AN ACT CONCERNING VARIOUS TAX RATES, THE USE OF CERTAIN TAXES AND FEES FOR TOURISM AND OTHER PROGRAMS, ESTABLISHING THE MENTAL HEALTH COMMUNITY INVESTMENT ACCOUNT AND CONCERNING THE PURPOSE OF THE CAPITAL REGION DEVELOPMENT AUTHORITY.

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

Section 1. Subparagraph (B) of subdivision (1) of section 12-408 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017, and applicable to sales occurring on or after July 1, 2017):

(B) (i) At a rate of fifteen per cent with respect to each transfer of occupancy, from the total amount of rent received for such occupancy of any room or rooms in a hotel or lodging house for the first period not exceeding thirty consecutive calendar days;

(ii) At a rate of ten per cent with respect to each transfer of occupancy, from the total amount of rent received for such occupancy of any room or rooms in a bed and breakfast establishment for the first
period not exceeding thirty consecutive calendar days;

Sec. 2. Subparagraph (B) of subdivision (1) of section 12-411 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017, and applicable to sales occurring on or after July 1, 2017):

(B) (i) At a rate of fifteen per cent of the rent paid for occupancy of any room or rooms in a hotel or lodging house for the first period of not more than thirty consecutive calendar days;

(ii) At a rate of ten per cent of the rent paid for occupancy of any room or rooms in a bed and breakfast establishment for the first period of not more than thirty consecutive calendar days;

Sec. 3. Section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017, and applicable to sales occurring on or after July 1, 2017):

(a) Whenever used in this chapter:

(1) "Person" means and includes any individual, firm, copartnership, joint venture, association, association of persons however formed, social club, fraternal organization, corporation, limited liability company, foreign municipal electric utility as defined in section 12-59, estate, trust, fiduciary, receiver, trustee, syndicate, the United States, this state or any political subdivision thereof or any group or combination acting as a unit, and any other individual or officer acting under the authority of any court in this state.

(2) "Sale" and "selling" mean and include:

(A) Any transfer of title, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration;

(B) Any withdrawal, except a withdrawal pursuant to a transaction
in foreign or interstate commerce, of tangible personal property from
the place where it is located for delivery to a point in this state for the
purpose of the transfer of title, exchange or barter, conditional or
otherwise, in any manner or by any means whatsoever, of the property
for a consideration;

(C) The producing, fabricating, processing, printing or imprinting of
tangible personal property for a consideration for consumers who
furnish either directly or indirectly the materials used in the
producing, fabricating, processing, printing or imprinting, including,
but not limited to, sign construction, photofinishing, duplicating and
photocopying;

(D) The furnishing and distributing of tangible personal property
for a consideration by social clubs and fraternal organizations to their
members or others;

(E) The furnishing, preparing, or serving for a consideration of food,
meals or drinks;

(F) A transaction whereby the possession of property is transferred
but the seller retains the title as security for the payment of the price;

(G) A transfer for a consideration of the title of tangible personal
property which has been produced, fabricated or printed to the special
order of the customer, or of any publication, including, but not limited
to, sign construction, photofinishing, duplicating and photocopying;

(H) A transfer for a consideration of the occupancy of any room or
rooms in a hotel, lodging house or bed and breakfast establishment for a period of thirty consecutive calendar days or less;

(I) The rendering of certain services, as defined in subdivision (37)
of this subsection, for a consideration, exclusive of such services
rendered by an employee for the employer;

(J) The leasing or rental of tangible personal property of any kind
whatsoever, including, but not limited to, motor vehicles, linen or
towels, machinery or apparatus, office equipment and data processing
equipment, provided for purposes of this subdivision and the
application of sales and use tax to contracts of lease or rental of
tangible personal property, the leasing or rental of any motion picture
film by the owner or operator of a motion picture theater for purposes
of display at such theater shall not constitute a sale within the meaning
of this subsection;

(K) The rendering of telecommunications service, as defined in
subdivision (26) of this subsection, for a consideration on or after
January 1, 1990, exclusive of any such service rendered by an employee
for the employer of such employee, subject to the provisions related to
telecommunications service in accordance with section 12-407a;

(L) (i) The rendering of community antenna television service, as
defined in subdivision (27) of this subsection, for a consideration on or
after January 1, 1990, exclusive of any such service rendered by an
employee for the employer of such employee. For purposes of this
chapter, "community antenna television service" includes service
provided by a holder of a certificate of cable franchise authority
pursuant to section 16-331p, and service provided by a community
antenna television company issued a certificate of video franchise
authority pursuant to section 16-331e for any service area in which it
was not certified to provide community antenna television service
pursuant to section 16-331 on or before October 1, 2007;

(ii) The rendering of certified competitive video service, as defined
in subdivision (38) of this subsection, for consideration on or after
October 1, 2007, exclusive of any such service rendered by an
employee for the employer of such employee;

(M) The transfer for consideration of space or the right to use any
space for the purpose of storage or mooring of any noncommercial
vessel, exclusive of dry or wet storage or mooring of such vessel
during the period commencing on the first day of October in any year
to and including the thirty-first day of May of the next succeeding
year;

(N) The sale for consideration of naming rights to any place of
amusement, entertainment or recreation within the meaning of
subdivision (3) of section 12-540;

(O) The transfer for consideration of a prepaid telephone calling
service, as defined in subdivision (34) of this subsection, and the
recharge of a prepaid telephone calling service, provided, if the sale or
recharge of a prepaid telephone calling service does not take place at
the retailer's place of business and an item is shipped by the retailer to
the customer, the sale or recharge shall be deemed to take place at the
customer's shipping address, but, if such sale or recharge does not take
place at the retailer's place of business and no item is shipped by the
retailer to the customer, the sale or recharge shall be deemed to take
place at the customer's billing address or the location associated with
the customer's mobile telephone number; and

(P) The furnishing by any person, for a consideration, of space for
storage of tangible personal property when such person is engaged in
the business of furnishing such space, but "sale" and "selling" do not
mean or include the furnishing of space which is used by a person for
residential purposes. As used in this subparagraph, "space for storage"
means secure areas, such as rooms, units, compartments or containers,
whether accessible from outside or from within a building, that are
designated for the use of a customer, where the customer can store and
retrieve property, including self-storage units, mini-storage units and
areas by any other name to which the customer has either unlimited
free access or free access within reasonable business hours or upon
reasonable notice to the service provider to add or remove property,
but does not mean the rental of an entire building, such as a
warehouse. For purposes of this subparagraph, furnishing space for
storage shall not include general warehousing and storage, where the
warehouse typically handles, stores and retrieves a customer's property using the warehouse's staff and equipment and does not allow the customer free access to the storage space and shall not include accepting specific items of property for storage, such as clothing at a dry cleaning establishment or golf bags at a golf club.

(3) (A) "Retail sale" or "sale at retail" means and includes a sale for any purpose other than resale in the regular course of business of tangible personal property or a transfer for a consideration of the occupancy of any room or rooms in a hotel, lodging house or bed and breakfast establishment for a period of thirty consecutive calendar days or less, or the rendering of any service described in subdivision (2) of this subsection. The delivery in this state of tangible personal property by an owner or former owner thereof or by a factor, if the delivery is to a consumer pursuant to a retail sale made by a retailer not engaged in business in this state, is a retail sale in this state by the person making the delivery. Such person shall include the retail selling price of the property in such person's gross receipts.

(B) "Retail sale" or "sale at retail" does not include any sale of any tangible personal property, where, no later than one hundred twenty days after the original sale, the original purchaser sells or becomes contractually obligated to sell such property to a retailer who is contractually obligated to lease such property back to such original purchaser in a lease that is taxable under this chapter or the sale of such property by the original purchaser to the retailer who is contractually obligated to lease such property back to such original purchaser in a lease that is taxable under this chapter. If the original purchaser has paid sales or use tax on the original sale of such property to the original purchaser, such original purchaser may (i) claim a refund of such tax under the provisions of section 12-425, upon presentation of proof satisfactory to the commissioner that the mutual contractual obligations described in this subparagraph were undertaken no later than one hundred twenty days after the original sale and that such tax was paid to the original retailer on the original
sale and was remitted to the commissioner by such original retailer or by such original purchaser, or (ii) issue at the time of such original sale or no later than one hundred twenty days thereafter a certificate, in the form prescribed by the commissioner, to the original retailer certifying that the mutual contractual obligations described in this subparagraph have been undertaken. If such certificate is issued to the original retailer at the time of the original sale, no tax on the original sale shall be collected by the original retailer from the original purchaser. If the certificate is issued after the time of the original sale but no later than one hundred twenty days thereafter, the original retailer shall refund to the original purchaser the tax collected on the original sale and, if the original retailer has previously remitted the tax to the commissioner, the original retailer may either treat the amount so refunded as a credit against the tax due on the return next filed under this chapter, or claim a refund under section 12-425. If such certificate is issued no later than one hundred twenty days after the time of the original sale but the tangible personal property originally purchased is not, in fact, subsequently leased by the original purchaser, such original purchaser shall be liable for and be required to pay the tax due on the original sale.

(4) "Storage" includes any keeping or retention in this state for any purpose except sale in the regular course of business or subsequent use solely outside this state of tangible personal property purchased from a retailer.

(5) "Use" includes the exercise of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of that property in the regular course of business.

(6) "Storage" and "use" do not include (A) keeping, retaining or exercising any right or power over tangible personal property shipped or brought into this state for the purpose of subsequently transporting it outside the state for use thereafter solely outside the state, or for the
purpose of being processed, fabricated or manufactured into, attached
to or incorporated into, other tangible personal property to be
transported outside the state and thereafter used solely outside the
state, or (B) keeping, retaining or exercising any right or power over
tangible personal property acquired by the customer of a commercial
printer while such property is located at the premises of the
commercial printer in this state pursuant to a contract with such
printer for printing and distribution of printed material if the
commercial printer could have acquired such property without
application of tax under this chapter.

