AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

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

Section 1. (NEW) (Effective from passage and applicable to taxable years commencing on or after January 1, 2023) (a) (1) As used in this section, "property tax" and "motor vehicle" have the same meanings as provided in section 12-704c of the general statutes, as amended by this act.

(2) For the purposes of this section, property tax first becomes due, if due and payable in a single installment, on the date designated by the legislative body of the municipality as the date on which such installment shall be due and payable and, if due and payable in two or more installments, on the date designated by the legislative body of the municipality as the date on which such installment shall be due.
and payable or, at the election of the taxpayer, on the date designated
by the legislative body of the municipality as the date on which any
earlier installment of such tax shall be due and payable.

(b) For taxable years commencing on or after January 1, 2023, any
resident of this state, as defined in subdivision (1) of subsection (a) of
section 12-701 of the general statutes, subject to the tax under chapter
229 of the general statutes for any taxable year shall be entitled to a
credit in determining the amount of tax liability under chapter 229 of
the general statutes, for all or a portion, as permitted by this section, of
the amount of property tax, as defined in this section, first becoming
due and actually paid during such taxable year by such person on such
person's primary residence or motor vehicle in accordance with the
provisions of this section, provided in the case of a person who files a
return under the federal income tax for such taxable year as an
unmarried individual, a married individual filing separately or a head
of household, one motor vehicle shall be eligible for such credit and in
the case of persons who file a return under federal income tax for such
taxable year as married individuals filing jointly, no more than two
motor vehicles shall be eligible for a credit under the provisions of this
section. The credit allowed under this section shall be in addition to
the credit allowed under section 12-704c of the general statutes, as
amended by this act, for which a resident is eligible.

(c) (1) The credit allowed under this section shall be calculated by
determining the amount by which a taxpayer's property tax paid
during the taxable year exceeds six and one-half per cent of such
taxpayer's Connecticut adjusted gross income and multiplying such
excess amount by 0.333.

(2) The credit allowed under this section shall not exceed one
thousand two hundred dollars. In the case of any persons who file a
return under the federal income tax for such taxable year as married
individuals filing a joint return, the credit allowed, in the aggregate,
shall not exceed such amount for each such taxable year.
(d) The credit allowed under the provisions of this section shall be available for any person renting a primary residence in the state. Such renter shall be entitled to the credit in accordance with the provisions of this section and the amount of the credit shall be calculated as though the renter paid the property tax on such primary residence in an amount equal to eighteen per cent of the total amount of rent, exclusive of any interest, fees, deposits or charges, actually paid by the renter during the taxable year for which the credit is claimed.

(e) The credit allowed under the provisions of this section shall be available for any person leasing a motor vehicle pursuant to a written agreement for a term of more than one year. Such lessee shall be entitled to the credit in accordance with the provisions of this section for the taxes actually paid by the lessor or lessee on such leased vehicle, provided the lessee was lawfully in possession of the motor vehicle at such time when the taxes first became due. The lessor shall provide the lessee with documentation establishing, to the satisfaction of the Commissioner of Revenue Services, the amount of property tax paid during the time period in which the lessee was lawfully in possession of the motor vehicle. The lessor of the motor vehicle shall not be entitled to a credit under the provisions of this section.

(f) The credit may only be used to reduce a qualifying taxpayer's tax liability for the year for which such credit is applicable and shall not be used to reduce such tax liability to less than zero.

(g) The amount of tax due pursuant to sections 12-705 and 12-722 of the general statutes shall be calculated without regard to this credit.

Sec. 2. Section 12-704c of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Any resident of this state, as defined in subdivision (1) of subsection (a) of section 12-701, subject to the tax under this chapter for any taxable year shall be entitled to a credit in determining the amount of tax liability under this chapter, for all or a portion, as permitted by
this section, of the amount of property tax, as defined in this section, first becoming due and actually paid during such taxable year by such person on such person's primary residence or motor vehicle in accordance with the provisions of this section, provided in the case of a person who files a return under the federal income tax for such taxable year as an unmarried individual, a married individual filing separately or a head of household, one motor vehicle shall be eligible for such credit and in the case of [a husband and wife] persons who file a return under federal income tax for such taxable year as married individuals filing jointly, no more than two motor vehicles shall be eligible for a credit under the provisions of this section.

