158 municipality may impose a surcharge on a facility pursuant to this
2159 section if [(1)] (A) the municipality imposes a surcharge on such
2160 facility pursuant to section 12-579, or [(2)] (B) all of the proceeds from
2161 the event inure exclusively to an entity which is exempt from federal
2162 income tax under the Internal Revenue Code, provided such entity
2163 actively engages in and assumes the financial risk associated with the
2164 presentation of such event. Any municipal ordinance adopted
2165 pursuant to this section may exclude additional events or facilities
2166 from the surcharge imposed pursuant to this section.

2167 (2) As used in this section, "admission charge" means the amount
2168 paid, whether in the form of a ticket price, license fee, skybox, luxury
2169 suite or club seat rental charge or purchase price, or otherwise, for the
2170 right or privilege to have access to a place or location where
2171 amusement, entertainment or recreation is provided, exclusive of any
2172 charges for instruction, and including any preferred seat license fee or
2173 any other payment required in order to have the right to purchase
2174 seats or secure admission to any such place or location. Places of
2175 amusement, entertainment or recreation (A) include, but are not
2176 limited to, theaters, auditoriums where lectures and concerts are given,
2177 amusement parks, fairgrounds, race tracks, dance halls, ball parks,
2178 stadiums, amphitheaters, convention centers, golf courses, miniature
2179 golf courses, tennis courts, skating rinks, swimming pools, bathing
2180 beaches, gymnasiums, auto shows, boat shows, camping shows, home
2181 shows, dog shows and antique shows, but (B) do not include motion
2182 picture shows.

2183 Sec. 26. Subparagraph (OO) of subdivision (37) of subsection (a) of
2184 section 12-407 of the general statutes is repealed and the following is
2185 substituted in lieu thereof (*Effective July 1, 2017*):

2186 (OO) Car wash services, [including] excluding coin-operated car
2187 washes.

2188 Sec. 27. Section 7-73 of the general statutes is repealed and the
2189 following is substituted in lieu thereof (*Effective July 1, 2017*):

2190 (a) To any person performing the duties required by the provisions
2191 of the general statutes relating to registration of marriages, deaths and
2192 fetal deaths, the following fees shall be allowed: (1) For the license to
2193 marry, [ten] fifteen dollars; and (2) for issuing each burial or removal,
2194 transit and burial permit, three dollars.

2195 (b) A [twenty-dollar] thirty-five-dollar surcharge shall be paid to the
2196 registrar for each license to marry in addition to the fee for such license
2197 established pursuant to subsection (a) of this section. The registrar
2198 shall retain one dollar from each such surcharge for administrative
2199 costs and shall forward the remainder, on or before the tenth day of
2200 the month following each calendar quarter, to the Department of
2201 Public Health. The receipts shall be deposited into an account of the
2202 State Treasurer and credited to the General Fund for further credit to a
2203 separate nonlapsing account established by the Comptroller for use by
2204 the Department of Social Services for shelter services for victims of
2205 household abuse in accordance with section 17b-850 and by the
2206 Department of Public Health for rape crisis services funded under
2207 section 19a-2a. Such funds shall be allocated for these purposes by the
2208 Office of Policy and Management in consultation with the
2209 Commissioners of Social Services and Public Health based on an
2210 evaluation of need, service delivery costs and availability of other
2211 funds. The Commissioners of Social Services and Public Health shall
2212 distribute such funds to the recipient organizations in accordance with
2213 such allocations not later than October fifteenth, annually. No such
2214 funds shall (1) be retained by the Office of Policy and Management, the
2215 Commissioner of Social Services or the Commissioner of Public Health
2216 for administrative purposes; or (2) supplant any state or federal funds
2217 otherwise available for such services.

2218 Sec. 28. (*Effective from passage*) Each department head, as defined in
2219 section 4-5 of the general statutes, other than the Secretary of the Office
2220 of Policy and Management, shall undertake a review of the fees
2221 collected by his or her department and determine whether each fee is
2222 sufficient to cover the department's costs to collect such fee and
2223 administer the program associated with such fee. Each department
2224 head shall submit, taking such costs into consideration, any
2225 recommended fee increases to said secretary before December 1, 2017.
2226 Said secretary shall review each department head's submission and
2227 submit a report to the joint standing committee of the General
2228 Assembly having cognizance of matters relating to finance, revenue
2229 and bonding not later than February 7, 2018, of any recommended
2230 increases of up to fifty per cent of any existing fee, provided the total
2231 amount of the increase in fees shall not exceed twenty million dollars.