(7) "Purchase" and "purchasing" means and includes: (A) Any
transfer, exchange or barter, conditional or otherwise, in any manner
or by any means whatsoever, of tangible personal property or of the
occupancy of any room or rooms in a hotel, lodging house or bed
and breakfast establishment for a period of thirty consecutive calendar
days or less for a consideration; (B) a transaction whereby the
possession of property is transferred but the seller retains the title as
security for the payment of the price; (C) a transfer for a considera-
tion of tangible personal property which has been produced, fabricated or
printed to the special order of the customer, or of any publication; (D)
when performed outside this state or when the customer gives a resale
certificate pursuant to section 12-410, the producing, fabricating,
processing, printing or imprinting of tangible personal property for a
consideration for consumers who furnish either directly or indirectly
the materials used in the producing, fabricating, processing, printing
or imprinting; (E) the acceptance or receipt of any service described in
any of the subparagraphs of subdivision (2) of this subsection; (F) any
leasing or rental of tangible personal property. Wherever in this
chapter reference is made to the purchase or purchasing of tangible
personal property, it shall be construed to include purchases as
described in this subsection.

(8) (A) "Sales price" means the total amount for which tangible
personal property is sold by a retailer, the total amount of rent for
which occupancy of a room is transferred by an operator, the total amount for which any service described in subdivision (2) of this subsection is rendered by a retailer or the total amount of payment or periodic payments for which tangible personal property is leased by a retailer, valued in money, whether paid in money or otherwise, which amount is due and owing to the retailer or operator and, subject to the provisions of subdivision (1) of section 12-408, as amended by this act, whether or not actually received by the retailer or operator, without any deduction on account of any of the following: (i) The cost of the property sold; (ii) the cost of materials used, labor or service cost, interest charged, losses or any other expenses; (iii) for any sale occurring on or after July 1, 1993, any charges by the retailer to the purchaser for shipping or delivery, notwithstanding whether such charges are separately stated in a written contract, or on a bill or invoice rendered to such purchaser or whether such shipping or delivery is provided by the retailer or a third party. The provisions of subparagraph (A) (iii) of this subdivision shall not apply to any item exempt from taxation pursuant to section 12-412. Such total amount includes any services that are a part of the sale; except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this subdivision, any amount for which credit is given to the purchaser by the retailer, and all compensation and all employment-related expenses, whether or not separately stated, paid to or on behalf of employees of a retailer of any service described in subdivision (2) of this subsection.

(B) "Sales price" does not include any of the following: (i) Cash discounts allowed and taken on sales; (ii) any portion of the amount charged for property returned by purchasers, which upon rescission of the contract of sale is refunded either in cash or credit, provided the property is returned within ninety days from the date of purchase; (iii) the amount of any tax, not including any manufacturers' or importers' excise tax, imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the purchaser; (iv) the amount charged for labor rendered in installing or applying the
property sold, provided such charge is separately stated and exclusive of such charge for any service rendered within the purview of subparagraph (I) of subdivision (37) of this subsection; (v) unless the provisions of subdivision (4) of section 12-430 or of section 12-430a are applicable, any amount for which credit is given to the purchaser by the retailer, provided such credit is given solely for property of the same kind accepted in part payment by the retailer and intended by the retailer to be resold; (vi) the full face value of any coupon used by a purchaser to reduce the price paid to a retailer for an item of tangible personal property, whether or not the retailer will be reimbursed for such coupon, in whole or in part, by the manufacturer of the item of tangible personal property or by a third party; (vii) the amount charged for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of employees of a retailer who has contracted to manage a service recipient's property or business premises and renders management services described in subparagraph (I) or (J) of subdivision (37) of this subsection, provided, the employees perform such services solely for the service recipient at its property or business premises and "sales price" shall include the separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of any employee of the retailer who is an officer, director or owner of more than five per cent of the outstanding capital stock of the retailer. Determination whether an employee performs services solely for a service recipient at its property or business premises for purposes of this subdivision shall be made by reference to such employee's activities during the time period beginning on the later of the commencement of the management contract, the date of the employee's first employment by the retailer or the date which is six months immediately preceding the date of such determination; (viii) the amount charged for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of (I) a leased employee, or (II) a worksite employee by a professional employer organization pursuant to a professional
employer agreement. For purposes of this subparagraph, an employee shall be treated as a leased employee if the employee is provided to the client at the commencement of an agreement with an employee leasing organization under which at least seventy-five per cent of the employees provided to the client at the commencement of such initial agreement qualify as leased employees pursuant to Section 414(n) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, or the employee is added to the client's workforce by the employee leasing organization subsequent to the commencement of such initial agreement and qualifies as a leased employee pursuant to Section 414(n) of said Internal Revenue Code of 1986 without regard to subparagraph (B) of paragraph (2) thereof. A leased employee, or a worksite employee subject to a professional employer agreement, shall not include any employee who is hired by a temporary help service and assigned to support or supplement the workforce of a temporary help service's client; (ix) any amount received by a retailer from a purchaser as the battery deposit that is required to be paid under subsection (a) of section 22a-245h; the refund value of a beverage container that is required to be paid under subsection (a) of section 22a-244; or a deposit that is required by law to be paid by the purchaser to the retailer and that is required by law to be refunded to the purchaser by the retailer when the same or similar tangible personal property is delivered as required by law to the retailer by the purchaser, if such amount is separately stated on the bill or invoice rendered by the retailer to the purchaser; and (x) the amount charged for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to a media payroll services company, as defined in this subsection.

(9) (A) "Gross receipts" means the total amount of the sales price from retail sales of tangible personal property by a retailer, the total amount of the rent from transfers of occupancy of rooms by an operator, the total amount of the sales price from retail sales of any
service described in subdivision (2) of this subsection by a retailer of
services, or the total amount of payment or periodic payments from
leases or rentals of tangible personal property by a retailer, valued in
money, whether received in money or otherwise, which amount is due
and owing to the retailer or operator and, subject to the provisions of
subdivision (1) of section 12-408, as amended by this act, whether or
not actually received by the retailer or operator, without any deduction
on account of any of the following: (i) The cost of the property sold;
however, in accordance with such regulations as the Commissioner of
Revenue Services may prescribe, a deduction may be taken if the
retailer has purchased property for some other purpose than resale,
has reimbursed the retailer's vendor for tax which the vendor is
required to pay to the state or has paid the use tax with respect to the
property, and has resold the property prior to making any use of the
property other than retention, demonstration or display while holding
it for sale in the regular course of business. If such a deduction is taken
by the retailer, no refund or credit will be allowed to the retailer's
vendor with respect to the sale of the property; (ii) the cost of the
materials used, labor or service cost, interest paid, losses or any other
expense; (iii) for any sale occurring on or after July 1, 1993, except for
any item exempt from taxation pursuant to section 12-412, any charges
by the retailer to the purchaser for shipping or delivery,
notwithstanding whether such charges are separately stated in the
written contract, or on a bill or invoice rendered to such purchaser or
whether such shipping or delivery is provided by the retailer or a third
party. The total amount of the sales price includes any services that are
a part of the sale; all receipts, cash, credits and property of any kind;
except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
subdivision, any amount for which credit is allowed by the retailer to
the purchaser; and all compensation and all employment-related
expenses, whether or not separately stated, paid to or on behalf of
employees of a retailer of any service described in subdivision (2) of
this subsection.
(B) "Gross receipts" do not include any of the following: (i) Cash discounts allowed and taken on sales; (ii) any portion of the sales price of property returned by purchasers, which upon rescission of the contract of sale is refunded either in cash or credit, provided the property is returned within ninety days from the date of sale; (iii) the amount of any tax, not including any manufacturers' or importers' excise tax, imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the purchaser; (iv) the amount charged for labor rendered in installing or applying the property sold, provided such charge is separately stated and exclusive of such charge for any service rendered within the purview of subparagraph (I) of subdivision (37) of this subsection; (v) unless the provisions of subdivision (4) of section 12-430 or of section 12-430a are applicable, any amount for which credit is given to the purchaser by the retailer, provided such credit is given solely for property of the same kind accepted in part payment by the retailer and intended by the retailer to be resold; (vi) the full face value of any coupon used by a purchaser to reduce the price paid to the retailer for an item of tangible personal property, whether or not the retailer will be reimbursed for such coupon, in whole or in part, by the manufacturer of the item of tangible personal property or by a third party; (vii) the amount charged for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of employees of a retailer who has contracted to manage a service recipient's property or business premises and renders management services described in subparagraph (I) or (J) of subdivision (37) of this subsection, provided the employees perform such services solely for the service recipient at its property or business premises and "gross receipts" shall include the separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of any employee of the retailer who is an officer, director or owner of more than five per cent of the outstanding capital stock of the retailer. Determination whether an employee performs services solely for a service recipient at its property or business premises.
premises for purposes of this subdivision shall be made by reference to
such employee's activities during the time period beginning on the
later of the commencement of the management contract, the date of the
employee's first employment by the retailer or the date which is six
months immediately preceding the date of such determination; (viii)
the amount charged for separately stated compensation, fringe
benefits, workers' compensation and payroll taxes or assessments paid
to or on behalf of (I) a leased employee, or (II) a worksite employee by
a professional employer organization pursuant to a professional
employer agreement. For purposes of this subparagraph, an employee
shall be treated as a leased employee if the employee is provided to the
client at the commencement of an agreement with an employee leasing
organization under which at least seventy-five per cent of the
employees provided to the client at the commencement of such initial
agreement qualify as leased employees pursuant to Section 414(n) of
the Internal Revenue Code of 1986, or any subsequent corresponding
internal revenue code of the United States, as from time to time
amended, or the employee is added to the client's workforce by the
employee leasing organization subsequent to the commencement of
such initial agreement and qualifies as a leased employee pursuant to
Section 414(n) of said Internal Revenue Code of 1986 without regard to
subparagraph (B) of paragraph (2) thereof. A leased employee, or a
worksite employee subject to a professional employer agreement, shall
not include any employee who is hired by a temporary help service
and assigned to support or supplement the workforce of a temporary
help service's client; (ix) the amount received by a retailer from a
purchaser as the battery deposit that is required to be paid under
subsection (a) of section 22a-256h; the refund value of a beverage
container that is required to be paid under subsection (a) of section
22a-244 or a deposit that is required by law to be paid by the purchaser
to the retailer and that is required by law to be refunded to the
purchaser by the retailer when the same or similar tangible personal
property is delivered as required by law to the retailer by the
purchaser, if such amount is separately stated on the bill or invoice
rendered by the retailer to the purchaser; and (x) the amount charged for separately stated compensation, fringe benefits, workers' compensation and payroll taxes or assessments paid to a media payroll services company, as defined in this subsection.

