AN ACT CONCERNING A SURCHARGE ON CAPITAL GAINS.

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

Section 1. (NEW) (Effective January 1, 2020) (a) For taxable years commencing on or after January 1, 2020, there is imposed a surcharge on a taxpayer, excluding trusts or estates, whose Connecticut adjusted gross income is equal to or greater than the threshold amount specified in section 12-700 of the general statutes for imposition of the highest marginal rate on such taxpayer. Such surcharge shall be at the rate of two per cent of the net gain from the sale or exchange of capital assets, as determined for federal income tax purposes, that are includable in such taxpayer's Connecticut adjusted gross income and are derived from or connected with sources within this state. The surcharge shall be in addition to any other tax, fee or surcharge for which the taxpayer is liable.

(b) Each taxpayer subject to the surcharge shall file a report, in accordance with the provisions of subsection (a) of section 12-719 of the general statutes, with the Commissioner of Revenue Services in
such form and containing such information as the commissioner may
prescribe. Such return shall accurately set forth the amount of the net
gain calculated pursuant to subsection (a) of this section for the
preceding taxable year and the amount of the taxpayer's surcharge
liability for such year. A person required to file a report shall, without
assessment, notice or demand, pay any surcharge due thereon to the
commissioner on or before the date specified in subsection (a) of
section 12-719 of the general statutes, determined without regard to
any extension of time for filing the report.

(c) If any person fails to pay the amount of the surcharge reported
due on a report within the time specified, there shall be imposed a
penalty equal to ten per cent of such amount due and unpaid, or fifty
dollars, whichever is greater. Such amount shall bear interest at the
rate of one per cent per month or fraction thereof, from the due date of
such surcharge until the date of payment. Subject to the provisions of
section 12-3a of the general statutes, the commissioner may waive all
or part of the penalties provided under this section when it is proven
to the commissioner's satisfaction that the failure to pay any surcharge
was due to reasonable cause and was not intentional or due to neglect.

(d) The provisions of sections 12-550 to 12-554, inclusive, and
sections 12-555a, 12-723, 12-728, 12-729 and 12-733 of the general
statutes shall apply to the provisions of this section in the same
manner and with the same force and effect as if the language of said
sections had been incorporated in full into this section and had
expressly referred to the surcharge under this section, except to the
extent that any provision is inconsistent with a provision in this
section.

(e) The commissioner may adopt regulations, in accordance with the
provisions of chapter 54 of the general statutes, to implement the
provisions of this section.

(f) At the close of each fiscal year commencing with the fiscal year
ending June 30, 2020, the Comptroller is authorized to record as revenue for such fiscal year the amount of the surcharge imposed under the provisions of this section that is received by the commissioner not later than five business days from the last day of July immediately following the end of such fiscal year.

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

| Section 1 | January 1, 2020 | New section |

**Statement of Purpose:**
To impose a two per cent surcharge on the net gain from the sale or exchange of capital assets for certain taxpayers.

[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.]