2232 Sec. 29. Subparagraph (K) of subdivision (1) of section 12-408 of the
2233 general statutes is repealed and the following is substituted in lieu
2234 thereof (*Effective July 1, 2017*):

2235 (K) [(i)] Notwithstanding the provisions of this section, for calendar
2236 months commencing on or after May 1, 2016, but prior to July 1, 2016,
2237 the commissioner shall deposit into the municipal revenue sharing
2238 account established pursuant to section 4-66l four and seven-tenths per
2239 cent of the amounts received by the state from the tax imposed under
2240 subparagraph (A) of this subdivision, and shall transfer any accrual
2241 related to said months on or after said July 1, 2016, date; and

2242 [(ii) For calendar months commencing on or after July 1, 2017, the
2243 commissioner shall deposit into the municipal revenue sharing
2244 account established pursuant to section 4-66l seven and nine-tenths per
2245 cent of the amounts received by the state from the tax imposed under
2246 subparagraph (A) of this subdivision; and]

2247 Sec. 30. (*Effective July 1, 2017*) For the fiscal years ending June 30,
2248 2018, and June 30, 2019, the Secretary of the Office of Policy and
2249 Management shall transfer the sum of \$264,900,000 in each fiscal year

2250 from the General Fund to the Municipal Revenue Sharing Fund
2251 established pursuant to section 4-66p of the general statutes.

2252 Sec. 31. Subsection (a) of section 3-21 of the general statutes is
2253 repealed and the following is substituted in lieu thereof (*Effective July*
2254 *1, 2017*):

2255 (a) (1) No bonds, notes or other evidences of indebtedness for
2256 borrowed money payable from General Fund tax receipts of the state
2257 shall be authorized by the General Assembly or issued except such as
2258 shall not cause the aggregate amount of the total amount of bonds,
2259 notes or other evidences of indebtedness payable from General Fund
2260 tax receipts authorized by the General Assembly but which have not
2261 been issued and the total amount of such indebtedness which has been
2262 issued and remains outstanding to exceed, (A) for fiscal years
2263 commencing prior to July 1, 2019, one and six-tenths times, and (B) for
2264 fiscal years commencing on or after July 1, 2019, one and five-hundred-
2265 seventy-five-thousandths times, the total General Fund tax receipts of
2266 the state for the fiscal year in which any such authorization will
2267 become effective or in which such indebtedness is issued, as estimated
2268 for such fiscal year by the joint standing committee of the General
2269 Assembly having cognizance of finance, revenue and bonding in
2270 accordance with section 2-35.

2271 (2) In computing such aggregate amount of indebtedness at any
2272 time, there shall be excluded or deducted, as the case may be, [(1)] (A)
2273 the principal amount of all such obligations as may be certified by the
2274 Treasurer [(A)] (i) as issued in anticipation of revenues to be received
2275 by the state during the period of twelve calendar months next
2276 following their issuance and to be paid by application of such revenue,
2277 or [(B)] (ii) as having been refunded or replaced by other indebtedness
2278 the proceeds and projected earnings on which or other funds are held
2279 in escrow to pay and are sufficient to pay the principal, interest and
2280 any redemption premium until maturity or earlier planned
2281 redemption of such indebtedness, or [(C)] (iii) as issued and
2282 outstanding in anticipation of particular bonds then unissued but fully

2283 authorized to be issued in the manner provided by law for such
2284 authorization, provided, as long as any of such obligations are
2285 outstanding, the entire principal amount of such particular bonds thus
2286 authorized shall be deemed to be outstanding and be included in such
2287 aggregate amount of indebtedness, or [(D)] (iv) as payable solely from
2288 revenues of particular public improvements, [(2)] (B) the amount
2289 which may be certified by the Treasurer as the aggregate value of cash
2290 and securities in debt retirement funds of the state to be used to meet
2291 principal of outstanding obligations included in such aggregate
2292 amount of indebtedness, [(3)] (C) every such amount as may be
2293 certified by the Secretary of the Office of Policy and Management as
2294 the estimated payments on account of the costs of any public work or
2295 improvement thereafter to be received by the state from the United
2296 States or agencies thereof and to be used, in conformity with applicable
2297 federal law, to meet principal of obligations included in such aggregate
2298 amount of indebtedness, [(4)] (D) all authorized and issued
2299 indebtedness to fund any budget deficits of the state for any fiscal year
2300 ending on or before June 30, 1991, [(5)] (E) all authorized indebtedness
2301 to fund the program created pursuant to section 32-285, [(6)] (F) all
2302 authorized and issued indebtedness to fund any budget deficits of the
2303 state for any fiscal year ending on or before June 30, 2002, [(7)] (G) all
2304 indebtedness authorized and issued pursuant to section 1 of public act
2305 03-1 of the September 8 special session, [(8)] (H) all authorized
2306 indebtedness issued pursuant to section 3-62h, [(9)] (I) any
2307 indebtedness represented by any agreement entered into pursuant to
2308 subsection (b) or (c) of section 3-20a as certified by the Treasurer,
2309 provided the indebtedness in connection with which such agreements
2310 were entered into shall be included in such aggregate amount of
2311 indebtedness, and [(10)] (J) all indebtedness authorized and issued
2312 pursuant to section 3-20g. In computing the amount of outstanding
2313 indebtedness, only the accreted value of any capital appreciation
2314 obligation or any zero coupon obligation which has accreted and been
2315 added to the stated initial value of such obligation as of the date of any
2316 computation shall be included.