(10) "Business" includes any activity engaged in by any person or caused to be engaged in by any person with the object of gain, benefit or advantage, either direct or indirect.

(11) "Seller" includes every person engaged in the business of selling tangible personal property or rendering any service described in any of the subparagraphs of subdivision (2) of this subsection, the gross receipts from the retail sale of which are required to be included in the measure of the sales tax and every operator as defined in subdivision (18) of this subsection.

(12) "Retailer" includes: (A) Every person engaged in the business of making sales at retail or in the business of making retail sales at auction of tangible personal property owned by the person or others; (B) every person engaged in the business of making sales for storage, use or other consumption or in the business of making sales at auction of tangible personal property owned by the person or others for storage, use or other consumption; (C) every operator, as defined in subdivision (18) of this subsection; (D) every seller rendering any service described in subdivision (2) of this subsection; (E) every person under whom any salesman, representative, peddler or canvasser operates in this state, or from whom such salesman, representative, peddler or canvasser obtains the tangible personal property that is sold; (F) every person with whose assistance any seller is enabled to solicit orders within this state; (G) every person making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state who engages in regular or systematic solicitation of sales of tangible personal property in this state (i) by the display of advertisements on billboards or other outdoor advertising in this state, (ii) by the distribution of catalogs,
periodicals, advertising flyers or other advertising by means of print, radio or television media, or (iii) by mail, telegraphy, telephone, computer database, cable, optic, microwave or other communication system, for the purpose of effecting retail sales of tangible personal property, provided such person has made one hundred or more retail sales from outside this state to destinations within this state during the twelve-month period ended on the September thirtieth immediately preceding the monthly or quarterly period with respect to which such person’s liability for tax under this chapter is determined; (H) any person owned or controlled, either directly or indirectly, by a retailer engaged in business in this state which is the same as or similar to the line of business in which such person so owned or controlled is engaged; (I) any person owned or controlled, either directly or indirectly, by the same interests that own or control, either directly or indirectly, a retailer engaged in business in this state which is the same as or similar to the line of business in which such person so owned or controlled is engaged; (J) any assignee of a person engaged in the business of leasing tangible personal property to others, where leased property of such person which is subject to taxation under this chapter is situated within this state and such assignee has a security interest, as defined in subdivision (35) of subsection (b) of section 42a-1-201, in such property; (K) every person making retail sales of items of tangible personal property from outside this state to a destination within this state and not maintaining a place of business in this state who repairs or services such items, under a warranty, in this state, either directly or indirectly through an agent, independent contractor or subsidiary; and (L) every person making sales of tangible personal property or services through an agreement with another person located in this state under which such person located in this state, for a commission or other consideration that is based upon the sale of tangible personal property or services by the retailer, directly or indirectly refers potential customers, whether by a link on an Internet web site or otherwise, to the retailer, provided the cumulative gross receipts from sales by the retailer to customers in the state who are referred to the retailer by all
such persons with this type of an agreement with the retailer, is in excess of two thousand dollars during the preceding four quarterly periods ending on the last day of March, June, September and December.

(13) "Tangible personal property" means personal property which may be seen, weighed, measured, felt or touched or which is in any other manner perceptible to the senses including canned or prewritten computer software. Tangible personal property includes the distribution, generation or transmission of electricity.

(14) "In this state" or "in the state" means within the exterior limits of the state of Connecticut and includes all territory within these limits owned by or ceded to the United States of America.

(15) (A) "Engaged in business in the state" means and includes but shall not be limited to the following acts or methods of transacting business: (i) Selling in this state, or any activity in this state in connection with selling in this state, tangible personal property for use, storage or consumption within the state; (ii) engaging in the transfer for a consideration of the occupancy of any room or rooms in a hotel, lodging house or bed and breakfast establishment for a period of thirty consecutive calendar days or less; (iii) rendering in this state any service described in any of the subparagraphs of subdivision (2) of this subsection; (iv) maintaining, occupying or using, permanently or temporarily, directly or indirectly, through a subsidiary or agent, by whatever name called, any office, place of distribution, sales or sample room or place, warehouse or storage point or other place of business or having any representative, agent, salesman, canvasser or solicitor operating in this state for the purpose of selling, delivering or taking orders; (v) notwithstanding the fact that retail sales are made from outside this state to a destination within this state and that a place of business is not maintained in this state, engaging in regular or systematic solicitation of sales of tangible personal property in this state by the display of advertisements on billboards or other outdoor
advertising in this state, by the distribution of catalogs, periodicals, advertising flyers or other advertising by means of print, radio or television media, or by mail, telegraphy, telephone, computer data base, cable, optic, microwave or other communication system, for the purpose of effecting retail sales of tangible personal property, provided one hundred or more retail sales from outside this state to destinations within this state are made during the twelve-month period ended on the September thirtieth immediately preceding the monthly or quarterly period with respect to which liability for tax under this chapter is determined; (vi) being owned or controlled, either directly or indirectly, by a retailer engaged in business in this state which is the same as or similar to the line of business in which the retailer so owned or controlled is engaged; (vii) being owned or controlled, either directly or indirectly, by the same interests that own or control, either directly or indirectly, a retailer engaged in business in this state which is the same as or similar to the line of business in which the retailer so owned or controlled is engaged; (viii) being the assignee of a person engaged in the business of leasing tangible personal property to others, where leased property of such person is situated within this state and such assignee has a security interest, as defined in subdivision (35) of subsection (b) of section 42a-1-201, in such property; (ix) notwithstanding the fact that retail sales of items of tangible personal property are made from outside this state to a destination within this state and that a place of business is not maintained in this state, repairing or servicing such items, under a warranty, in this state, either directly or indirectly through an agent, independent contractor or subsidiary; and (x) selling tangible personal property or services through an agreement with a person located in this state, under which such person located in this state, for a commission or other consideration that is based upon the sale of tangible personal property or services by the retailer, directly or indirectly refers potential customers, whether by a link on an Internet web site or otherwise, to the retailer, provided the cumulative gross receipts from sales by the retailer to customers in the state who are
referred to the retailer by all such persons with this type of agreement
with the retailer is in excess of two thousand dollars during the four
preceding four quarterly periods ending on the last day of March,
June, September and December.

(B) A retailer who has contracted with a commercial printer for
printing and distribution of printed material shall not be deemed to be
engaged in business in this state because of the ownership or leasing
by the retailer of tangible or intangible personal property located at the
premises of the commercial printer in this state, the sale by the retailer
of property of any kind produced or processed at and shipped or
distributed from the premises of the commercial printer in this state,
the activities of the retailer's employees or agents at the premises of the
commercial printer in this state, which activities relate to quality
control, distribution or printing services performed by the printer, or
the activities of any kind performed by the commercial printer in this
state for or on behalf of the retailer.

(C) A retailer not otherwise a retailer engaged in business in the
state who purchases fulfillment services carried on in this state by a
person other than an affiliated person, or who owns tangible personal
property located on the premises of an unaffiliated person performing
fulfillment services for such retailer shall not be deemed to be engaged
in business in the state. For purposes of this subparagraph, persons are
affiliated persons with respect to each other where one of such persons
has an ownership interest of more than five per cent, whether direct or
indirect, in the other, or where an ownership interest of more than five
per cent, whether direct or indirect, is held in each of such persons by
another person or by a group of other persons who are affiliated
persons with respect to each other. For purposes of this subparagraph,
"fulfillment services" means services that are performed by a person on
its premises on behalf of a purchaser of such services and that involve
the receipt of orders from the purchaser of such services or an agent
thereof, which orders are to be filled by the person from an inventory
of products that are offered for sale by the purchaser of such services,
and the shipment of such orders to customers of the purchaser of such services.

(D) A retailer not otherwise a retailer engaged in business in this state that participates in a trade show or shows at the convention center, as defined in subdivision (3) of section 32-600, shall not be deemed to be engaged in business in this state, regardless of whether the retailer has employees or other staff present at such trade shows, provided the retailer's activity at such trade shows is limited to displaying goods or promoting services, no sales are made, any orders received are sent outside this state for acceptance or rejection and are filled from outside this state, and provided further that such participation is not more than fourteen days, or part thereof, in the aggregate during the retailer's income year for federal income tax purposes.

(16) "Hotel" means any building regularly used and kept open as such for the feeding and lodging of guests where any person who conducts himself properly and who is able and ready to pay for such services is received if there are accommodations for such person and which derives the major portion of its operating receipts from the renting of rooms and the sale of food. "Hotel" [shall include includes any apartment hotel wherein apartments are rented for fixed periods of time, furnished or unfurnished, while the keeper of such hotel supplies food to the occupants thereof, if required, but does not include a bed and breakfast establishment.

(17) "Lodging house" means any building or portion of a building, other than a hotel, [or] an apartment hotel or a bed and breakfast establishment, in which persons are lodged for hire with or without meals, including, but not limited to, any motel, motor court, motor inn, tourist court or similar accommodation; provided the terms "hotel", "apartment hotel", [and] "lodging house" and "bed and breakfast establishment" shall not be construed to include: (A) Privately owned and operated convalescent homes, residential care homes, homes for
the infirm, indigent or chronically ill; (B) religious or charitable homes for the aged, infirm, indigent or chronically ill; (C) privately owned and operated summer camps for children; (D) summer camps for children operated by religious or charitable organizations; (E) lodging accommodations at educational institutions; or (F) lodging accommodations at any facility operated by and in the name of any nonprofit charitable organization, provided the income from such lodging accommodations at such facility is not subject to federal income tax.

