



House of Representatives

General Assembly

File No. 879

January Session, 2019

House Bill No. 7375

House of Representatives, May 15, 2019

The Committee on Finance, Revenue and Bonding reported through REP. ROJAS of the 9th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL AND CONFORMING CHANGES TO THE TAX AND RELATED STATUTES.

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

1 Section 1. Subsection (c) of section 12-391 of the general statutes is
2 amended by adding subdivision (4) as follows (*Effective October 1,*
3 *2019*):

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

8 Sec. 2. Subparagraph (J) of subdivision (3) of subsection (b) of
9 section 12-392 of the general statutes is repealed and the following is
10 substituted in lieu thereof (*Effective October 1, 2019*):

11 (J) A tax return shall be filed, in the case of every decedent who dies
12 on or after January 1, 2023, and at the time of death was (i) a resident
13 of this state, or (ii) a nonresident of this state whose gross estate
14 includes any real property situated in this state or tangible personal

15 property having an actual situs in this state. If the decedent's
16 Connecticut taxable estate is over [five million four hundred ninety
17 thousand dollars] the federal basic exclusion amount, such tax return
18 shall be filed with the Commissioner of Revenue Services and a copy
19 of such return shall be filed with the court of probate for the district
20 within which the decedent resided at the date of his or her death or, if
21 the decedent died a nonresident of this state, the court of probate for
22 the district within which such real property or tangible personal
23 property is situated. If the decedent's Connecticut taxable estate is
24 equal to or less than [five million four hundred ninety thousand
25 dollars] the federal basic exclusion amount, such return shall be filed
26 with the court of probate for the district within which the decedent
27 resided at the date of his or her death or, if the decedent died a
28 nonresident of this state, the court of probate for the district within
29 which such real property or tangible personal property is situated, and
30 no such return shall be filed with the Commissioner of Revenue
31 Services. The judge of probate for the district in which such return is
32 filed shall review each such return and shall issue a written opinion to
33 the estate representative in each case in which the judge determines
34 that the estate is not subject to tax under this chapter.

35 Sec. 3. Section 12-643 of the general statutes is amended by adding
36 subdivision (4) as follows (*Effective October 1, 2019*):

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

41 Sec. 4. Subdivision (3) of subsection (a) of section 12-217 of the
42 general statutes is repealed and the following is substituted in lieu
43 thereof (*Effective October 1, 2019*):

44 (3) Notwithstanding any provision of this section to the contrary, no
45 dividend received from a real estate investment trust shall be
46 deductible under this section by the recipient unless the dividend is:
47 (A) Deductible under Section 243 of the Internal Revenue Code; (B)

48 received by a qualified dividend recipient from a qualified real estate
49 investment trust and, as of the last day of the period for which such
50 dividend is paid, persons, not including the qualified dividend
51 recipient or any person that is either a related person to, or an
52 employee or director of, the qualified dividend recipient, have
53 outstanding cash capital contributions to the qualified real estate
54 investment trust that, in the aggregate, exceed five per cent of the fair
55 market value of the aggregate real estate assets, valued as of the last
56 day of the period for which such dividend is paid, then held by the
57 qualified real estate investment trust; or (C) received from a captive
58 real estate investment trust that is subject to the tax imposed under this
59 chapter. For purposes of this section, [a] "related person" [is as defined
60 in subdivision (7) of subsection (a) of section 12-217m] has the same
61 meaning as provided in section 12-217ii, "real estate assets" [is as
62 defined] has the same meaning as provided in Section 856 of the
63 Internal Revenue Code, [a] "qualified dividend recipient" means a
64 dividend recipient who has invested in a qualified real estate
65 investment trust prior to April 1, 1997, and [a] "qualified real estate
66 investment trust" means an entity that both was incorporated and had
67 contributed to it a minimum of five hundred million dollars' worth of
68 real estate assets prior to April 1, 1997, and that elects to be a real estate
69 investment trust under Section 856 of the Internal Revenue Code prior
70 to April 1, 1998.

71 Sec. 5. Subsection (a) of section 12-217zz of the general statutes is
72 repealed and the following is substituted in lieu thereof (*Effective*
73 *October 1, 2019*):

74 (a) [Notwithstanding any other provision of law, and except] Except
75 as otherwise provided in subsection (b) of this section and sections 12-
76 217aaa and 12-217bbb, the amount of tax credit or credits otherwise
77 allowable against the tax imposed under this chapter shall be as
78 follows:

79 (1) For any income year commencing on or after January 1, 2002,
80 and prior to January 1, 2015, the amount of tax credit or credits

81 otherwise allowable shall not exceed seventy per cent of the amount of
82 tax due from such taxpayer under this chapter with respect to any such
83 income year of the taxpayer prior to the application of such credit or
84 credits;

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

90 (3) Notwithstanding the provisions of subdivision (2) of this
91 subsection, any taxpayer that possesses excess credits may utilize the
92 excess credits as follows:

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

99 (B) For income years commencing on or after January 1, 2017, and
100 prior to January 1, 2018, the aggregate amount of tax credits and excess
101 credits allowable shall not exceed sixty per cent of the amount of tax
102 due from such taxpayer under this chapter with respect to any such
103 income year of the taxpayer prior to the application of such credit or
104 credits;

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

111 (D) For income years commencing on or after January 1, 2019, the

112 aggregate amount of tax credits and excess credits allowable shall not
113 exceed seventy per cent of the amount of tax due from such taxpayer
114 under this chapter with respect to any such income year of the
115 taxpayer prior to the application of such credit or credits;

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

120 Sec. 6. Subsection (c) of section 12-414 of the general statutes is
121 repealed and the following is substituted in lieu thereof (*Effective*
122 *October 1, 2019*):

123 (c) (1) For purposes of the sales tax, the return shall show the gross
124 receipts of the seller during the preceding reporting period. For
125 purposes of the use tax, [(1)] (A) in the case of a return filed by a
126 retailer, the return shall show the total sales price of the services or
127 property sold by the retailer, the storage, acceptance, consumption or
128 other use of which became subject to the use tax during the preceding
129 reporting period, and [(2)] (B) in the case of a return filed by a
130 purchaser, the return shall show the total sales price of the service or
131 property purchased by the purchaser, the storage, acceptance,
132 consumption or other use of which became subject to the use tax
133 during the preceding reporting period. The return shall also show the
134 amount of the taxes for the period covered by the return in such
135 manner as the commissioner may require and such other information
136 as the commissioner deems necessary for the proper administration of
137 this chapter.

138 (2) The Commissioner of Revenue Services is authorized in his or
139 her discretion, for purposes of expediency, to permit returns to be filed
140 in an alternative form wherein the person filing the return may elect
141 (A) to report his or her gross receipts, including the tax reimbursement
142 to be collected as provided for in this section, as a part of such gross
143 receipts, or (B) to report his or her gross receipts exclusive of the tax
144 collected in such cases where the gross receipts from sales have been

145 segregated from tax collections. In the case of [the former] a return
146 filed in accordance with the provisions of subparagraph (A) of this
147 subdivision, the percentage of such tax-included gross receipts that
148 may be considered to be the gross receipts from sales exclusive of the
149 taxes collected thereon shall be computed by dividing the numeral one
150 by the sum of the rate of tax provided in section 12-408, expressed as a
151 decimal, and the numeral one.