(b) (1) The credit allowed under this section shall not exceed (A) [for taxable years commencing on or after January 1, 2006, but prior to January 1, 2011, five hundred dollars; (B)] for taxable years commencing on or after January 1, 2011, but prior to January 1, 2016, three hundred dollars; and [(C)] (B) for taxable years commencing on or after January 1, 2016, two hundred dollars. In the case of any [husband and wife] persons who file a return under the federal income tax for such taxable year as married individuals filing a joint return, the credit allowed, in the aggregate, shall not exceed such [amounts] amount for each such taxable year.

(2) Notwithstanding the provisions of subsection (a) of this section, for the taxable years commencing January 1, 2017, and January 1, 2018, the credit under this section shall be allowed only for a resident of this state (A) who has attained age sixty-five before the close of the applicable taxable year, or (B) who files a return under the federal income tax for the applicable taxable year validly claiming one or more dependents.

[(c) (1) (A) For taxable years commencing prior to January 1, 2000, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-two thousand five hundred]
dollars, the amount of the credit that exceeds one hundred dollars shall
be reduced by ten per cent for each ten thousand dollars, or fraction
thereof, by which the taxpayer's Connecticut adjusted gross income
exceeds said amount.

(B) For taxable years commencing on or after January 1, 2000, but
prior to January 1, 2001, in the case of any such taxpayer who files
under the federal income tax for such taxable year as an unmarried
individual whose Connecticut adjusted gross income exceeds fifty-
three thousand five hundred dollars, the amount of the credit that
exceeds one hundred dollars shall be reduced by ten per cent for each
ten thousand dollars, or fraction thereof, by which the taxpayer's
Connecticut adjusted gross income exceeds said amount.

(C) For taxable years commencing on or after January 1, 2001, but
prior to January 1, 2004, in the case of any such taxpayer who files
under the federal income tax for such taxable year as an unmarried
individual whose Connecticut adjusted gross income exceeds fifty-four
thousand five hundred dollars, the amount of the credit shall be
reduced by ten per cent for each ten thousand dollars, or fraction
thereof, by which the taxpayer's Connecticut adjusted gross income
exceeds said amount.

(D) For taxable years commencing on or after January 1, 2004, but
prior to January 1, 2007, in the case of any such taxpayer who files
under the federal income tax for such taxable year as an unmarried
individual whose Connecticut adjusted gross income exceeds fifty-five
thousand dollars, the amount of the credit shall be reduced by ten per
cent for each ten thousand dollars, or fraction thereof, by which the
taxpayer's Connecticut adjusted gross income exceeds said amount.

(E) For taxable years commencing on or after January 1, 2007, but
prior to January 1, 2008, in the case of any such taxpayer who files
under the federal income tax for such taxable year as an unmarried
individual whose Connecticut adjusted gross income exceeds fifty-five
thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(F) For taxable years commencing on or after January 1, 2008, but prior to January 1, 2011, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the credit shall be reduced by ten per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

[(G) (c) (1) (A)] For taxable years commencing on or after January 1, 2011, but prior to January 1, 2013, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds fifty-six thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

[(H) (B)] For taxable years commencing on or after January 1, 2013, but prior to January 1, 2014, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds sixty thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

[(I) (C)] For taxable years commencing on or after January 1, 2014, but prior to January 1, 2016, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried
individual whose Connecticut adjusted gross income exceeds forty-seven thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

[(J)] (D) For taxable years commencing on or after January 1, 2016, in the case of any such taxpayer who files under the federal income tax for such taxable year as an unmarried individual whose Connecticut adjusted gross income exceeds forty-nine thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(2) In the case of any such taxpayer who files under the federal income tax for such taxable year as a married individual filing separately whose Connecticut adjusted gross income exceeds thirty-five thousand two hundred fifty dollars, the amount of the credit shall be reduced by fifteen per cent for each five thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(3) In the case of a taxpayer who files under the federal income tax for such taxable year as a head of household whose Connecticut adjusted gross income exceeds fifty-four thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.