(18) "Operator" means any person operating a hotel, lodging house or bed and breakfast establishment in the state, including, but not limited to, the owner or proprietor of such premises, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating such hotel, lodging house or bed and breakfast establishment.

(19) "Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms in a hotel, lodging house or bed and breakfast establishment, or the right to the use or possession of the furnishings or the services and accommodations accompanying the use and possession of such room or rooms, for the first period of not more than thirty consecutive calendar days.

(20) "Room" means any room or rooms of any kind in any part or portion of a hotel, lodging house or bed and breakfast establishment let out for use or possession for lodging purposes.

(21) "Rent" means the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature, and also any amount for which credit is allowed by the operator to the occupant, without any deduction therefrom whatsoever.

(22) "Certificated air carrier" means a person issued a certificate or certificates by the Federal Aviation Administration pursuant to Title
14, Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of Federal Regulations or the Civil Aeronautics Board pursuant to Title 14, Chapter II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the Code of Federal Regulations, as such regulations may hereafter be amended or reclassified.

(23) "Aircraft" means aircraft, as the term is defined in section 15-34.

(24) "Vessel" means vessel, as the term is defined in section 15-127.

(25) "Licensed marine dealer" means a marine dealer, as the term is defined in section 15-141, who has been issued a marine dealer's certificate by the Commissioner of Energy and Environmental Protection.

(26) (A) "Telecommunications service" means the electronic transmission, conveyance or routing of voice, image, data, audio, video or any other information or signals to a point or between or among points. "Telecommunications service" includes such transmission, conveyance or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as a voice over Internet protocol service or is classified by the Federal Communications Commission as enhanced or value added. "Telecommunications service" does not include (i) value-added nonvoice data services, (ii) radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance or routing of such services by the programming service provider. Radio and television audio and video programming services shall include, but not be limited to, cable service as defined in 47 USC 522(6), audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20, and video programming service by certified competitive video service providers, (iii) any telecommunications service (I) rendered by a company in control of such service when
rendered for private use within its organization, or (II) used, allocated
or distributed by a company within its organization, including in such
organization affiliates, as defined in section 33-840, for the purpose of
conducting business transactions of the organization if such service is
purchased or leased from a company rendering telecommunications
service and such purchase or lease is subject to tax under this chapter,
(iv) access or interconnection service purchased by a provider of
telecommunications service from another provider of such service for
purposes of rendering such service, provided the purchaser submits to
the seller a certificate attesting to the applicability of this exclusion,
upon receipt of which the seller is relieved of any tax liability for such
sale so long as the certificate is taken in good faith by the seller, (v)
data processing and information services that allow data to be
generated, acquired, stored, processed or retrieved and delivered by
an electronic transmission to a purchaser where such purchaser's
primary purpose for the underlying transaction is the processed data
or information, (vi) installation or maintenance of wiring equipment
on a customer's premises, (vii) tangible personal property, (viii)
advertising, including, but not limited to, directory advertising, (ix)
billing and collection services provided to third parties, (x) Internet
access service, (xi) ancillary services, and (xii) digital products
delivered electronically, including, but not limited to, software, music,
video, reading materials or ring tones.

(B) For purposes of the tax imposed under this chapter (i) gross
receipts from the rendering of telecommunications service shall
include any subscriber line charge or charges as required by the
Federal Communications Commission and any charges for access
service collected by any person rendering such service unless
otherwise excluded from such gross receipts under this chapter, and
such gross receipts from the rendering of telecommunications service
shall also include any charges for vertical service, for the installation or
maintenance of wiring equipment on a customer's premises, and for
directory assistance service; (ii) gross receipts from the rendering of
telecommunications service shall not include any local charge for calls from public or semipublic telephones; and (iii) gross receipts from the rendering of telecommunications service shall not include any charge for calls purchased using a prepaid telephone calling service, as defined in subdivision (34) of this subsection.

(27) "Community antenna television service" means (A) the one-way transmission to subscribers of video programming or information by cable, fiber optics, satellite, microwave or any other means, and subscriber interaction, if any, which is required for the selection of such video programming or information, and (B) noncable communications service, as defined in section 16-1, unless such noncable communications service is purchased by a cable network as that term is used in subsection (k) of section 12-218.

(28) "Hospital" means a hospital included within the definition of health care facilities or institutions under section 19a-630 and licensed as a short-term general hospital by the Department of Public Health, but does not include (A) any hospital which, on January 30, 1997, is within the class of hospitals licensed by the department as children's general hospitals, or (B) a short-term acute hospital operated exclusively by the state other than a short-term acute hospital operated by the state as a receiver pursuant to chapter 920.

(29) "Patient care services" means therapeutic and diagnostic medical services provided by the hospital to inpatients and outpatients including tangible personal property transferred in connection with such services.

(30) "Another state" or "other state" means any state of the United States or the District of Columbia excluding the state of Connecticut.

(31) "Professional employer agreement" means a written contract between a professional employer organization and a service recipient whereby the professional employer organization agrees to provide at least seventy-five per cent of the employees at the service recipient's
worksite, which contract provides that such worksite employees are intended to be permanent employees rather than temporary employees, and employer responsibilities for such worksite employees, including hiring, firing and disciplining, are allocated between the professional employer organization and the service recipient.

(32) "Professional employer organization" means any person that enters into a professional employer agreement with a service recipient whereby the professional employer organization agrees to provide at least seventy-five per cent of the employees at the service recipient's worksite.

(33) "Worksite employee" means an employee, the employer responsibilities for which, including hiring, firing and disciplining, are allocated, under a professional employer agreement, between a professional employer organization and a service recipient.

(34) "Prepaid telephone calling service" means the right to exclusively purchase telecommunications service, that must be paid for in advance and that enables the origination of calls using an access number or authorization code, or both, whether manually or electronically dialed, provided the remaining amount of units of service that have been prepaid shall be known on a continuous basis.

(35) "Canned or prewritten software" means all software, other than custom software, that is held or existing for general or repeated sale, license or lease. Software initially developed as custom software for in-house use and subsequently sold, licensed or leased to unrelated third parties shall be considered canned or prewritten software.

(36) "Custom software" means a computer program prepared to the special order of a single customer.

(37) "Services" for purposes of subdivision (2) of this subsection, means:
(A) Computer and data processing services, including, but not limited to, time, programming, code writing, modification of existing programs, feasibility studies and installation and implementation of software programs and systems even where such services are rendered in connection with the development, creation or production of canned or custom software or the license of custom software;

(B) Credit information and reporting services;

(C) Services by employment agencies and agencies providing personnel services;

(D) Private investigation, protection, patrol work, watchman and armored car services, exclusive of (i) services of off-duty police officers and off-duty firefighters, and (ii) coin and currency services provided to a financial services company by or through another financial services company. For purposes of this subparagraph, "financial services company" has the same meaning as provided under subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a) of section 12-218b;

(E) Painting and lettering services;

(F) Photographic studio services;

(G) Telephone answering services;

(H) Stenographic services;

(I) Services to industrial, commercial or income-producing real property, including, but not limited to, such services as management, electrical, plumbing, painting and carpentry, provided income-producing property shall not include property used exclusively for residential purposes in which the owner resides and which contains no more than three dwelling units, or a housing facility for low and moderate income families and persons owned or operated by a nonprofit housing organization, as defined in subdivision (29) of
section 12-412;

(J) Business analysis, management, management consulting and public relations services, excluding (i) any environmental consulting services, (ii) any training services provided by an institution of higher education licensed or accredited by the Board of Regents for Higher Education or Office of Higher Education pursuant to sections 10a-35a and 10a-34, respectively, and (iii) on and after January 1, 1994, any business analysis, management, management consulting and public relations services when such services are rendered in connection with an aircraft leased or owned by a certificated air carrier or in connection with an aircraft which has a maximum certificated take-off weight of six thousand pounds or more;

(K) Services providing "piped-in" music to business or professional establishments;

(L) Flight instruction and chartering services by a certificated air carrier on an aircraft, the use of which for such purposes, but for the provisions of subdivision (4) of section 12-410 and subdivision (12) of section 12-411, would be deemed a retail sale and a taxable storage or use, respectively, of such aircraft by such carrier;

(M) Motor vehicle repair services, including any type of repair, painting or replacement related to the body or any of the operating parts of a motor vehicle;

(N) Motor vehicle parking, including the provision of space, other than metered space, in a lot having thirty or more spaces, excluding (i) space in a parking lot owned or leased under the terms of a lease of not less than ten years' duration and operated by an employer for the exclusive use of its employees, (ii) space in municipally operated railroad parking facilities in municipalities located within an area of the state designated as a severe nonattainment area for ozone under the federal Clean Air Act or space in a railroad parking facility in a municipality located within an area of the state designated as a severe
nonattainment area for ozone under the federal Clean Air Act owned
or operated by the state on or after April 1, 2000, (iii) space in a
seasonal parking lot provided by an entity subject to the exemption set
forth in subdivision (1) of section 12-412, and (iv) space in a
municipally owned parking lot;

(O) Radio or television repair services;

(P) Furniture reupholstering and repair services;

(Q) Repair services to any electrical or electronic device, including,
but not limited to, equipment used for purposes of refrigeration or
air-conditioning;

(R) Lobbying or consulting services for purposes of representing the
interests of a client in relation to the functions of any governmental
entity or instrumentality;

(S) Services of the agent of any person in relation to the sale of any
item of tangible personal property for such person, exclusive of the
services of a consignee selling works of art, as defined in subsection (b)
of section 12-376c, or articles of clothing or footwear intended to be
worn on or about the human body other than (i) any special clothing
or footwear primarily designed for athletic activity or protective use
and which is not normally worn except when used for the athletic
activity or protective use for which it was designed, and (ii) jewelry,
handbags, luggage, umbrellas, wallets, watches and similar items
carried on or about the human body but not worn on the body, under
consignment, exclusive of services provided by an auctioneer;

(T) Locksmith services;

(U) Advertising or public relations services, including layout, art
direction, graphic design, mechanical preparation or production
supervision, not related to the development of media advertising or
(V) Landscaping and horticulture services;

(W) Window cleaning services;

(X) Maintenance services;