152 Sec. 7. Section 12-433 of the general statutes is repealed and the
153 following is substituted in lieu thereof (*Effective October 1, 2019*):

154 Wherever used in this chapter, unless the context otherwise
155 requires:

156 (1) "Alcoholic beverage" and "beverage" include wine, beer and
157 liquor as defined in this section; ["absolute alcohol"]

158 (2) "Absolute alcohol" means dehydrated alcohol containing not less
159 than ninety-nine per cent by weight of ethyl alcohol; ["beer"]

160 (3) "Beer" means any beverage obtained by the alcoholic
161 fermentation of an infusion or decoction of barley, malt and hops in
162 drinking water and containing more than one-half of one per cent of
163 absolute alcohol by volume; ["wine"]

164 (4) "Wine" means any alcoholic beverage obtained by the
165 fermentation of natural sugar contents of fruits or other agricultural
166 products containing sugar; ["still wine"]

167 (5) "Still wine" means any wine that contains not more than three
168 hundred ninety-two one thousandths (0.392) of a gram of carbon
169 dioxide per hundred milliliters of wine, and shall include any fortified
170 wine, cider that is made from the alcoholic fermentation of the juice of
171 apples, vermouth and any artificial or imitation wine or compound
172 sold as "still wine" containing not less than three and two-tenths per
173 cent of absolute alcohol by volume; ["sparkling wine"]

174 (6) "Sparkling wine" means champagne and any other effervescent

175 wine charged with more than three hundred ninety-two one
176 thousandths (0.392) of a gram of carbon dioxide per hundred milliliters
177 of wine, whether artificially or as a result of secondary fermentation of
178 the wine within the container; ["fortified wine"]

179 (7) "Fortified wine" means any wine, the alcoholic contents of which
180 have been increased, by whatever process, beyond that produced by
181 natural fermentation; ["liquor"]

182 (8) "Liquor" means any beverage [which] that contains alcohol
183 obtained by distillation mixed with drinkable water and other
184 substances in solution; ["liquor cooler"]

185 (9) "Liquor cooler" means any liquid combined with liquor, [as
186 defined in this section,] containing not more than seven per cent of
187 alcohol by volume; ["gallon"]

188 (10) "Gallon" or "wine gallon" means one hundred twenty-eight
189 fluid ounces; ["proof gallon"]

190 (11) "Proof gallon" means the equivalent of one wine gallon at 100
191 proof; ["proof spirit"]

192 (12) "Proof spirit" or "proof" shall be held to be that alcoholic liquor
193 [which] that contains one-half by volume of alcohol of a specific
194 gravity of seventy-nine hundred and thirty-nine ten-thousandths
195 (0.7939) at 60° F; ["alcohol"]

196 (13) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit
197 of wine, from whatever source or by whatever process produced;
198 ["person"]

199 (14) "Person" means any individual, firm, fiduciary, partnership,
200 corporation, limited liability company, trust or association, however
201 formed; ["taxpayer"]

202 (15) "Taxpayer" means any person liable to taxation under this
203 chapter except railroad and airline companies so far as they conduct

204 such beverage business in cars or passenger trains or on airplanes;
205 ["distributor"]

206 (16) "Distributor" means any person, wherever resident or located,
207 [who] that holds a wholesaler's or manufacturer's permit or wholesaler
208 or manufacturer permit for beer only issued under chapter 545, or [his]
209 such person's backer, if any; ["licensed distributor"]

210 (17) "Licensed distributor" means a distributor holding a license
211 issued by the Commissioner of Revenue Services under the provisions
212 of this chapter; ["tax period"]

213 (18) "Tax period" means any period of one calendar month, or any
214 part thereof; ["barrel"]

215 (19) "Barrel" means not less than twenty-eight nor more than thirty-
216 one gallons; ["half barrel"]

217 (20) "Half barrel" means not less than fourteen nor more than fifteen
218 and one-half gallons; ["quarter barrel"]

219 (21) "Quarter barrel" means not less than seven nor more than seven
220 and three-quarters gallons; ["sell"] and

221 (22) "Sell" or "sale" includes and applies to gifts, exchanges and
222 barter and includes any alcoholic beverages coming into the possession
223 of a distributor [which] that cannot be satisfactorily accounted for by
224 the distributor to the Commissioner of Revenue Services.

225 Sec. 8. Section 12-438 of the general statutes is repealed and the
226 following is substituted in lieu thereof (*Effective October 1, 2019*):

227 Any person [who] that applies for a cancellation of [his] such
228 person's distributor's license shall take an inventory at the beginning of
229 business on the first day of the following month, showing the number
230 of gallons of each kind of alcoholic beverage mentioned in section 12-
231 435 owned by [him] such person and held within the state. Each such
232 person shall, [within] not later than fifteen days after taking such

233 inventory, file a copy of such inventory with the commissioner, on
234 forms prescribed and furnished by [him] the commissioner, and shall
235 pay a tax on such inventory at the rates specified in [said] section 12-
236 435. Each return filed under the provisions of this section shall give
237 such additional information as the commissioner requires and shall
238 include a statement of the amount of tax due under such return.

239 Sec. 9. Subsection (c) of section 12-458 of the general statutes is
240 repealed and the following is substituted in lieu thereof (*Effective*
241 *October 1, 2019*):

242 (c) Any person who owns or operates a vehicle that runs only upon
243 rails or tracks and that is properly registered with the federal
244 government, in accordance with the provisions of Section 4222 of the
245 Internal Revenue Code of 1986, or any subsequent corresponding
246 internal revenue code of the United States, as amended from time to
247 time, shall be exempt from paying to a distributor the motor fuels tax
248 imposed pursuant to this section for use in such vehicle.

249 Sec. 10. Section 12-587 of the general statutes is repealed and the
250 following is substituted in lieu thereof (*Effective October 1, 2019*):

251 (a) (1) As used in this chapter: (A) "Company" includes a
252 corporation, partnership, limited partnership, limited liability
253 company, limited liability partnership, association, individual or any
254 fiduciary thereof; (B) "quarterly period" means a period of three
255 calendar months commencing on the first day of January, April, July or
256 October and ending on the last day of March, June, September or
257 December, respectively; (C) except as provided in subdivision (2) of
258 this subsection, "gross earnings" means all consideration received from
259 the first sale within this state of a petroleum product; (D) "petroleum
260 products" means those products which contain or are made from
261 petroleum or a petroleum derivative; (E) "first sale of petroleum
262 products within this state" means the initial sale of a petroleum
263 product delivered to a location in this state; (F) "export" or
264 "exportation" means the conveyance of petroleum products from
265 within this state to a location outside this state for the purpose of sale

266 or use outside this state; and (G) "sale for exportation" means a sale of
267 petroleum products to a purchaser which itself exports such products.

268 (2) For purposes of this chapter, "gross earnings" means gross
269 earnings as defined in subdivision (1) of this subsection, except, with
270 respect to the first sale of gasoline or gasohol within this state, if the
271 consideration received from such first sale reflects a price of gasoline
272 or gasohol sold or used in this state in excess of three dollars per
273 gallon, gross earnings from such first sale shall be deemed to be three
274 dollars per gallon, and any consideration received that is derived from
275 that portion of the price of such gasoline or gasohol in excess of three
276 dollars per gallon shall be disregarded in the calculation of gross
277 earnings. Notwithstanding the provisions of this chapter, the
278 Commissioner of Revenue Services may suspend enforcement
279 activities with respect to this subdivision until all policies and
280 procedures necessary to implement the provision of this subdivision
281 are in place, but in no event shall such suspension extend beyond April
282 15, 2012.