(4) In the case of a taxpayer who files under federal income tax for such taxable year as married individuals filing jointly whose Connecticut adjusted gross income exceeds seventy thousand five hundred dollars, the amount of the credit shall be reduced by fifteen per cent for each ten thousand dollars, or fraction thereof, by which the taxpayer's Connecticut adjusted gross income exceeds said amount.
(d) The credit allowed under the provisions of this section shall be available for any person leasing a motor vehicle pursuant to a written agreement for a term of more than one year. Such lessee shall be entitled to the credit in accordance with the provisions of this section for the taxes actually paid by the lessor or lessee on such leased vehicle, provided the lessee was lawfully in possession of the motor vehicle at such time when the taxes first became due. The lessor shall provide the lessee with documentation establishing, to the satisfaction of the Commissioner of Revenue Services, the amount of property tax paid during the time period in which the lessee was lawfully in possession of the motor vehicle. The lessor of the motor vehicle shall not be entitled to a credit under the provisions of this section.

(e) The credit may only be used to reduce [such] a qualifying taxpayer's tax liability for the year for which such credit is applicable and shall not be used to reduce such tax liability to less than zero.

(f) The amount of tax due pursuant to sections 12-705 and 12-722 shall be calculated without regard to this credit.

(g) For the purposes of this section: (1) "Property tax" means the amount of property tax, exclusive of any interest, fees or charges thereon, for which a taxpayer is liable, or in the case of any [husband and wife] persons who file a return under the federal income tax for such taxable year as married individuals filing a joint return, for which [the husband or wife] either or both spouses are liable, to a Connecticut political subdivision on the taxpayer's primary residence or motor vehicles; (2) "motor vehicle" means a motor vehicle, as defined in section 14-1, [which] that is privately owned or leased; and (3) property tax first becomes due, if due and payable in a single installment, on the date designated by the legislative body of the municipality as the date on which such installment shall be due and payable and, if due and payable in two or more installments, on the date designated by the legislative body of the municipality as the date on which such installment shall be due and payable or, at the election
of the taxpayer, on the date designated by the legislative body of the
municipality as the date on which any earlier installment of such tax
shall be due and payable.

Sec. 3. Subparagraph (B) of subdivision (20) of subsection (a) of
section 12-701 of the general statutes is repealed and the following is
substituted in lieu thereof (*Effective from passage and applicable to taxable
years commencing on or after January 1, 2019*):

(B) There shall be subtracted therefrom:

(i) To the extent properly includable in gross income for federal
income tax purposes, any income with respect to which taxation by
any state is prohibited by federal law;

(ii) To the extent allowable under section 12-718, exempt dividends
paid by a regulated investment company;

(iii) To the extent properly includable in gross income for federal
income tax purposes, the amount of any refund or credit for
overpayment of income taxes imposed by this state, or any other state
of the United States or a political subdivision thereof, or the District of
Columbia;

(iv) To the extent properly includable in gross income for federal
income tax purposes and not otherwise subtracted from federal
adjusted gross income pursuant to clause (x) of this subparagraph in
computing Connecticut adjusted gross income, any tier 1 railroad
retirement benefits;

(v) To the extent any additional allowance for depreciation under
Section 168(k) of the Internal Revenue Code for property placed in
service after September 27, 2017, was added to federal adjusted gross
income pursuant to subparagraph (A)(ix) of this subdivision in
computing Connecticut adjusted gross income, twenty-five per cent of
such additional allowance for depreciation in each of the four
succeeding taxable years;

(vi) To the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut;

(vii) To the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized;

(viii) Any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual;

(ix) Ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual;

(x) (I) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an
unmarried individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and

(II) For [taxable years commencing prior to January 1, 2019, for] a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(III) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five
thousand dollars, or for a husband and wife who file a return under
the federal income tax as married individuals filing jointly whose
federal adjusted gross income for such taxable year is less than one
hundred thousand dollars or a person who files a return under the
federal income tax as a head of household whose federal adjusted
gross income for such taxable year is less than one hundred thousand
dollars, an amount equal to the Social Security benefits includable for
federal income tax purposes; and