2317 Sec. 32. (*Effective from passage*) (a) There is established a working
2318 group to analyze the efficacy of fines as a deterrent for excessive
2319 speeding. The working group shall consist of (1) the Commissioners of
2320 Revenue Services, Motor Vehicles and Emergency Services and Public
2321 Protection, or their designees, (2) the Secretary of the Office of Policy
2322 and Management or the secretary's designee, (3) the Chief State's
2323 Attorney or the Chief State's Attorney's designee, (4) the Chief Public
2324 Defender or the Chief Public Defender's designee, (5) a clerk of the
2325 Centralized Infractions Bureau designated by the Chief Court
2326 Administrator, (6) a representative of a municipal police department
2327 designated by the president of the Connecticut Police Chiefs
2328 Association, (7) a representative of the Connecticut State Police
2329 designated by the president of the Connecticut State Police Union, and
2330 (8) the chairpersons and ranking members of the joint standing
2331 committees of the General Assembly having cognizance of matters
2332 relating to finance, revenue and bonding, the judiciary, public safety
2333 and transportation.

2334 (b) The working group shall study available data related to the
2335 frequency of the imposition of fines for such violations, the percentage
2336 of such fines that are paid, the percentage of such fines that are
2337 contested, the average total amount of such fines collected in a fiscal
2338 year and the estimated costs associated with the imposition and
2339 collection of such fines, procedures used by police officers with respect
2340 to drivers who are speeding, statistical comparisons with other states
2341 and nationally and any other information or materials that may assist
2342 the working group to evaluate whether the existing fines and
2343 procedures serve a sufficiently deterrent purpose. The working group
2344 may consult with any individuals or entities the working group deems
2345 appropriate to conduct its analysis and to determine alternative
2346 methods and systems that may be considered for implementation to
2347 more effectively promote safe driving.

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 and applicable to taxable years commencing on or after January 1, 2017</i>	12-704e(e)
Sec. 3	<i>January 1, 2018</i>	New section
Sec. 4	<i>January 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	12-701(a)(20)(B)
Sec. 5	<i>January 1, 2018, and applicable to estates of decedents dying on or after January 1, 2018</i>	12-391
Sec. 6	<i>January 1, 2018</i>	12-640
Sec. 7	<i>January 1, 2018, and applicable to gifts made on or after January 1, 2018</i>	12-642
Sec. 8	<i>January 1, 2018</i>	12-643
Sec. 9	<i>from passage</i>	12-211a(a)
Sec. 10	<i>from passage</i>	12-217jj(a)(3)(A)
Sec. 11	<i>July 1, 2017</i>	12-217jj
Sec. 12	<i>July 1, 2017</i>	12-412(62)
Sec. 13	<i>July 1, 2017</i>	New section
Sec. 14	<i>July 1, 2017</i>	New section
Sec. 15	<i>July 1, 2017</i>	12-217jj
Sec. 16	<i>July 1, 2017</i>	12-391(i)
Sec. 17	<i>July 1, 2017</i>	12-217zz
Sec. 18	<i>from passage</i>	12-202
Sec. 19	<i>from passage</i>	12-202a(a)
Sec. 20	<i>from passage</i>	12-210(b)
Sec. 21	<i>July 1, 2017</i>	12-263b
Sec. 22	<i>July 1, 2017</i>	New section
Sec. 23	<i>July 1, 2017</i>	12-263b
Sec. 24	<i>January 1, 2018</i>	12-541(a)
Sec. 25	<i>July 1, 2017</i>	7-168a(a)
Sec. 26	<i>July 1, 2017</i>	12-407(a)(37)(OO)
Sec. 27	<i>July 1, 2017</i>	7-73

Sec. 28	<i>from passage</i>	New section
Sec. 29	<i>July 1, 2017</i>	12-408(1)(K)
Sec. 30	<i>July 1, 2017</i>	New section
Sec. 31	<i>July 1, 2017</i>	3-21(a)
Sec. 32	<i>from passage</i>	New section

FIN *Joint Favorable Subst.*