283 (b) (1) Except as otherwise provided in subdivision (2) of this
284 subsection, any company [which] that is engaged in the refining or
285 distribution, or both, of petroleum products and which distributes
286 such products in this state shall pay a quarterly tax on its gross
287 earnings derived from the first sale of petroleum products within this
288 state. Each company shall on or before the last day of the month next
289 succeeding each quarterly period render to the commissioner a return
290 on forms prescribed or furnished by the commissioner and signed by
291 the person performing the duties of treasurer or an authorized agent or
292 officer, including the amount of gross earnings derived from the first
293 sale of petroleum products within this state for the quarterly period
294 and such other facts as the commissioner may require for the purpose
295 of making any computation required by this chapter. [Except as
296 otherwise provided in subdivision (3) of this subsection, the] The rate
297 of tax shall be (A) [five per cent with respect to calendar quarters prior
298 to July 1, 2005; (B) five and eight-tenths per cent with respect to
299 calendar quarters commencing on or after July 1, 2005, and prior to

300 July 1, 2006; (C) six and three-tenths per cent with respect to calendar
301 quarters commencing on or after July 1, 2006, and prior to July 1, 2007;
302 (D)] seven per cent with respect to calendar quarters commencing on
303 or after July 1, 2007, and prior to July 1, 2013; and [(E)] (B) eight and
304 one-tenth per cent with respect to calendar quarters commencing on or
305 after July 1, 2013.

306 (2) Gross earnings derived from the first sale of the following
307 petroleum products within this state shall be exempt from tax:

308 (A) Any petroleum products sold for exportation from this state for
309 sale or use outside this state;

310 (B) [the] The product designated by the American Society for
311 Testing and Materials as "Specification for Heating Oil D396-69",
312 commonly known as number 2 heating oil, to be used exclusively for
313 heating purposes or to be used in a commercial fishing vessel, which
314 vessel qualifies for an exemption pursuant to subdivision (40) of
315 section 12-412;

316 (C) [kerosene] Kerosene, commonly known as number 1 oil, to be
317 used exclusively for heating purposes, provided delivery is of both
318 number 1 and number 2 oil, and via a truck with a metered delivery
319 ticket to a residential dwelling or to a centrally metered system serving
320 a group of residential dwellings;

321 (D) [the] The product identified as propane gas, to be used
322 primarily for heating purposes;

323 (E) [bunker] Bunker fuel oil, intermediate fuel, marine diesel oil and
324 marine gas oil to be used in any vessel (i) having a displacement
325 exceeding four thousand dead weight tons, or (ii) primarily engaged in
326 interstate commerce;

327 (F) [for] For any first sale occurring prior to July 1, 2008, propane
328 gas to be used as a fuel for a motor vehicle;

329 (G) [for] For any first sale occurring on or after July 1, 2002, grade

330 number 6 fuel oil, as defined in regulations adopted pursuant to
331 section 16a-22c, to be used exclusively by a company [which] that, in
332 accordance with census data contained in the Standard Industrial
333 Classification Manual, United States Office of Management and
334 Budget, 1987 edition, is included in code classifications 2000 to 3999,
335 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
336 Classification System United States Manual, United States Office of
337 Management and Budget, 1997 edition;

338 (H) [for] For any first sale occurring on or after July 1, 2002, number
339 2 heating oil to be used exclusively in a vessel primarily engaged in
340 interstate commerce, which vessel qualifies for an exemption under
341 subdivision (40) of section 12-412;

342 (I) [for] For any first sale occurring on or after July 1, 2000, paraffin
343 or microcrystalline waxes;

344 (J) [for] For any first sale occurring prior to July 1, 2008, petroleum
345 products to be used as a fuel for a fuel cell, as defined in subdivision
346 (113) of section 12-412;

347 (K) [a] A commercial heating oil blend containing not less than ten
348 per cent of alternative fuels derived from agricultural produce, food
349 waste, waste vegetable oil or municipal solid waste, including, but not
350 limited to, biodiesel or low sulfur dyed diesel fuel;

351 (L) [for] For any first sale occurring on or after July 1, 2007, diesel
352 fuel other than diesel fuel to be used in an electric generating facility to
353 generate electricity;

354 (M) [for] For any first sale occurring on or after July 1, 2013,
355 cosmetic grade mineral oil; or

356 (N) [propane] Propane gas to be used as a fuel for a school bus.

357 [(3) The rate of tax on gross earnings derived from the first sale of
358 grade number 6 fuel oil, as defined in regulations adopted pursuant to
359 section 16a-22c, to be used exclusively by a company which, in

360 accordance with census data contained in the Standard Industrial
361 Classification Manual, United States Office of Management and
362 Budget, 1987 edition, is included in code classifications 2000 to 3999,
363 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
364 Classification System United States Manual, United States Office of
365 Management and Budget, 1997 edition, or number 2 heating oil used
366 exclusively in a vessel primarily engaged in interstate commerce,
367 which vessel qualifies for an exemption under section 12-412 shall be:
368 (A) Four per cent with respect to calendar quarters commencing on or
369 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with
370 respect to calendar quarters commencing on or after July 1, 1999, and
371 prior to July 1, 2000; (C) two per cent with respect to calendar quarters
372 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)
373 one per cent with respect to calendar quarters commencing on or after
374 July 1, 2001, and prior to July 1, 2002.]

375 (c) (1) Any company [which] that imports or causes to be imported
376 into this state petroleum products for sale, use or consumption in this
377 state, other than a company subject to and having paid the tax on such
378 company's gross earnings from first sales of petroleum products
379 within this state, which earnings include gross earnings attributable to
380 such imported or caused to be imported petroleum products, in
381 accordance with subsection (b) of this section, shall pay a quarterly tax
382 on the consideration given or contracted to be given for such
383 petroleum product if the consideration given or contracted to be given
384 for all such deliveries during the quarterly period for which such tax is
385 to be paid exceeds three thousand dollars. [Except as otherwise
386 provided in subdivision (3) of this subsection, the] The rate of tax shall
387 be (A) [five per cent with respect to calendar quarters commencing
388 prior to July 1, 2005; (B) five and eight-tenths per cent with respect to
389 calendar quarters commencing on or after July 1, 2005, and prior to
390 July 1, 2006; (C) six and three-tenths per cent with respect to calendar
391 quarters commencing on or after July 1, 2006, and prior to July 1, 2007;
392 (D)] seven per cent with respect to calendar quarters commencing on
393 or after July 1, 2007, and prior to July 1, 2013; and [(E)] (B) eight and
394 one-tenth per cent with respect to calendar quarters commencing on or

395 after July 1, 2013. Fuel in the fuel supply tanks of a motor vehicle,
396 which fuel tanks are directly connected to the engine, shall not be
397 considered a delivery for the purposes of this subsection.

398 (2) Consideration given or contracted to be given for petroleum
399 products, gross earnings from the first sale of which are exempt from
400 tax under subdivision (2) of subsection (b) of this section, shall be
401 exempt from tax.

402 [(3) The rate of tax on consideration given or contracted to be given
403 for grade number 6 fuel oil, as defined in regulations adopted
404 pursuant to section 16a-22c, to be used exclusively by a company
405 which, in accordance with census data contained in the Standard
406 Industrial Classification Manual, United States Office of Management
407 and Budget, 1987 edition, is included in code classifications 2000 to
408 3999, inclusive, or in Sector 31, 32 or 33 in the North American
409 Industrial Classification System United States Manual, United States
410 Office of Management and Budget, 1997 edition, or number 2 heating
411 oil used exclusively in a vessel primarily engaged in interstate
412 commerce, which vessel qualifies for an exemption under section 12-
413 412 shall be: (A) Four per cent with respect to calendar quarters
414 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three
415 per cent with respect to calendar quarters commencing on or after July
416 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to
417 calendar quarters commencing on or after July 1, 2000, and prior to
418 July 1, 2001; and (D) one per cent with respect to calendar quarters
419 commencing on or after July 1, 2001, and prior to July 1, 2002.]

420 (d) The amount of tax reported to be due on such return shall be
421 due and payable on or before the last day of the month next
422 succeeding the quarterly period. The tax imposed under the provisions
423 of this chapter shall be in addition to any other tax imposed by this
424 state on such company.