(Y) Janitorial services;

(Z) Exterminating services;

(AA) Swimming pool cleaning and maintenance services;

(BB) Miscellaneous personal services included in industry group 729 in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, or U.S. industry 532220, 812191, 812199 or 812990 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition, exclusive of (i) services rendered by massage therapists licensed pursuant to chapter 384a, and (ii) services rendered by an electrologist licensed pursuant to chapter 388;

(CC) Any repair or maintenance service to any item of tangible personal property including any contract of warranty or service related to any such item;

(DD) Business analysis, management or managing consulting services rendered by a general partner, or an affiliate thereof, to a limited partnership, provided (i) the general partner, or an affiliate thereof, is compensated for the rendition of such services other than through a distributive share of partnership profits or an annual percentage of partnership capital or assets established in the limited partnership's offering statement, and (ii) the general partner, or an affiliate thereof, offers such services to others, including any other partnership. As used in this subparagraph "an affiliate of a general partner" means an entity which is directly or indirectly owned fifty per cent or more in common with a general partner;
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(EE) Notwithstanding the provisions of section 12-412, except subdivision (87) of said section 12-412, patient care services, as defined in subdivision (29) of this subsection by a hospital, except that "sale" and "selling" does not include such patient care services for which payment is received by the hospital during the period commencing July 1, 2001, and ending June 30, 2003;

(FF) Health and athletic club services, exclusive of (i) any such services provided without any additional charge which are included in any dues or initiation fees paid to any such club, which dues or fees are subject to tax under section 12-543, and (ii) any such services provided by a municipality or an organization that is described in Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended;

(GG) Motor vehicle storage services, including storage of motor homes, campers and camp trailers, other than the furnishing of space as described in subparagraph (P) of subdivision (2) of this subsection;

(HH) Packing and crating services, other than those provided in connection with the sale of tangible personal property by the retailer of such property;

(II) Motor vehicle towing and road services, other than motor vehicle repair services;

(JJ) Intrastate transportation services provided by livery services, including limousines, community cars or vans, with a driver. Intrastate transportation services shall not include transportation by taxicab, motor bus, ambulance or ambulette, scheduled public transportation, nonemergency medical transportation provided under the Medicaid program, paratransit services provided by agreement or arrangement with the state or any political subdivision of the state, dial-a-ride services or services provided in connection with funerals;
(KK) Pet grooming and pet boarding services, except if such services are provided as an integral part of professional veterinary services, and pet obedience services;

(LL) Services in connection with a cosmetic medical procedure. For purposes of this subparagraph, "cosmetic medical procedure" means any medical procedure performed on an individual that is directed at improving the individual's appearance and that does not meaningfully promote the proper function of the body or prevent or treat illness or disease. "Cosmetic medical procedure" includes, but is not limited to, cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft tissue fillers, dermabrasion and chemical peel, laser hair removal, laser skin resurfacing, laser treatment of leg veins and sclerotherapy. "Cosmetic medical procedure" does not include reconstructive surgery. "Reconstructive surgery" includes any surgery performed on abnormal structures caused by or related to congenital defects, developmental abnormalities, trauma, infection, tumors or disease, including procedures to improve function or give a more normal appearance;

(MM) Manicure services, pedicure services and all other nail services, regardless of where performed, including airbrushing, fills, full sets, nail sculpting, paraffin treatments and polishes;

(NN) Spa services, regardless of where performed, including body waxing and wraps, peels, scrubs and facials; and

(OO) Car wash services, including coin-operated car washes.

(38) "Media payroll services company" means a retailer whose principal business activity is the management and payment of compensation, fringe benefits, workers' compensation, payroll taxes or assessments to individuals providing services to an eligible production company pursuant to section 12-217jj.

(39) "Certified competitive video service" means video programming service provided through wireline facilities, a portion of
which are located in the public right-of-way, without regard to
delivery technology, including Internet protocol technology. "Certified
competitive video service" does not include any video programming
provided by a commercial mobile service provider, as defined in 47
USC 332(d); any video programming provided as part of community
antenna television service; any video programming provided as part
of, and via, a service that enables users to access content, information,
electronic mail or other services over the Internet.

(40) "Directory assistance" means an ancillary service of providing
telephone number information or address information.

(41) "Vertical service" means an ancillary service that is offered in
connection with one or more telecommunications services, offering
advanced calling features that allow customers to identify callers and
to manage multiple calls and call connections, including conference
bridging services.

(42) "Bed and breakfast establishment" means a private operator-
occupied house where persons are lodged for hire and a breakfast is
included in the rent.

(b) Wherever in this chapter reference is made to the sale of tangible
personal property or services, it shall be construed to include sales
described in subdivision (2) of subsection (a) of this section, except as
may be specifically provided to the contrary.

Sec. 4. Section 12-408 of the general statutes is amended by adding
subdivision (8) as follows (Effective July 1, 2017):

(NEW) (8) Ten per cent of the amounts received by the state from
the tax imposed under subparagraph (B)(i) of subdivision (1) of this
section shall be deposited in the culture and tourism account
established under section 10-395, to be used by the Department of
Economic and Community Development to promote and develop
tourism in the state.
Sec. 5. Section 12-411 of the general statutes is amended by adding subdivision (16) as follows (Effective July 1, 2017):

(NEW) (16) Ten per cent of the amounts received by the state from the tax imposed under subparagraph (B)(i) of subdivision (1) of this section shall be deposited in the culture and tourism account established under section 10-395, to be used by the Department of Economic and Community Development to promote and develop tourism in the state.

Sec. 6. (NEW) (Effective July 1, 2017) (a) For each new registration or renewal of registration of a passenger motor vehicle with the Commissioner of Motor Vehicles pursuant to subsection (a) of section 14-49 of the general statutes, the individual registering such vehicle shall pay to the commissioner a fee of five dollars for registration for a biennial period and five dollars for registration for an annual period. The provisions of this section shall not apply with respect to any motor vehicle that is not self-propelled, that is electrically powered or that is exempted from payment of a registration fee. Payments collected pursuant to this section shall be used by the Department of Energy and Environmental Protection for the care and maintenance of state parks and state campgrounds, to support the duties and activities of the Council on Environmental Quality established pursuant to section 22a-11 of the general statutes and to support said department's fish hatcheries and pheasant stocking program. The fee required by this section is in addition to any other fees prescribed by any provision of chapter 14 of the general statutes for the registration of a motor vehicle.

(b) (1) Any individual who is sixty-five years of age or older on or after July 1, 2017, may, at the discretion of such individual, pay the fee for either a one-year or two-year period.

(2) Any resident of the state who (A) (i) is sixty-five years of age or older, or (ii) is a disabled veteran, as defined in section 14-254 of the
general statutes, or under federal law, and (B) has been issued a
nontransferable lifetime pass by the Commissioner of Energy and
Environmental Protection under section 23-26 of the general statutes,
as amended by this act, shall be exempt from the fee required by this
section.

Sec. 7. Section 23-26 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2017):

(a) The commissioner may (1) provide for the collection of fees for
parking, admission, boat launching and other uses of state parks,
forests, boat launches and other state recreational facilities, except that
no fee shall be charged, on or after July 1, 2017, for parking at state
parks for individuals who have paid the fee under subsection (a) of
section 6 of this act, (2) establish from time to time the daily and
seasonal amount thereof, (3) enter into contractual relations with other
persons for the operation of concessions, (4) establish other sources of
revenue to be derived from services to the general public using such
parks, forests and facilities, (5) employ such assistants as may be
necessary for the collection of such revenue. The commissioner shall
deposit such revenue derived therefrom with the State Treasurer in the
General Fund. On and after July 1, 1992, any increase in any fee or any
establishment of a new fee under this section shall be by regulations
adopted in accordance with the provisions of chapter 54. Not later than
May 1, 2010, said commissioner shall establish the daily and seasonal
amount of such parking, admission, boat launching and other use fees
for residents of this state in amounts not greater than one hundred
thirty-five per cent of the amounts charged for such fees by said
commissioner as of April 1, 2009. Not later than May 1, 2010, said
commissioner shall establish the daily and seasonal amount of such
parking, admission, boat launching and other use fees for nonresidents
of this state in amounts not greater than one hundred fifty per cent of
the amounts charged for such fees by said commissioner as of April 1,
2009. Notwithstanding the provisions of this section, the commissioner
may enter into an agreement with any municipality under which the
municipality may retain fees collected by municipal officers at state boat launches when state employees are not on duty.

(b) Notwithstanding the provisions of subsection (a) of this section, the commissioner may establish fees for the public use of the mansion at Harkness Memorial State Park in Waterford, the Ellie Mitchell Pavilion at Rocky Neck State Park in East Lyme and Gillette Castle in East Haddam provided no fee shall be charged to any group organized as a nonprofit corporation under 26 USC 501(c)(3) for purposes of providing support to such parks or facilities and further provided the commissioner shall specify procedures and criteria for the selection of any private business which is engaged by the state to provide services during any such public use, including, but not limited to, catering services. Such fees, procedures and criteria shall be effective until June 30, 1999, or until regulations are adopted, whichever is sooner. Regulations implementing such fees, procedures and criteria shall be adopted in accordance with the provisions of chapter 54 on or before July 1, 1999. Such fees shall be comparable with rents and charges of similar properties based on fair market rates.

(c) The commissioner shall issue to any resident of the state, upon payment of a fee established by said commissioner, a nontransferable Connecticut private passenger motor vehicle pass which permits free parking throughout the calendar year at any state park, forest, boat launch or other state recreational facility, provided the commissioner shall not be required to issue such a pass to any park, forest or facility which is wholly managed by a private concessionaire and may require payment of fees for special events. Not later than May 1, 2010, said commissioner shall establish the amount of such fee for residents of this state in an amount not greater than one hundred thirty-five per cent of the amount charged for such fee by said commissioner as of April 1, 2009. Not later than May 1, 2010, said commissioner shall establish the amount of such fee for nonresidents of this state in an amount not greater than one hundred fifty per cent of the amount charged for such fee by said commissioner as of April 1, 2009.
(d) The commissioner shall issue to any resident of the state who is sixty-five years of age or older and to any resident of this state who is a disabled veteran, as defined in section 14-254, or under federal law, without fee, upon application of such resident, a nontransferable lifetime pass which shall permit free parking, admission and boat access parking for use at any state park, forest or state recreational facility, provided the commissioner shall not be required to issue such a pass for use of any park, forest or facility which is wholly managed by a private concessionaire and may require payment of fees for special events.