(IV) For the taxable year commencing January 1, 2019, and each
taxable year thereafter, for a person who files a return under the
federal income tax as an unmarried individual whose federal adjusted
gross income for such taxable year is seventy-five thousand dollars or
more, or as a married individual filing separately whose federal
adjusted gross income from such taxable year is one hundred
thousand dollars or more or for a husband and wife who file a return under the
federal income tax as married individuals filing jointly whose federal
adjusted gross income for such taxable year is one hundred
thousand dollars or more or for a person who files a return under the
federal income tax as a head of household whose federal adjusted
gross income for such taxable year is one hundred thousand dollars or
more, an amount equal to the difference between the amount of Social
Security benefits includable for federal income tax purposes and the
lesser of twenty-five per cent of the Social Security benefits received
during the taxable year, or twenty-five per cent of the excess described
in Section 86(b)(1) of the Internal Revenue Code;]

(xii) To the extent properly includable in gross income for federal
income tax purposes of a designated beneficiary, any distribution to such beneficiary from any qualified state tuition
program, as defined in Section 529(b) of the Internal Revenue Code,
established and maintained by this state or any official, agency or instrumentality of the state;

(xiii) To the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim;

(xv) To the extent properly includable in gross income for federal income tax purposes of an account holder, as defined in section 31-51ww, interest earned on funds deposited in the individual development account, as defined in section 31-51ww, of such account holder;

(xvi) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive;

(xvii) To the extent properly includable in gross income for federal income tax purposes, any income received from the United States government as retirement pay for a retired member of (I) the Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code;

(xviii) To the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after
December 31, 2008, and before January 1, 2011, of an applicable debt
instrument or instruments, as those terms are defined in Section 108 of
the Internal Revenue Code, as amended by Section 1231 of the
American Recovery and Reinvestment Act of 2009, to the extent any
such income was added to federal adjusted gross income pursuant to
subparagraph (A)(xi) of this subdivision in computing Connecticut
adjusted gross income for a preceding taxable year;

(xix) To the extent not deductible in determining federal adjusted
gross income, the amount of any contribution to a manufacturing
reinvestment account established pursuant to section 32-9zz in the
taxable year that such contribution is made;

(xx) To the extent properly includable in gross income for federal
income tax purposes, (I) for the taxable year commencing January 1,
2015, ten per cent of the income received from the state teachers'
retirement system, and (II) for the taxable years commencing on and
after January 1, 2016, [January 1, 2017, and January 1, 2018,] twenty-
five per cent of the income received from the state teachers' retirement
system, [, and (III) for the taxable year commencing January 1, 2019,
and each taxable year thereafter, fifty per cent of the income received
from the state teachers' retirement system or the percentage, if
applicable, pursuant to clause (xxi) of this subparagraph;]

[(xxi) To the extent properly includable in gross income for federal
income tax purposes, except for retirement benefits under clause (iv) of
this subparagraph and retirement pay under clause (xvii) of this
subparagraph, for a person who files a return under the federal income
tax as an unmarried individual whose federal adjusted gross income
for such taxable year is less than seventy-five thousand dollars, or as a
married individual filing separately whose federal adjusted gross income
for such taxable year is less than seventy-five thousand dollars, or as a
husband and wife who file a return under the federal income tax as]
married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, (IV) for the taxable year commencing January 1, 2022, fifty-six per cent of any pension or annuity income, (V) for the taxable year commencing January 1, 2023, seventy per cent of any pension or annuity income, (VI) for the taxable year commencing January 1, 2024, eighty-four per cent of any pension or annuity income, and (VII) for the taxable year commencing January 1, 2025, and each taxable year thereafter, any pension or annuity income;]

[(xxii)] (xxi) The amount of lost wages and medical, travel and housing expenses, not to exceed ten thousand dollars in the aggregate, incurred by a taxpayer during the taxable year in connection with the donation to another person of an organ for organ transplantation occurring on or after January 1, 2017;

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

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

[(xxv)] (xxiv) To the extent any portion of a deduction under Section 179 of the Internal Revenue Code was added to federal adjusted gross
income pursuant to subparagraph (A)(xiv) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such disallowed portion of the deduction in each of the four succeeding taxable years.

Sec. 4. Section 12-701 of the general statutes is amended by adding subsection (d) as follows (Effective from passage):

(NEW) (d) The provisions of section 12-722 shall not apply to any additional tax due as a result of the changes made to subparagraph (B) of subdivision (20) of subsection (a) of this section pursuant to section 3 of this act for any taxable year commencing prior to the effective date of section 3 of this act.