425 (e) For the purposes of this chapter, the gross earnings of any
426 producer or refiner of petroleum products operating a service station
427 along the highways or interstate highways within the state pursuant to

428 a contract with the Department of Transportation or operating a
429 service station which is used as a training or test marketing center
430 under the provisions of subsection (b) of section 14-344d, shall be
431 calculated by multiplying the volume of petroleum products delivered
432 by any producer or refiner to any such station by such producer's or
433 refiner's dealer tank wagon price or dealer wholesale price in the area
434 of the service station.

435 Sec. 11. Subsection (a) of section 12-587a of the general statutes is
436 repealed and the following is substituted in lieu thereof (*Effective*
437 *October 1, 2019*):

438 (a) (1) Any company, as such term is used in section 12-587, as
439 amended by this act, liable for the tax imposed under subsection (b) of
440 [said] section 12-587, as amended by this act, on gross earnings from
441 the first sale of petroleum products within this state, which products
442 the purchaser thereof subsequently sells for exportation and sale or use
443 outside this state, shall be allowed a credit against any tax for which
444 such company is liable in accordance with subsection (b) of [said]
445 section 12-587, as amended by this act, in the amount of tax paid to the
446 state with respect to the sale of such products, provided (A) such
447 purchaser has submitted certification to such company, in such form as
448 prescribed by the Commissioner of Revenue Services, that such
449 products were sold or used outside this state, (B) such certification and
450 any additional information related to such sale or use by such
451 purchaser, which said commissioner may request, have been
452 submitted to said commissioner, and (C) such company makes a
453 payment to such purchaser, related to such products sold or used
454 outside this state, in the amount equal to the tax imposed under [said]
455 section 12-587, as amended by this act, on gross earnings from the first
456 sale to such purchaser within the state.

457 (2) The credit allowed pursuant to subdivision (1) of this subsection
458 may also be claimed, in the same manner as provided in said
459 subdivision (1), by any such company when the petroleum products
460 sold in a first sale within this state by such company are incorporated

461 by the purchaser thereof into a material that is included in U.S.
462 industry group 3255 in the North American Industrial Classification
463 System United States Manual, United States Office of Management and
464 Budget, 2007 edition, and such products are subsequently exported for
465 sale or use outside this state. Such company shall be allowed said
466 credit in the amount of tax paid to the state with respect to the sale of
467 such products.

468 (3) In addition, such company shall be allowed such credit when
469 there has been any sale of such products subsequent to the sale by such
470 company but prior to sale or use outside this state, provided (A) each
471 purchaser receives payment, related to such products sold or used
472 outside this state, equal to the tax imposed under [said] section 12-587,
473 as amended by this act, on gross earnings from the first sale of such
474 products within this state, and (B) the purchaser selling or using such
475 products outside this state complies with the requirements in this
476 section related to a purchaser of such products from the company
477 liable for such tax.

478 Sec. 12. Subparagraphs (B)(xxiii) to (B)(xxv), inclusive, of
479 subdivision (20) of subsection (a) of section 12-701 of the general
480 statutes are repealed and the following is substituted in lieu thereof
481 (*Effective October 1, 2019*):

482 (xxiii) To the extent properly includable in gross income for federal
483 income tax purposes, the amount of any financial assistance received
484 from the Crumbling Foundations Assistance Fund or paid to or on
485 behalf of the owner of a residential building pursuant to sections 8-442
486 and 8-443; [, and]

487 (xxiv) To the extent properly includable in gross income for federal
488 income tax purposes, the amount calculated pursuant to subsection (b)
489 of section 12-704g for income received by a general partner of a
490 venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended
491 from time to time; and

492 (xxv) To the extent any portion of a deduction under Section 179 of

493 the Internal Revenue Code was added to federal adjusted gross income
494 pursuant to subparagraph (A)(xiv) of this subdivision in computing
495 Connecticut adjusted gross income, twenty-five per cent of such
496 disallowed portion of the deduction in each of the four succeeding
497 taxable years.

498 Sec. 13. Subdivision (24) of subsection (a) of section 12-701 of the
499 general statutes is repealed and the following is substituted in lieu
500 thereof (*Effective October 1, 2019*):

501 (24) "Adjusted federal tentative minimum tax" of an individual
502 means such individual's federal tentative minimum tax or, in the case
503 of an individual whose Connecticut adjusted gross income includes
504 modifications described in subparagraph (A)(i), (A)(ii), (A)(v), (A)(vi),
505 (A)(vii) or (A)(viii) of subdivision (20) of this subsection [(a) of this
506 section] or subparagraph (B)(i), (B)(ii), (B)(v), (B)(vi), (B)(vii), (B)(viii),
507 (B)(ix), (B)(x), (B)(xiii) or (B)(xv) of subdivision (20) of this subsection,
508 [(a) of this section,] the amount that would have been the federal
509 tentative minimum tax if such tax were calculated by including, to the
510 extent not includable in federal alternative minimum taxable income,
511 the modifications described in subparagraph (A)(i), (A)(ii), (A)(v),
512 (A)(vi), (A)(vii) or (A)(viii) of subdivision (20) of this subsection, [(a) of
513 this section,] by excluding, to the extent includable in federal
514 alternative minimum taxable income, the modifications described in
515 subparagraph (B)(i), (B)(ii), (B)(v), (B)(vi), (B)(vii), (B)(viii), (B)(ix),
516 (B)(x), (B)(xiii) or (B)(xv) of subdivision (20) of this subsection, [(a) of
517 this section,] and by excluding, to the extent includable in federal
518 alternative minimum taxable income, the amount of any interest
519 income or exempt-interest dividends, as defined in Section 852(b)(5) of
520 the Internal Revenue Code, from obligations that are issued by or on
521 behalf of the state of Connecticut, any political subdivision thereof, or
522 public instrumentality, state or local authority, district, or similar
523 public entity that is created under the laws of the state of Connecticut,
524 or from obligations that are issued by or on behalf of any territory or
525 possession of the United States, any political subdivision of such
526 territory or possession, or public instrumentality, authority, district or

527 similar public entity of such territory or possession, the income with
528 respect to which taxation by any state is prohibited by federal law. If
529 such individual is a beneficiary of a trust or estate, then, in calculating
530 his or her federal tentative minimum tax, his or her federal alternative
531 taxable income shall be increased or decreased, as the case may be, by
532 the net amount of such individual's proportionate share of the
533 Connecticut fiduciary adjustment relating to modifications that are
534 described in, to the extent not includable in federal alternative
535 minimum taxable income, subparagraph (A)(i), (A)(ii), (A)(v), (A)(vi),
536 (A)(vii) or (A)(viii) of subdivision (20) of this subsection, [(a) of this
537 section,] or, to the extent includable in federal alternative minimum
538 taxable income, subparagraph (B)(i), (B)(ii), (B)(v), (B)(vi), (B)(vii),
539 (B)(viii), (B)(ix), (B)(x), (B)(xiii) or (B)(xv) of subdivision (20) of this
540 subsection, [(a) of this section.]