Sec. 8. (NEW) (Effective July 1, 2017) There is established an account to be known as the "mental health community investment account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Commissioner of Mental Health and Addiction Services, in consultation with nonprofit mental health organizations, for the purposes of improving services and programs in the state, including, but not limited to, residential services, job training and placement services, educational programs and support groups, designed to support individuals diagnosed with mental health conditions.

Sec. 9. Section 12-743 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(a) Any taxpayer filing a return under this chapter may contribute any part of a refund under this chapter to (1) the organ transplant account established pursuant to section 17b-288, (2) the AIDS research education account established pursuant to section 19a-32a, (3) the endangered species, natural area preserves and watchable wildlife account established pursuant to section 22a-27l, (4) the breast cancer research and education account established pursuant to section 19a-32b, (5) the safety net services account established pursuant to section 17b-112f, [or] (6) an individual savings plan established under the
Connecticut Higher Education Trust established pursuant to sections 3-22f to 3-22p, inclusive, or to the CHET Baby Scholars fund established pursuant to section 3-22u, or (7) the mental health community investment account established pursuant to section 8 of this act. Such contribution shall be made by indicating on the tax return, in a manner provided for by the Commissioner of Revenue Services pursuant to subsection (b) of this section, the amount to be contributed to the account.

(b) (1) The Commissioner of Revenue Services shall revise the tax return form to implement the provisions of subsection (a) of this section, which form shall include spaces on the return in which taxpayers may indicate their intention to make a contribution, in a whole dollar amount, in accordance with this section. The commissioner shall include in the instructions accompanying the tax return a description of the purposes for which the organ transplant account, the AIDS research education account, the endangered species, natural area preserves and watchable wildlife account, the breast cancer research and education account, the safety net services account and the Connecticut Higher Education Trust accounts and funds set forth in subsection (a) of this section were created.

(2) For purposes of facilitating the registration of a taxpayer as an organ donor, the commissioner shall include information in the instructions accompanying the tax return that (A) indicates the manner by which a taxpayer may contact an organ donor registry organization, or (B) provides electronic links to appropriate organ donor registry organizations for such purpose.

(3) For purposes of facilitating the participation of a taxpayer in the Connecticut Higher Education Trust and the CHET Baby Scholars fund, the commissioner shall include spaces on the return, as provided in subdivision (1) of this subsection as follows: (A) There shall be a space indicating a taxpayer's intention to contribute any part of a refund to someone known to the taxpayer who is a designated
beneficiary, as defined in section 3-22f, including a space for the
taxpayer to provide the name and Social Security number of such
designated beneficiary; and (B) there shall be a space indicating a
taxpayer's intention to contribute any part of a refund to the CHET
Baby Scholars fund, including a description of such fund and a
statement that such contribution shall not benefit a specific child. The
commissioner shall include information in the instructions
accompanying the tax return that indicates the manner by which the
taxpayer may contact the administrator of the Connecticut Higher
Education Trust and the CHET Baby Scholars fund, or provides
electronic links to such administrator for such purpose.

(c) A designated contribution of all or part of any refund shall be
irrevocable upon the filing of the return and shall be made in the full
amount designated if the refund found due the taxpayer upon the
initial processing of the return, and after any deductions required by
this chapter, is greater than or equal to the designated contribution. If
the refund due, as determined upon initial processing, and after any
deductions required by this chapter, is less than the designated
contribution, the contribution shall be made in the full amount of the
refund. The Commissioner of Revenue Services shall subtract the
amount of any contribution of all or part of any refund from the
amount of the refund initially found due the taxpayer and shall certify
the difference to the Secretary of the Office of Policy and Management
and the Treasurer for payment to the taxpayer in accordance with this
chapter. For the purposes of any subsequent determination of the
taxpayer's net tax payment, such contribution shall be considered a
part of the refund paid to the taxpayer.

(d) Except for any funds collected for purposes of subdivision (6) of
subsection (a) of this section, the Commissioner of Revenue Services,
after notification of and approval by the Secretary of the Office of
Policy and Management, may deduct and retain from the remaining
funds so collected an amount equal to the costs of implementing this
section and sections 17b-288, 19a-32a, 22a-27l, 19a-32b and 17b-112f but
not to exceed seven and one-half per cent of the funds contributed in any fiscal year and in no event shall exceed the total cost of implementation of said sections.

Sec. 10. Section 12-700 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017, and applicable to income years commencing on or after January 1, 2017):

(a) There is hereby imposed on the Connecticut taxable income of each resident of this state a tax:

(1) At the rate of four and one-half per cent of such Connecticut taxable income for taxable years commencing on or after January 1, 1992, and prior to January 1, 1996.

(2) For taxable years commencing on or after January 1, 1996, but prior to January 1, 1997, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,250</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $2,250</td>
<td>$67.50, plus 4.5% of the excess over $2,250</td>
</tr>
</tbody>
</table>

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $3,500</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $3,500</td>
<td>$105.00, plus 4.5% of the excess over $3,500</td>
</tr>
</tbody>
</table>
(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or a person who files a return under the federal income tax as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th></th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T10</td>
<td>Not over $4,500</td>
<td>3.0%</td>
</tr>
<tr>
<td>T11</td>
<td>Over $4,500</td>
<td>$135.00, plus 4.5% of the excess over $4,500</td>
</tr>
</tbody>
</table>

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(3) For taxable years commencing on or after January 1, 1997, but prior to January 1, 1998, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

<table>
<thead>
<tr>
<th></th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T14</td>
<td>Not over $6,250</td>
<td>3.0%</td>
</tr>
<tr>
<td>T15</td>
<td>Over $6,250</td>
<td>$187.50, plus 4.5% of the excess over $6,250</td>
</tr>
</tbody>
</table>

(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th></th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T18</td>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
</tbody>
</table>
T19  Over $10,000  $300.00, plus 4.5% of the excess over $10,000

1219  (C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

T21  Connecticut Taxable Income  Rate of Tax
T22  Not over $12,500  3.0%
T23  Over $12,500  $375.00, plus 4.5% of the excess over $12,500

1224  (D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

1226  (4) For taxable years commencing on or after January 1, 1998, but prior to January 1, 1999, in accordance with the following schedule:

1228  (A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

T25  Connecticut Taxable Income  Rate of Tax
T26  Not over $7,500  3.0%
T27  Over $7,500  $225.00, plus 4.5% of the excess over $7,500

1231  (B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:
<table>
<thead>
<tr>
<th>T29</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not over $12,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T30</td>
<td>Over $12,000</td>
<td>$360.00, plus 4.5% of the excess over $12,000</td>
</tr>
</tbody>
</table>

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>T33</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not over $15,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T34</td>
<td>Over $15,000</td>
<td>$450.00, plus 4.5% of the excess over $15,000</td>
</tr>
</tbody>
</table>

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(5) For taxable years commencing on or after January 1, 1999, but prior to January 1, 2003, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

<table>
<thead>
<tr>
<th>T37</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T38</td>
<td>Over $10,000</td>
<td>$300.00, plus 4.5% of the excess over $10,000</td>
</tr>
</tbody>
</table>

(B) For any person who files a return under the federal income tax
for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>T41</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T42</td>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T43</td>
<td>Over $16,000</td>
<td>$480.00, plus 4.5% of the excess over $16,000</td>
</tr>
</tbody>
</table>

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>T45</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T46</td>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T47</td>
<td>Over $20,000</td>
<td>$600.00, plus 4.5% of the excess over $20,000</td>
</tr>
</tbody>
</table>

(D) For trusts or estates, the rate of tax shall be 4.5% of their Connecticut taxable income.

(6) For taxable years commencing on or after January 1, 2003, but prior to January 1, 2009, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual or as a married individual filing separately:

<table>
<thead>
<tr>
<th>T49</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T50</td>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T51</td>
<td>Over $10,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
</tbody>
</table>
(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $16,000</td>
<td>$480.00, plus 5.0% of the excess over $16,000</td>
</tr>
</tbody>
</table>

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $20,000</td>
<td>$600.00, plus 5.0% of the excess over $20,000</td>
</tr>
</tbody>
</table>

(D) For trusts or estates, the rate of tax shall be 5.0% of the Connecticut taxable income.

(7) For taxable years commencing on or after January 1, 2009, but prior to January 1, 2011, in accordance with the following schedule:

(A) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
</tbody>
</table>
(B) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $16,000 but not over $800,000</td>
<td>$480.00, plus 5.0% of the excess over $16,000</td>
</tr>
<tr>
<td>Over $800,000</td>
<td>$39,680, plus 6.5% of the excess over $800,000</td>
</tr>
</tbody>
</table>

(C) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $20,000 but not over $1,000,000</td>
<td>$600.00, plus 5.0% of the excess over $20,000</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$49,600, plus 6.5% of the excess over $1,000,000</td>
</tr>
</tbody>
</table>

(D) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:
<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $500,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$24,800, plus 6.5% of the excess over $500,000</td>
</tr>
</tbody>
</table>

(E) For trusts or estates, the rate of tax shall be 6.5% of the Connecticut taxable income.

(8) For taxable years commencing on or after January 1, 2011, but prior to January 1, 2015, in accordance with the following schedule:

(A) (i) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $50,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$2,300, plus 5.5% of the excess over $50,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$5,050, plus 6.0% of the excess over $100,000</td>
</tr>
<tr>
<td>Over $200,000 but not over $250,000</td>
<td>$11,050, plus 6.5% of the excess over $200,000</td>
</tr>
<tr>
<td>Over $250,000</td>
<td>$14,300, plus 6.70% of the excess over $250,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (A)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent
tax rate applies shall be reduced by one thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i) and (A)(ii) of this subdivision, an amount equal to seventy-five dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand two hundred fifty dollars.