Sec. 5. Subdivision (8) of subsection (b) of section 12-214 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to income years commencing on or after January 1, 2019):

(8) (A) With respect to income years commencing on or after January 1, 2018, [and prior to January 1, 2019,] any company subject to the tax imposed in accordance with subsection (a) of this section shall pay, for such income year, except when the tax so calculated is equal to two hundred fifty dollars, an additional tax in an amount equal to ten per cent of the tax calculated under said subsection (a) for such income year, without reduction of the tax so calculated by the amount of any credit against such tax. The additional amount of tax determined under this subsection for any income year shall constitute a part of the tax imposed by the provisions of said subsection (a) and shall become due and be paid, collected and enforced as provided in this chapter.

(B) Any company whose gross income for the income year was less than one hundred million dollars shall not be subject to the additional tax imposed under subparagraph (A) of this subdivision. This exception shall not apply to taxable members of a combined group that files a combined unitary tax return.
Sec. 6. Section 12-214 of the general statutes is amended by adding subsection (d) as follows (Effective from passage):

(NEW) (d) The provisions of section 12-242d shall not apply to any additional tax due as a result of the changes made to subdivision (8) of subsection (b) of this section pursuant to section 5 of this act for any income year commencing prior to the effective date of section 5 of this act.

Sec. 7. Subsection (b) of section 12-284b of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to taxable years commencing on or after January 1, 2019):

(b) Each limited liability company, limited liability partnership, limited partnership and S corporation shall be liable for the tax imposed by this section for each taxable year or portion thereof that such company, partnership or corporation is an affected business entity. For taxable years commencing prior to January 1, 2013, each affected business entity shall annually, on or before the fifteenth day of the fourth month following the close of its taxable year, pay to the Commissioner of Revenue Services a tax in the amount of two hundred fifty dollars. For taxable years commencing on or after January 1, 2013, but prior to January 1, 2019, each affected business entity shall, on or before the fifteenth day of the fourth month following the close of every other taxable year, pay to the Commissioner of Revenue Services a tax in the amount of two hundred fifty dollars.

Sec. 8. Subdivision (2) of subsection (e) of section 12-217jj of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to taxable years commencing on or after January 1, 2019):

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

Sec. 9. Section 12-640 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage and
applicable to gifts made on or after January 1, 2019):

For [the calendar year 1991 and each year thereafter] calendar years
commencing January 1, 1991, but prior to January 1, 2019, a tax
computed as provided in section 12-642, as amended by this act, is
hereby imposed on the transfer of property by gift during such taxable
year by any individual resident or nonresident provided, for the
calendar year commencing January 1, 1991, such tax shall be imposed
only on those gifts [which are] that were transferred on or after
September 1, 1991.

Sec. 10. Section 12-642 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

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

<table>
<thead>
<tr>
<th>T1</th>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2</td>
<td>Not over $25,000</td>
<td>1%</td>
</tr>
<tr>
<td>T3</td>
<td>Over $25,000</td>
<td>$250, plus 2% of the excess</td>
</tr>
<tr>
<td>T4</td>
<td>but not over $50,000</td>
<td>over $25,000</td>
</tr>
<tr>
<td>T5</td>
<td>Over $50,000</td>
<td>$750, plus 3% of the excess</td>
</tr>
<tr>
<td>T6</td>
<td>but not over $75,000</td>
<td>over $50,000</td>
</tr>
<tr>
<td>T7</td>
<td>Over $75,000</td>
<td>$1,500, plus 4% of the excess</td>
</tr>
<tr>
<td>T8</td>
<td>but not over $100,000</td>
<td>over $75,000</td>
</tr>
</tbody>
</table>
(2) With respect to the calendar years commencing January 1, 2001, January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed by section 12-640, as amended by this act, for each such calendar year shall be at a rate of the taxable gifts made by the donor during the calendar year set forth in the following schedule:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Over $25,000</td>
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<tr>
<td>but not over $50,000</td>
<td>over $25,000</td>
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<tr>
<td>Over $50,000</td>
<td>$750, plus 3% of the excess</td>
</tr>
<tr>
<td>but not over $75,000</td>
<td>over $50,000</td>
</tr>
<tr>
<td>Over $75,000</td>
<td>$1,500, plus 4% of the excess</td>
</tr>
<tr>
<td>but not over $100,000</td>
<td>over $75,000</td>
</tr>
<tr>
<td>Over $100,000</td>
<td>$2,500, plus 5% of the excess</td>
</tr>
<tr>
<td>but not over $675,000</td>
<td>over $100,000</td>
</tr>
<tr>
<td>Over $675,000</td>
<td>$31,250, plus 6% of the excess</td>
</tr>
<tr>
<td></td>
<td>over $675,000</td>
</tr>
</tbody>
</table>