541 Sec. 14. Subdivision (30) of subsection (a) of section 12-701 of the
542 general statutes is repealed and the following is substituted in lieu
543 thereof (*Effective October 1, 2019*):

544 (30) "Adjusted federal alternative minimum taxable income" of an
545 individual means his or her federal alternative minimum taxable
546 income or, in the case of an individual whose Connecticut adjusted
547 gross income includes modifications described in subparagraph (A)(i),
548 (A)(ii), (A)(v), (A)(vi), (A)(vii) or (A)(viii) of subdivision (20) of this
549 subsection [(a) of this section] or subparagraph (B)(i), (B)(ii), (B)(v),
550 (B)(vi), (B)(vii), (B)(viii), (B)(ix), (B)(x), (B)(xiii) or (B)(xv) of subdivision
551 (20) of this subsection, [(a) of this section,] the amount that would have
552 been the federal alternative minimum taxable income if such amount
553 were calculated by including, to the extent not includable in federal
554 alternative minimum taxable income, the modifications described in
555 subparagraph (A)(i), (A)(ii), (A)(v), (A)(vi), (A)(vii) or (A)(viii) of
556 subdivision (20) of this subsection, [(a) of this section,] by excluding, to
557 the extent includable in federal alternative minimum taxable income,
558 the modifications described in subparagraph (B)(i), (B)(ii), (B)(v),
559 (B)(vi), (B)(vii), (B)(viii), (B)(ix), (B)(x), (B)(xiii) or (B)(xv) of subdivision
560 (20) of this subsection, [(a) of this section,] and by excluding, to the

561 extent includable in federal alternative minimum taxable income, the
562 amount of any interest income or exempt-interest dividends, as
563 defined in Section 852(b)(5) of the Internal Revenue Code, from
564 obligations that are issued by or on behalf of the state of Connecticut,
565 any political subdivision thereof, or public instrumentality, state or
566 local authority, district, or similar public entity that is created under
567 the laws of the state of Connecticut, or from obligations that are issued
568 by or on behalf of any territory or possession of the United States, any
569 political subdivision of such territory or possession, or public
570 instrumentality, authority, district or similar public entity of such
571 territory or possession, the income with respect to which taxation by
572 any state is prohibited by federal law. If such individual is a
573 beneficiary of a trust or estate, then, for purposes of calculating his or
574 her adjusted federal alternative minimum taxable income, his or her
575 federal alternative minimum taxable income shall also be increased or
576 decreased, as the case may be, by the net amount of such individual's
577 proportionate share of the Connecticut fiduciary adjustment relating to
578 modifications to the extent not includable in federal alternative
579 minimum taxable income, that are described in subparagraph (A)(i),
580 (A)(ii), (A)(v), (A)(vi), (A)(vii) or (A)(viii) of subdivision (20) of this
581 subsection [(a) of this section] or to the extent includable in federal
582 alternative minimum taxable income, subparagraph (B)(i), (B)(ii),
583 (B)(v), (B)(vi), (B)(vii), (B)(viii), (B)(ix), (B)(x), (B)(xiii) or (B)(xv) of
584 subdivision (20) of this subsection. [(a) of this section.]

585 Sec. 15. Section 12-170aa of the general statutes is repealed and the
586 following is substituted in lieu thereof (*Effective October 1, 2019*):

587 (a) There is established, for the assessment year commencing
588 October 1, 1985, and each assessment year thereafter, a revised state
589 program of property tax relief for certain elderly homeowners as
590 determined in accordance with subsection (b) of this section, and
591 additionally for the assessment year commencing October 1, 1986, and
592 each assessment year thereafter, the property tax relief benefits of such
593 program are made available to certain homeowners who are
594 permanently and totally disabled as determined in accordance with

595 said subsection. [(b) of this section.]

596 (b) (1) The program established by this section shall provide for a
597 reduction in property tax, except in the case of benefits payable as a
598 grant under certain circumstances in accordance with provisions in
599 subsection (j) of this section, applicable to the assessed value of certain
600 real property, determined in accordance with subsection (c) of this
601 section, for any owner of real property, or any tenant for life or tenant
602 for a term of years liable for property tax under section 12-48, or any
603 resident of a multiple-dwelling complex under certain contractual
604 conditions as provided in [said] subsection (j) of this section, who (A)
605 at the close of the preceding calendar year has attained age sixty-five
606 or over, or whose spouse domiciled with such homeowner, has
607 attained age sixty-five or over at the close of the preceding calendar
608 year, or is fifty years of age or over and the surviving spouse of a
609 homeowner who at the time of [his] such homeowner's death had
610 qualified and was entitled to tax relief under this section, provided
611 such spouse was domiciled with such homeowner at the time of his
612 death or (B) at the close of the preceding calendar year has not attained
613 age sixty-five and is eligible in accordance with applicable federal
614 regulations to receive permanent total disability benefits under Social
615 Security, or has not been engaged in employment covered by Social
616 Security and accordingly has not qualified for benefits thereunder but
617 who has become qualified for permanent total disability benefits under
618 any federal, state or local government retirement or disability plan,
619 including the Railroad Retirement Act and any government-related
620 teacher's retirement plan, determined by the Secretary of the Office of
621 Policy and Management to contain requirements in respect to
622 qualification for such permanent total disability benefits [which] that
623 are comparable to such requirements under Social Security; and in
624 addition to qualification under subparagraph (A) or (B) [above] of this
625 subdivision, whose taxable and nontaxable income, the total of which
626 shall hereinafter be called "qualifying income", in the tax year of such
627 homeowner ending immediately preceding the date of application for
628 benefits under the program in this section, was not in excess of sixteen
629 thousand two hundred dollars, if unmarried, or twenty thousand

630 dollars, jointly with spouse if married, subject to adjustments in
631 accordance with subdivision (2) of this subsection, evidence of which
632 income shall be required in the form of a signed affidavit to be
633 submitted to the assessor in the municipality in which application for
634 benefits under this section is filed. The amount of any Medicaid
635 payments made on behalf of such homeowner or the spouse of such
636 homeowner shall not constitute income. The amount of tax reduction
637 provided under this section, determined in accordance with and
638 subject to the variable factors in the schedule of amounts of tax
639 reduction in subsection (c) of this section, shall be allowed only with
640 respect to a residential dwelling owned by such qualified homeowner
641 and used as such homeowner's primary place of residence. If title to
642 real property or a tenancy interest liable for real property taxes is
643 recorded in the name of such qualified homeowner or his spouse
644 making a claim and qualifying under this section and any other person
645 or persons, the claimant hereunder shall be entitled to pay his
646 fractional share of the tax on such property calculated in accordance
647 with the provisions of this section, and such other person or persons
648 shall pay his or their fractional share of the tax without regard for the
649 provisions of this section, unless also qualified hereunder. For the
650 purposes of this section, a "mobile manufactured home", as defined in
651 section 12-63a, or a dwelling on leased land, including but not limited
652 to a modular home, shall be deemed to be real property and the word
653 "taxes" shall not include special assessments, interest and lien fees.

654 (2) The amounts of qualifying income as provided in this section
655 shall be adjusted annually in a uniform manner to reflect the annual
656 inflation adjustment in Social Security income, with each such
657 adjustment of qualifying income determined to the nearest one
658 hundred dollars. Each such adjustment of qualifying income shall be
659 prepared by the Secretary of the Office of Policy and Management in
660 relation to the annual inflation adjustment in Social Security, if any,
661 becoming effective at any time during the twelve-month period
662 immediately preceding the first day of October each year and the
663 amount of such adjustment shall be distributed to the assessors in each
664 municipality not later than the thirty-first day of December next

665 following.

666 (3) For purposes of determining qualifying income under
 667 subdivision (1) of this subsection with respect to a married homeowner
 668 who submits an application for tax reduction in accordance with this
 669 section, the Social Security income of the spouse of such homeowner
 670 shall not be included in the qualifying income of such homeowner, for
 671 purposes of determining eligibility for benefits under this section, if
 672 such spouse is a resident of a health care or nursing home facility in
 673 this state receiving payment related to such spouse under the Title XIX
 674 Medicaid program. An applicant who is legally separated pursuant to
 675 the provisions of section 46b-40, as of the thirty-first day of December
 676 preceding the date on which such person files an application for a
 677 grant in accordance with subsection (a) of this section, may apply as an
 678 unmarried person and shall be regarded as such for purposes of
 679 determining qualifying income under said subsection.