(B) (i) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $16,000 but not over $80,000</td>
<td>$480.00, plus 5.0% of the excess over $16,000</td>
</tr>
<tr>
<td>Over $80,000 but not over $160,000</td>
<td>$3,680, plus 5.5% of the excess over $80,000</td>
</tr>
<tr>
<td>Over $160,000 but not over $320,000</td>
<td>$8,080, plus 6.0% of the excess over $160,000</td>
</tr>
<tr>
<td>Over $320,000 but not over $400,000</td>
<td>$17,680, plus 6.5% of the excess over $320,000</td>
</tr>
<tr>
<td>Over $400,000</td>
<td>$22,880, plus 6.70% of the excess over $400,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (B)(i) of this
subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds seventy-eight thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand six hundred dollars for each four thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds three hundred twenty thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i) and (B)(ii) of this subdivision, an amount equal to one hundred twenty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds three hundred twenty thousand dollars, up to a maximum payment of three thousand six hundred dollars.

(C) (i) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>T109</th>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T110</td>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>T111</td>
<td>Over $20,000 but not over $100,000</td>
<td>$600.00, plus 5.0% of the excess over $20,000</td>
</tr>
<tr>
<td>T112</td>
<td>Over $100,000 but not over $200,000</td>
<td>$4,600, plus 5.5% of the excess over $100,000</td>
</tr>
<tr>
<td>T113</td>
<td>Over $200,000 but not over $400,000</td>
<td>$10,100, plus 6.0% of the excess over $200,000</td>
</tr>
</tbody>
</table>
(ii) Notwithstanding the provisions of subparagraph (C)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds one hundred thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by two thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds four hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i) and (C)(ii) of this subdivision, an amount equal to one hundred fifty dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds four hundred thousand dollars, up to a maximum payment of four thousand five hundred dollars.

(D) (i) For any person who files a return under the federal income tax for such taxable year as a married individual filing separately:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $50,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $50,000 but not $22,100, plus 6.5% of the excess over $400,000</td>
<td></td>
</tr>
<tr>
<td>Over $50,000 but not $28,600, plus 6.70% of the excess over $500,000</td>
<td></td>
</tr>
</tbody>
</table>
(ii) Notwithstanding the provisions of subparagraph (D)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds fifty thousand two hundred fifty dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand dollars for each two thousand five hundred dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i) and (D)(ii) of this subdivision, an amount equal to seventy-five dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand two hundred fifty dollars.

(E) For trusts or estates, the rate of tax shall be 6.70% of the Connecticut taxable income.

(9) For taxable years commencing on or after January 1, 2015, but prior to January 1, 2017, in accordance with the following schedule:
(A) (i) For any person who files a return under the federal income tax for such taxable year as an unmarried individual:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $50,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$2,300, plus 5.5% of the excess over $50,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$5,050, plus 6.0% of the excess over $100,000</td>
</tr>
<tr>
<td>Over $200,000 but not over $250,000</td>
<td>$11,050, plus 6.5% of the excess over $200,000</td>
</tr>
<tr>
<td>Over $250,000 but not over $500,000</td>
<td>$14,300, plus 6.9% of the excess over $250,000</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$31,550, plus 6.99% of the excess over $500,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (A)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i) and (A)(ii) of this subdivision, an amount equal to ninety dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars.
Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand seven hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds five hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i), (A)(ii) and (A)(iii) of this subdivision, an amount equal to fifty dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds five hundred thousand dollars, up to a maximum payment of four hundred fifty dollars.

(B) (i) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $16,000 but not over $80,000</td>
<td>$480.00, plus 5.0% of the excess over $16,000</td>
</tr>
<tr>
<td>Over $80,000 but not over $160,000</td>
<td>$3,680, plus 5.5% of the excess over $80,000</td>
</tr>
<tr>
<td>Over $160,000 but not over $320,000</td>
<td>$8,080, plus 6.0% of the excess over $160,000</td>
</tr>
<tr>
<td>Over $320,000 but not over $400,000</td>
<td>$17,680, plus 6.5% of the excess over $320,000</td>
</tr>
<tr>
<td>Over $400,000 but not over $800,000</td>
<td>$22,880, plus 6.9% of the excess over $400,000</td>
</tr>
<tr>
<td>Over $800,000</td>
<td>$50,480, plus 6.99% of the excess over $800,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (B)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds seventy-eight thousand five hundred dollars, the
amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand six hundred dollars for each four thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds three hundred twenty thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i) and (B)(ii) of this subdivision, an amount equal to one hundred forty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds three hundred twenty thousand dollars, up to a maximum payment of four thousand two hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds eight hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i), (B)(ii) and (B)(iii) of this subdivision, an amount equal to eighty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds eight hundred thousand dollars, up to a maximum payment of seven hundred twenty dollars.

(C) (i) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $20,000 but not</td>
<td>$600.00, plus 5.0% of the</td>
</tr>
</tbody>
</table>
(ii) Notwithstanding the provisions of subparagraph (C)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds one hundred thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by two thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds four hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i) and (C)(ii) of this subdivision, an amount equal to one hundred eighty dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds four hundred thousand dollars, up to a maximum payment of five thousand four hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income
exceeds one million dollars shall pay, in addition to the tax computed
under the provisions of subparagraphs (C)(i), (C)(ii) and (C)(iii) of this
subdivision, an amount equal to one hundred dollars for each ten
thousand dollars, or fraction thereof, by which the taxpayer's
Connecticut adjusted gross income exceeds one million dollars, up to a
maximum payment of nine hundred dollars.

(D) (i) For any person who files a return under the federal income
tax for such taxable year as a married individual filing separately:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $50,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$2,300, plus 5.5% of the excess over $50,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$5,050, plus 6.0% of the excess over $100,000</td>
</tr>
<tr>
<td>Over $200,000 but not over $250,000</td>
<td>$11,050, plus 6.5% of the excess over $200,000</td>
</tr>
<tr>
<td>Over $250,000 but not over $500,000</td>
<td>$14,300, plus 6.9% of the excess over $250,000</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$31,550, plus 6.99% of the excess over $500,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (D)(i) of this
subdivision, for each taxpayer whose Connecticut adjusted gross
income exceeds fifty thousand two hundred fifty dollars, the amount
of the taxpayer's Connecticut taxable income to which the three-per-
cent tax rate applies shall be reduced by one thousand dollars for each
two thousand five hundred dollars, or fraction thereof, by which the
taxpayer's Connecticut adjusted gross income exceeds said amount.

Any such amount of Connecticut taxable income to which, as provided
in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i) and (D)(ii) of this subdivision, an amount equal to ninety dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand seven hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds five hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i), (D)(ii) and (D)(iii) of this subdivision, an amount equal to fifty dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds five hundred thousand dollars, up to a maximum payment of four hundred fifty dollars.

(E) For trusts or estates, the rate of tax shall be 6.99% of the Connecticut taxable income.

(10) For taxable years commencing on or after January 1, 2017, in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $50,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$2,300, plus 5.5% of the excess over $50,000</td>
</tr>
</tbody>
</table>
(ii) Notwithstanding the provisions of subparagraph (A)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i) and (A)(ii) of this subdivision, an amount equal to ninety dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand seven hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds five hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (A)(i), (A)(ii) and (A)(iii) of this subdivision, an amount equal to one hundred fifty dollars for each five thousand dollars, or fraction thereof, by which the
taxpayer's Connecticut adjusted gross income exceeds five hundred thousand dollars, up to a maximum payment of two thousand eight hundred fifty dollars.

(B) (i) For any person who files a return under the federal income tax for such taxable year as a head of household, as defined in Section 2(b) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $16,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $16,000 but not over $80,000</td>
<td>$480.00, plus 5.0% of the excess over $16,000</td>
</tr>
<tr>
<td>Over $80,000 but not over $160,000</td>
<td>$3,680, plus 5.5% of the excess over $80,000</td>
</tr>
<tr>
<td>Over $160,000 but not over $320,000</td>
<td>$8,080, plus 6.0% of the excess over $160,000</td>
</tr>
<tr>
<td>Over $320,000 but not over $400,000</td>
<td>$17,680, plus 6.5% of the excess over $320,000</td>
</tr>
<tr>
<td>Over $400,000 but not over $800,000</td>
<td>$22,880, plus 6.9% of the excess over $400,000</td>
</tr>
<tr>
<td>Over $800,000</td>
<td>$50,480, plus 7.49% of the excess over $800,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (B)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds seventy-eight thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand six hundred dollars for each four thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.
(iii) Each taxpayer whose Connecticut adjusted gross income exceeds three hundred twenty thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i) and (B)(ii) of this subdivision, an amount equal to one hundred forty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds three hundred twenty thousand dollars, up to a maximum payment of four thousand two hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds eight hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (B)(i), (B)(ii) and (B)(iii) of this subdivision, an amount equal to two hundred forty dollars for each eight thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds eight hundred thousand dollars, up to a maximum payment of four thousand five hundred sixty dollars.

(C) (i) For any husband and wife who file a return under the federal income tax for such taxable year as married individuals filing jointly or any person who files a return under the federal income tax for such taxable year as a surviving spouse, as defined in Section 2(a) of the Internal Revenue Code:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $20,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $20,000 but not over $100,000</td>
<td>$600.00, plus 5.0% of the excess over $20,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$4,600, plus 5.5% of the excess over $100,000</td>
</tr>
<tr>
<td>Over $200,000 but not over $400,000</td>
<td>$10,100, plus 6.0% of the excess over $200,000</td>
</tr>
<tr>
<td>Over $400,000 but not over $500,000</td>
<td>$22,100, plus 6.5% of the excess over $400,000</td>
</tr>
</tbody>
</table>
Over $500,000 but not over $1,000,000 $28,600, plus 6.9% of the excess over $500,000

Over $1,000,000 $63,100, plus 7.49% of the excess over $1,000,000

(ii) Notwithstanding the provisions of subparagraph (C)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds one hundred thousand five hundred dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by two thousand dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds four hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i) and (C)(ii) of this subdivision, an amount equal to one hundred eighty dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds four hundred thousand dollars, up to a maximum payment of five thousand four hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds one million dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (C)(i), (C)(ii) and (C)(iii) of this subdivision, an amount equal to three hundred dollars for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds one million dollars, up to a maximum payment of five thousand seven hundred dollars.