680 (c) The amount of reduction in property tax provided under this
 681 section shall, subject to the provisions of subsection (d) of this section,
 682 be determined in accordance with the following schedule:

T1	Qualifying Income		Tax Reduction	Tax Reduction	
T2			As Percentage	For Any Year	
T3	Over	Not Exceeding	Of Property Tax		
T4	Married Homeowners			Maximum	Minimum
T5	\$ 0	\$11,700	50%	\$1,250	\$400
T6	11,700	15,900	40	1,000	350
T7	15,900	19,700	30	750	250
T8	19,700	23,600	20	500	150
T9	23,600	28,900	10	250	150
T10	28,900		None		
T11	Unmarried Homeowners				
T12	\$ 0	\$11,700	40%	\$1,000	\$350

T13	11,700	15,900	30	750	250
T14	15,900	19,700	20	500	150
T15	19,700	23,600	10	250	150
T16	23,600		None		

683 (d) Any homeowner qualified for tax reduction in accordance with
684 subsection (b) of this section in an amount to be determined under the
685 schedule of such tax reduction in subsection (c) of this section, shall in
686 no event receive less in tax reduction than the minimum amount of
687 such reduction applicable to the qualifying income of such homeowner
688 according to the schedule in said subsection (c).

689 (e) (1) Any claim for tax reduction under this section shall be
690 submitted for approval, on the application form prepared for such
691 purpose by the Secretary of the Office of Policy and Management, in
692 the first year claim for such tax relief is filed and biennially thereafter.
693 The amount of tax reduction approved shall be applied to the real
694 property tax payable by the homeowner for the assessment year in
695 which such application is submitted and approved. If any such
696 homeowner has qualified for tax reduction under this section, the tax
697 reduction determined shall, when possible, be applied and prorated
698 uniformly over the number of installments in which the real property
699 tax is due and payable to the municipality in which [he] such
700 homeowner resides. In the case of any homeowner who is eligible for
701 tax reduction under this section as a result of increases in qualifying
702 income, [effective with respect to the assessment year commencing
703 October 1, 1987,] under the schedule of qualifying income and tax
704 reduction in subsection (c) of this section, exclusive of any such
705 increases related to [social security] Social Security adjustments in
706 accordance with subsection (b) of this section, the total amount of tax
707 reduction to which such homeowner is entitled shall be credited and
708 uniformly prorated against property tax installment payments
709 applicable to such homeowner's residence [which] that become due
710 after such homeowner's application for tax reduction under this
711 section is accepted. In the event that a homeowner has paid in full the

712 amount of property tax applicable to such homeowner's residence,
713 regardless of whether the municipality requires the payment of
714 property taxes in one or more installments, such municipality shall
715 make payment to such homeowner in the amount of the tax reduction
716 allowed. The municipality shall be reimbursed for the amount of such
717 payment in accordance with subsection (g) of this section.

718 (2) In respect to such application required biennially after the filing
719 and approval for the first year, the tax assessor in each municipality
720 shall notify each such homeowner concerning application
721 requirements by regular mail not later than February first, annually
722 enclosing a copy of the required application form. Such homeowner
723 may submit such application to the assessor by mail, provided it is
724 received by the assessor not later than April fifteenth in the assessment
725 year with respect to which such tax reduction is claimed. Not later
726 than April thirtieth of such year the assessor shall notify, by mail
727 evidenced by a certificate of mailing, any such homeowner for whom
728 such application was not received by said April fifteenth concerning
729 application requirements and such homeowner shall be required not
730 later than May fifteenth to submit such application personally or, for
731 reasonable cause, by a person acting on behalf of such taxpayer as
732 approved by the assessor. In the year immediately following any year
733 in which such homeowner has submitted application and qualified for
734 tax reduction in accordance with this section, such homeowner shall be
735 presumed, without filing application therefor, to be qualified for tax
736 reduction in accordance with the schedule in subsection (c) of this
737 section in the same percentage of property tax as allowed in the year
738 immediately preceding.

739 (3) If any homeowner has qualified and received tax reduction
740 under this section and subsequently in any calendar year has
741 qualifying income in excess of the maximum described in this section,
742 such homeowner shall notify the tax assessor on or before the next
743 filing date and shall be denied tax reduction under this section for the
744 assessment year and any subsequent year or until such homeowner
745 has reapplied and again qualified for benefits under this section. Any

746 such person who fails to so notify the tax assessor of his
747 disqualification shall refund all amounts of tax reduction improperly
748 taken and be fined not more than five hundred dollars.

749 (f) (1) Any homeowner, believing such homeowner is entitled to tax
750 reduction benefits under this section for any assessment year, shall
751 make application as required in subsection (e) of this section, to the
752 assessor of the municipality in which the homeowner resides, for such
753 tax reduction at any time from February first to and including May
754 fifteenth of the year in which tax reduction is claimed. A homeowner
755 may make application to the secretary prior to August fifteenth of the
756 claim year for an extension of the application period. The secretary
757 may grant such extension in the case of extenuating circumstance due
758 to illness or incapacitation as evidenced by a certificate signed by a
759 physician or an advanced practice registered nurse to that extent, or if
760 the secretary determines there is good cause for doing so. Such
761 application for tax reduction benefits shall be submitted on a form
762 prescribed and furnished by the secretary to the assessor. In making
763 application the homeowner shall present to such assessor, in
764 substantiation of such homeowner's application, a copy of such
765 homeowner's federal income tax return, including a copy of the Social
766 Security statement of earnings for such homeowner, and that of such
767 homeowner's spouse, if filed separately, for such homeowner's taxable
768 year ending immediately prior to the submission of such application,
769 or if not required to file a return, such other evidence of qualifying
770 income in respect to such taxable year as may be required by the
771 assessor.

772 (2) When the assessor is satisfied that the applying homeowner is
773 entitled to tax reduction in accordance with this section, such assessor
774 shall issue a certificate of credit, in such form as the secretary may
775 prescribe and supply showing the amount of tax reduction allowed. A
776 duplicate of such certificate shall be delivered to the applicant and the
777 tax collector of the municipality and the assessor shall keep the fourth
778 copy of such certificate and a copy of the application. Any homeowner
779 who, for the purpose of obtaining a tax reduction under this section,

780 wilfully fails to disclose all matters related thereto or with intent to
781 defraud makes false statement shall refund all property tax credits
782 improperly taken and shall be fined not more than five hundred
783 dollars.

784 (3) Applications filed under this section shall not be open for public
785 inspection.

786 (g) (1) On or before July first, annually, each municipality shall
787 submit to the secretary a claim for the tax reductions approved under
788 this section in relation to the assessment list of October first
789 immediately preceding. On or after December [1, 1987] first, annually,
790 any municipality that neglects to transmit to the secretary the claim as
791 required by this section shall forfeit two hundred fifty dollars to the
792 state, except that the secretary may waive such forfeiture in accordance
793 with procedures and standards established by regulations adopted in
794 accordance with chapter 54.

795 (2) Subject to procedures for review and approval of such data
796 pursuant to section 12-120b, said secretary shall, on or before
797 December fifteenth next following, certify to the Comptroller the
798 amount due each municipality as reimbursement for loss of property
799 tax revenue related to the tax reductions allowed under this section,
800 except that the secretary may reduce the amount due as
801 reimbursement under this section by up to one hundred per cent for
802 any municipality that is not eligible for a grant under section 32-9s.
803 The Comptroller shall draw an order on the Treasurer on or before the
804 fifth business day following December fifteenth and the Treasurer shall
805 pay the amount due each municipality not later than the thirty-first
806 day of December.

807 (3) Any claimant aggrieved by the results of the secretary's review
808 shall have the rights of appeal as set forth in section 12-120b. The
809 amount of the grant payable to each municipality in any year in
810 accordance with this section shall be reduced proportionately in the
811 event that the total of such grants in such year exceeds the amount
812 appropriated for the purposes of this section with respect to such year.

813 (h) Any person who is the owner of a residential dwelling on leased
814 land, including any such person who is a sublessee under terms of the
815 lease agreement applicable to such land, shall be entitled to claim tax
816 relief under the provisions of this section, subject to all requirements
817 therein except as provided in this [subdivision] subsection, with
818 respect to property taxes paid by such person on the assessed value of
819 such dwelling, provided (1) the dwelling is such person's principal
820 place of residence, (2) such lease or sublease requires that such person
821 as the lessee or sublessee, whichever is applicable, pay all property
822 taxes related to the dwelling and (3) such lease or sublease is recorded
823 in the land records of the town.

824 (i) (1) If any person with respect to whom a claim for tax reduction
825 in accordance with this section has been approved for any assessment
826 year transfers, assigns, grants or otherwise conveys on or after the first
827 day of October but prior to the first day of August in such assessment
828 year the interest in real property to which such claim for tax credit is
829 related, regardless of whether such transfer, assignment, grant or
830 conveyance is voluntary or involuntary, the amount of such tax credit
831 shall be a pro rata portion of the amount otherwise applicable in such
832 assessment year to be determined by a fraction the numerator of which
833 shall be the number of full months from the first day of October in
834 such assessment year to the date of such conveyance and the
835 denominator of which shall be twelve. If such conveyance occurs in the
836 month of October the grantor shall be disqualified for tax credit in
837 such assessment year. The grantee shall be required within a period
838 not exceeding ten days immediately following the date of such
839 conveyance to notify the assessor thereof, or in the absence of such
840 notice, upon determination by the assessor that such transfer,
841 assignment, grant or conveyance has occurred, the assessor shall ~~[(1)]~~
842 (A) determine the amount of tax reduction to which the grantor is
843 entitled for such assessment year with respect to the interest in real
844 property conveyed and notify the tax collector of the reduced amount
845 of tax reduction applicable to such interest, and ~~[(2)]~~ (B) notify the
846 Secretary of the Office of Policy and Management on or before the
847 October first immediately following the end of the assessment year in

848 which such conveyance occurs of the reduction in such tax reduction
849 for purposes of a corresponding adjustment in the amount of state
850 payment to the municipality next following as reimbursement for the
851 revenue loss related to such tax reductions. On or after December [1,
852 1987] first, annually, any municipality [which] that neglects to transmit
853 to the Secretary of the Office of Policy and Management the claim as
854 required by this section shall forfeit two hundred fifty dollars to the
855 state, provided the secretary may waive such forfeiture in accordance
856 with procedures and standards established by regulations adopted in
857 accordance with chapter 54.

858 (2) Upon receipt of such notice from the assessor, the tax collector
859 shall, if such notice is received after the tax due date in the
860 municipality, within ten days thereafter mail or hand a bill to the
861 grantee stating the additional amount of tax due as determined by the
862 assessor. Such tax shall be due and payable and collectible as other
863 property taxes and subject to the same liens and processes of
864 collection, provided such tax shall be due and payable in an initial or
865 single installment not sooner than thirty days after the date such bill is
866 mailed or handed to the grantee and in equal amounts in any
867 remaining, regular installments as the same are due and payable.

868 (j) (1) Notwithstanding the intent in subsections (a) to (i), inclusive,
869 of this section to provide for benefits in the form of property tax
870 reduction applicable to persons liable for payment of such property tax
871 and qualified in accordance with requirements related to age and
872 income as provided in subsection (b) of this section, a certain annual
873 benefit, determined in amount under the provisions of subsections (c)
874 and (d) of this section but payable in a manner as prescribed in this
875 subsection, shall be provided with respect to any person who (A) is
876 qualified in accordance with said requirements related to age and
877 income as provided in subsection (b) of this section, including
878 provisions concerning such person's spouse, and (B) is a resident of a
879 dwelling unit within a multiple-dwelling complex containing dwelling
880 units for occupancy by certain elderly persons under terms of a
881 contract between such resident and the owner of such complex, in

882 accordance with which contract such resident occupies a certain
883 dwelling unit subject to the express provision that such resident has no
884 legal title, interest or leasehold estate in the real or personal property
885 of such complex, and under the terms of which contract such resident
886 agrees to pay the owner of the complex a fee, as a condition precedent
887 to occupancy and a monthly or other such periodic fee thereafter as a
888 condition of continued occupancy. In no event shall any such resident
889 be qualified for benefits payable in accordance with this subsection if,
890 as determined by the assessor in the municipality in which such
891 complex is situated, such resident's contract with the owner of such
892 complex, or occupancy by such resident (i) confers upon such resident
893 any ownership interest in the dwelling unit occupied or in such
894 complex, or (ii) establishes a contract of lease of any type for the
895 dwelling unit occupied by such resident.

896 (2) The amount of annual benefit payable in accordance with this
897 subsection to any such resident, qualified as provided in subdivision
898 (1) of this subsection, shall be determined in relation to an assumed
899 amount of property tax liability applicable to the assessed value for the
900 dwelling unit which such resident occupies, as determined by the
901 assessor in the municipality in which such complex is situated.
902 Annually, not later than the first day of June, the assessor in such
903 municipality, upon receipt of an application for such benefit submitted
904 in accordance with this subsection by any such resident, shall
905 determine, with respect to the assessment list in such municipality for
906 the assessment year commencing October first immediately preceding,
907 the portion of the assessed value of the entire complex, as included in
908 such assessment list, attributable to the dwelling unit occupied by such
909 resident. The assumed property tax liability for purposes of this
910 subsection shall be the product of such assessed value and the mill rate
911 in such municipality as determined for purposes of property tax
912 imposed on said assessment list for the assessment year commencing
913 October first immediately preceding. The amount of benefit to which
914 such resident shall be entitled for such assessment year shall be
915 equivalent to the amount of tax reduction for which such resident
916 would qualify, considering such assumed property tax liability to be

917 the actual property tax applicable to such resident's dwelling unit and
918 such resident as liable for the payment of such tax, in accordance with
919 the schedule of qualifying income and tax reduction as provided in
920 subsection (c) of this section, subject to provisions concerning
921 maximum allowable benefit for any assessment year under subsections
922 (c) and (d) of this section. The amount of benefit as determined for
923 such resident in respect to any assessment year shall be payable by the
924 state as a grant to such resident equivalent to the amount of property
925 tax reduction to which such resident would be entitled under
926 subsections (a) to (i), inclusive, of this section if such resident were the
927 owner of such dwelling unit and qualified for tax reduction benefits
928 under said subsections (a) to (i), inclusive.

929 (3) Any such resident entitled to a grant as provided in subdivision
930 (2) of this subsection shall be required to submit an application for
931 such grant to the assessor in the municipality in which such resident
932 resides at any time from February first to and including the fifteenth
933 day of May in the year in which such grant is claimed, on a form
934 prescribed and furnished for such purpose by the Secretary of the
935 Office of Policy and Management. Any such resident submitting an
936 application for such grant shall be required to present to the assessor,
937 in substantiation of such application, a copy of such resident's federal
938 income tax return, and if not required to file a federal income tax
939 return, such other evidence of qualifying income, receipts for money
940 received or cancelled checks, or copies thereof, and any other evidence
941 the assessor may require. Not later than the first day of July in such
942 year, the assessor shall submit to the Secretary of the Office of Policy
943 and Management (A) a copy of the application prepared by such
944 resident, together with such resident's federal income tax return, if
945 required to file such a return, and any other information submitted in
946 relation thereto, (B) determinations of the assessor concerning the
947 assessed value of the dwelling unit in such complex occupied by such
948 resident, and (C) the amount of such grant approved by the assessor.
949 Said secretary, upon approving such grant, shall certify the amount
950 thereof and not later than the fifteenth day of September immediately
951 following submit approval for payment of such grant to the [State]

952 Comptroller. Not later than five business days immediately following
953 receipt of such approval for payment, the [State] Comptroller shall
954 draw [his or her] an order [upon the State] on the Treasurer and the
955 Treasurer shall pay the amount of the grant to such resident not later
956 than the first day of October immediately following.