(D) (i) For any person who files a return under the federal income
tax for such taxable year as a married individual filing separately:

<table>
<thead>
<tr>
<th>Connecticut Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $10,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Over $10,000 but not over $50,000</td>
<td>$300.00, plus 5.0% of the excess over $10,000</td>
</tr>
<tr>
<td>Over $50,000 but not over $100,000</td>
<td>$2,300, plus 5.5% of the excess over $50,000</td>
</tr>
<tr>
<td>Over $100,000 but not over $200,000</td>
<td>$5,050, plus 6.0% of the excess over $100,000</td>
</tr>
<tr>
<td>Over $200,000 but not over $250,000</td>
<td>$11,050, plus 6.5% of the excess over $200,000</td>
</tr>
<tr>
<td>Over $250,000 but not over $500,000</td>
<td>$14,300, plus 6.9% of the excess over $250,000</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>$31,550, plus 7.49% of the excess over $500,000</td>
</tr>
</tbody>
</table>

(ii) Notwithstanding the provisions of subparagraph (D)(i) of this subdivision, for each taxpayer whose Connecticut adjusted gross income exceeds fifty thousand two hundred fifty dollars, the amount of the taxpayer's Connecticut taxable income to which the three-per-cent tax rate applies shall be reduced by one thousand dollars for each two thousand five hundred dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount. Any such amount of Connecticut taxable income to which, as provided in the preceding sentence, the three-per-cent tax rate does not apply shall be an amount to which the five-per-cent tax rate shall apply.

(iii) Each taxpayer whose Connecticut adjusted gross income exceeds two hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i) and (D)(ii) of this subdivision, an amount equal to ninety dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's...
Connecticut adjusted gross income exceeds two hundred thousand dollars, up to a maximum payment of two thousand seven hundred dollars.

(iv) Each taxpayer whose Connecticut adjusted gross income exceeds five hundred thousand dollars shall pay, in addition to the tax computed under the provisions of subparagraphs (D)(i), (D)(ii) and (D)(iii) of this subdivision, an amount equal to one hundred fifty dollars for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds five hundred thousand dollars, up to a maximum payment of two thousand eight hundred fifty dollars.

(E) For trusts or estates, the rate of tax shall be 7.49% of the Connecticut taxable income.

[(10)] (11) The provisions of this subsection shall apply to resident trusts and estates and, wherever reference is made in this subsection to residents of this state, such reference shall be construed to include resident trusts and estates, provided any reference to a resident's Connecticut adjusted gross income derived from sources without this state or to a resident's Connecticut adjusted gross income shall be construed, in the case of a resident trust or estate, to mean the resident trust or estate's Connecticut taxable income derived from sources without this state and the resident trust or estate's Connecticut taxable income, respectively.

(b) There is hereby imposed on the Connecticut taxable income derived from or connected with sources within this state of each nonresident a tax which shall be the product of an amount equal to the tax computed as if such nonresident were a resident, multiplied by a fraction, the numerator of which is the nonresident's Connecticut adjusted gross income derived from or connected with sources within this state and the denominator of which is the nonresident's Connecticut adjusted gross income, provided, if the nonresident's
Connecticut adjusted gross income is less than such nonresident's Connecticut adjusted gross income derived from or connected with sources within this state, (1) such nonresident's Connecticut adjusted gross income derived from or connected with sources within this state, reduced by the amount of the exemption provided in section 12-702, shall be such nonresident's Connecticut taxable income derived from or connected with sources within this state and shall be multiplied by the tax rate specified in subsection (a) of this section for the purposes of determining the tax pursuant to this section and (2) such nonresident's Connecticut adjusted gross income derived from or connected with sources within this state shall be such nonresident's Connecticut adjusted gross income for the purposes of determining the credit pursuant to section 12-703. The provisions of this subsection shall also apply to nonresident trusts and estates and, wherever reference is made in this subsection to nonresidents of this state, such reference shall be construed to include nonresident trusts and estates, provided any reference to a nonresident's Connecticut adjusted gross income derived from sources within this state or to a nonresident's Connecticut adjusted gross income shall be construed, in the case of a nonresident trust or estate, to mean the nonresident trust or estate's Connecticut taxable income derived from sources within this state and the nonresident trust or estate's Connecticut taxable income, respectively.

(c) (1) There is hereby imposed on the Connecticut taxable income derived from or connected with sources within this state of each part-year resident a tax which shall be a product equal to the tax computed as if such part-year resident were a resident, multiplied by a fraction, the numerator of which is the part-year resident's Connecticut adjusted gross income derived from or connected with sources within this state, as described in subsection (a) of section 12-717, and the denominator of which is the part-year resident's Connecticut adjusted gross income, as described in subdivision (2) of this subsection, provided, if the part-year resident's Connecticut adjusted gross income is less than such
part-year resident's Connecticut adjusted gross income derived from or connected with sources within this state, (A) such part-year resident's Connecticut adjusted gross income derived from or connected with sources within this state, reduced by the amount of the exemption provided in section 12-702, shall be such part-year resident's Connecticut taxable income derived from or connected with sources within this state and shall be multiplied by the tax rate specified in subsection (a) of this section for the purposes of determining the tax pursuant to this section and (B) such part-year resident's Connecticut adjusted gross income derived from or connected with sources within this state shall be such part-year resident's adjusted gross income for the purposes of determining the credit pursuant to section 12-703. The provisions of this subsection shall apply to part-year resident trusts and, wherever reference is made in this subsection to part-year residents, such reference shall be construed to include part-year resident trusts, provided any reference to a part-year resident's Connecticut adjusted gross income derived from sources within this state or a part-year resident's Connecticut adjusted gross income shall be construed, in the case of a part-year resident trust, to mean the part-year resident trust's Connecticut taxable income derived from sources within this state and the part-year resident trust's Connecticut taxable income, respectively.

(2) For purposes of subdivision (1) of this subsection and subsection (a), the Connecticut adjusted gross income of a part-year resident (A) changing his status from resident to nonresident shall be increased or decreased, as the case may be, by the items accrued under subdivision (1) of subsection (c) of section 12-717, to the extent not otherwise includable in Connecticut adjusted gross income for the taxable year and (B) changing his status from nonresident to resident shall be increased or decreased, as the case may be, by the items accrued under subdivision (2) of subsection (c) of section 12-717, to the extent included in Connecticut adjusted gross income for the taxable year.

(d) The provisions of this chapter shall be applicable with respect to
any person, trust or estate. Whenever, in this chapter, "any person" appears without "trust or estate", the reference to any person shall be deemed to include any trust and any estate unless, in the context of the particular provision, the reference to any person could not be applicable in the case of a trust or in the case of an estate.

Sec. 11. Subsection (a) of section 32-602 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2017):

(a) The purpose of the Capital Region Development Authority shall be (1) to stimulate new investment within the capital region and provide support for multicultural destinations and the creation of a vibrant multidimensional downtown; (2) to work with the Department of Economic and Community Development to attract through a coordinated sales and marketing effort with the state's major sports, convention and exhibition venues large conventions, trade shows, exhibitions, conferences, consumer shows and events; (3) to encourage residential housing development; (4) to operate, maintain and market the convention center; (5) to stimulate family-oriented tourism, art, culture, history, education and entertainment through cooperation and coordination with city and regional organizations; (6) to manage facilities through contractual agreement or other legal instrument; (7) to stimulate economic development in the capital region by investing in development and redevelopment projects in downtown Hartford, leveraging capital to promote and participate in economic activity programs in such area and actively engaging in other initiatives to spur development; (8) upon request from the legislative body of a city or town within the capital region, to work with such city or town to assist in the development and redevelopment efforts to stimulate the economy of the region and increase tourism; (9) upon request of the Secretary of the Office of Policy and Management, to enter into an agreement for funding to facilitate the relocation of state offices within the capital city economic development district; (10) in addition to the authority set forth in subdivision (9) of section 32-600, to develop and
redevelop property within the town and city of Hartford; and (11) to
market and develop the capital city economic development district as a
multicultural destination and create a vibrant, multidimensional
downtown.

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Effect Date</th>
<th>Section Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</td>
<td>12-408(1)(B)</td>
</tr>
<tr>
<td>Sec. 2</td>
<td>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</td>
<td>12-411(1)(B)</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>July 1, 2017, and applicable to sales occurring on or after July 1, 2017</td>
<td>12-407</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>July 1, 2017</td>
<td>12-408</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>July 1, 2017</td>
<td>12-411</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>July 1, 2017</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 7</td>
<td>July 1, 2017</td>
<td>23-26</td>
</tr>
<tr>
<td>Sec. 8</td>
<td>July 1, 2017</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 9</td>
<td>July 1, 2017</td>
<td>12-743</td>
</tr>
<tr>
<td>Sec. 10</td>
<td>July 1, 2017, and applicable to income years commencing on or after January 1, 2017</td>
<td>12-700</td>
</tr>
<tr>
<td>Sec. 11</td>
<td>July 1, 2017</td>
<td>32-602(a)</td>
</tr>
</tbody>
</table>

**Statement of Purpose:**
To (1) establish an occupancy tax rate of ten per cent on bed and breakfast establishments, (2) dedicate a portion of the occupancy sales and use taxes on hotels and lodging houses to promoting and developing state tourism, (3) implement a fee on passenger motor vehicle registrations, for which individuals receive free parking at state parks, to be used for state parks and state campgrounds, the Council on Environmental Quality, fish hatcheries and the pheasant stocking...
program, (4) establish the mental health community investment account and allow taxpayers to contribute any part of a refund to such account, (5) increase certain personal income tax rates, and (6) expand the purpose of the Capital Region Development Authority to actively and directly participate in stimulating economic development in the capital region.

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