957 (k) If the Secretary of the Office of Policy and Management makes
958 any adjustments to the grants for tax reductions or assumed amounts
959 of property tax liability claimed under this section subsequent to the
960 [Comptroller the] Comptroller's order of payment of [said] such grants
961 in any year, the amount of such adjustment shall be reflected in the
962 next payment the Treasurer shall make to such municipality pursuant
963 to this section.

964 Sec. 16. Section 3-114g of the general statutes is repealed and the
965 following is substituted in lieu thereof (*Effective from passage*):

966 At the end of each fiscal year, commencing with the fiscal year
967 ending on June 30, 1990, the Comptroller is authorized to record as
968 revenue for such fiscal year the amount of revenue related to the tax
969 imposed under chapter 208 and section 12-699 for such fiscal year
970 which is received by the Commissioner of Revenue Services not later
971 than five business days after the [last day of] July thirty-first
972 immediately following the end of such fiscal year.

973 Sec. 17. Subsection (c) of section 4-28f of the general statutes is
974 repealed and the following is substituted in lieu thereof (*Effective*
975 *October 1, 2019*):

976 (c) The trust fund shall be administered by a board of trustees,
977 except that the board shall suspend its operations from July 1, 2003, to
978 June 30, 2005, inclusive. The board shall consist of seventeen trustees.
979 The appointment of the initial trustees shall be as follows: (1) The
980 Governor shall appoint four trustees, one of whom shall serve for a
981 term of one year from July 1, 2000, two of whom shall serve for a term
982 of two years from July 1, 2000, and one of whom shall serve for a term
983 of three years from July 1, 2000; (2) the speaker of the House of

984 Representatives and the president pro tempore of the Senate each shall
985 appoint two trustees, one of whom shall serve for a term of two years
986 from July 1, 2000, and one of whom shall serve for a term of three years
987 from July 1, 2000; (3) the majority leader of the House of
988 Representatives and the majority leader of the Senate each shall
989 appoint two trustees, one of whom shall serve for a term of one year
990 from July 1, 2000, and one of whom shall serve for a term of three years
991 from July 1, 2000; (4) the minority leader of the House of
992 Representatives and the minority leader of the Senate each shall
993 appoint two trustees, one of whom shall serve for a term of one year
994 from July 1, 2000, and one of whom shall serve for a term of two years
995 from July 1, 2000; and (5) the Secretary of the Office of Policy and
996 Management, or the secretary's designee, shall serve as an ex-officio
997 voting member. Following the expiration of such initial terms,
998 subsequent trustees shall serve for a term of three years. The period of
999 suspension of the board's operations from July 1, 2003, to June 30, 2005,
1000 inclusive, shall not be included in the term of any trustee serving on
1001 July 1, 2003. The trustees shall serve without compensation except for
1002 reimbursement for necessary expenses incurred in performing their
1003 duties. The board of trustees shall establish rules of procedure for the
1004 conduct of its business which shall include, but not be limited to,
1005 criteria, processes and procedures to be used in selecting programs to
1006 receive money from the trust fund. The trust fund shall be within the
1007 Office of Policy and Management for administrative purposes only.
1008 The board of trustees shall, not later than January first of each year,
1009 except following a fiscal year in which the trust fund does not receive a
1010 deposit from the Tobacco Settlement Fund, [shall] submit a report of
1011 its activities and accomplishments to the joint standing committees of
1012 the General Assembly having cognizance of matters relating to public
1013 health and appropriations and the budgets of state agencies, in
1014 accordance with section 11-4a.

1015 Sec. 18. Subsection (a) of section 21a-416 of the general statutes is
1016 repealed and the following is substituted in lieu thereof (*Effective*
1017 *October 1, 2019*):

1018 (a) For the purposes of this section:

1019 (1) "Electronic nicotine delivery system" has the same meaning as
 1020 provided in section [19a-342] 19a-342a.

1021 (2) "Vapor product" has the same meaning as provided in section
 1022 [19a-342] 19a-342a.

1023 (3) "Retail establishment" has the same meaning as provided in
 1024 section 19a-106a.

1025 Sec. 19. Section 12-35g of the general statutes is repealed. (*Effective*
 1026 *from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	12-391(c)
Sec. 2	<i>October 1, 2019</i>	12-392(b)(3)(J)
Sec. 3	<i>October 1, 2019</i>	12-643
Sec. 4	<i>October 1, 2019</i>	12-217(a)(3)
Sec. 5	<i>October 1, 2019</i>	12-217zz(a)
Sec. 6	<i>October 1, 2019</i>	12-414(c)
Sec. 7	<i>October 1, 2019</i>	12-433
Sec. 8	<i>October 1, 2019</i>	12-438
Sec. 9	<i>October 1, 2019</i>	12-458(c)
Sec. 10	<i>October 1, 2019</i>	12-587
Sec. 11	<i>October 1, 2019</i>	12-587a(a)
Sec. 12	<i>October 1, 2019</i>	12-701(a)(20)(B)(xxiii) to (B)(xxv)
Sec. 13	<i>October 1, 2019</i>	12-701(a)(24)
Sec. 14	<i>October 1, 2019</i>	12-701(a)(30)
Sec. 15	<i>October 1, 2019</i>	12-170aa
Sec. 16	<i>from passage</i>	3-114g
Sec. 17	<i>October 1, 2019</i>	4-28f(c)
Sec. 18	<i>October 1, 2019</i>	21a-416(a)
Sec. 19	<i>from passage</i>	Repealer section

FIN Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill makes a number of technical and conforming changes that do not result in any fiscal impact to the state or municipalities.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**HB 7375*****AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL AND CONFORMING CHANGES TO THE TAX AND RELATED STATUTES.*****SUMMARY**

This bill makes various technical changes and corrections in the tax statutes. Among its changes, the bill reestablishes definitions of “federal basic exclusion amount” for purposes of the estate and gift tax laws and corrects a reference to the taxable threshold for filing estate tax returns with the revenue services commissioner.

Under the bill, the “federal basic exclusion amount” is the amount published annually by the Internal Revenue Service (1) at which a decedent would be required to file a federal estate tax return based on the value of his or her gross estate and federal taxable gifts, or for the gift tax, (2) over which a donor would owe federal gift tax based on the value of the donor's lifetime federally taxable gifts. The same definitions applied under prior law (see BACKGROUND).

EFFECTIVE DATE: October 1, 2019, except technical changes to provisions concerning recording certain tax revenue received at the end of the fiscal year (§ 16) and repealing an obsolete tax amnesty statute (§ 19) are effective upon passage.

BACKGROUND***2018 Estate and Gift Tax Threshold Changes***

In 2017, the legislature enacted a law phasing in an increase of the estate and gift tax threshold from \$2 million to the federal threshold (i.e., federal basic exclusion amount) over three years, from 2018 to 2020 (PA 17-2, June Special Session, §§ 632-636). The federal Tax Cuts and Jobs Act of 2017 subsequently doubled the federal threshold to

approximately \$11 million in 2018, after adjusting for inflation.

In 2018, the legislature amended the gift and estate threshold in two different public acts. PA 18-49, §§ 14-18, set the threshold at \$5.49 million beginning in 2020. PA 18-81, §§ 66-68, instead extended the phase-in to the federal threshold by three additional years, to 2023.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 50 Nay 0 (04/30/2019)