(3) With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2005, but prior to January 1, 2010, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, but prior to January 1, 2010, the tax imposed by section 12-640, as amended by this act, for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision:
<table>
<thead>
<tr>
<th>T24</th>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T25</td>
<td>Not over $2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>T26</td>
<td>Over $2,000,000</td>
<td></td>
</tr>
<tr>
<td>T27</td>
<td>but not over $2,100,000</td>
<td>5.085% of the excess over $0</td>
</tr>
<tr>
<td>T28</td>
<td>Over $2,100,000</td>
<td>$106,800 plus 8% of the excess over $2,100,000</td>
</tr>
<tr>
<td>T29</td>
<td>but not over $2,600,000</td>
<td></td>
</tr>
<tr>
<td>T30</td>
<td>Over $2,600,000</td>
<td>$146,800 plus 8.8% of the excess over $2,600,000</td>
</tr>
<tr>
<td>T31</td>
<td>but not over $3,100,000</td>
<td></td>
</tr>
<tr>
<td>T32</td>
<td>Over $3,100,000</td>
<td>$190,800 plus 9.6% of the excess over $3,100,000</td>
</tr>
<tr>
<td>T33</td>
<td>but not over $3,600,000</td>
<td></td>
</tr>
<tr>
<td>T34</td>
<td>Over $3,600,000</td>
<td>$238,800 plus 10.4% of the excess over $3,600,000</td>
</tr>
<tr>
<td>T35</td>
<td>but not over $4,100,000</td>
<td></td>
</tr>
<tr>
<td>T36</td>
<td>Over $4,100,000</td>
<td>$290,800 plus 11.2% of the excess over $4,100,000</td>
</tr>
<tr>
<td>T37</td>
<td>but not over $5,100,000</td>
<td></td>
</tr>
<tr>
<td>T38</td>
<td>Over $5,100,000</td>
<td>$402,800 plus 12% of the excess over $5,100,000</td>
</tr>
<tr>
<td>T39</td>
<td>but not over $6,100,000</td>
<td></td>
</tr>
<tr>
<td>T40</td>
<td>Over $6,100,000</td>
<td>$522,800 plus 12.8% of the excess over $6,100,000</td>
</tr>
<tr>
<td>T41</td>
<td>but not over $7,100,000</td>
<td></td>
</tr>
<tr>
<td>T42</td>
<td>Over $7,100,000</td>
<td>$650,800 plus 13.6% of the excess over $7,100,000</td>
</tr>
<tr>
<td>T43</td>
<td>but not over $8,100,000</td>
<td></td>
</tr>
<tr>
<td>T44</td>
<td>Over $8,100,000</td>
<td>$786,800 plus 14.4% of the excess over $8,100,000</td>
</tr>
<tr>
<td>T45</td>
<td>but not over $9,100,000</td>
<td></td>
</tr>
<tr>
<td>T46</td>
<td>Over $9,100,000</td>
<td>$930,800 plus 15.2% of the excess over $9,100,000</td>
</tr>
<tr>
<td>T47</td>
<td>but not over $10,100,000</td>
<td></td>
</tr>
<tr>
<td>T48</td>
<td>Over $10,100,000</td>
<td>$1,082,800 plus 16% of the excess over $10,100,000</td>
</tr>
<tr>
<td>T49</td>
<td>but not over $11,100,000</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>T50</th>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>T51</td>
<td>Not over $3,500,000</td>
<td>None</td>
</tr>
<tr>
<td>T52</td>
<td>Over $3,500,000</td>
<td>7.2% of the excess over $3,500,000</td>
</tr>
<tr>
<td>T53</td>
<td>but not over $3,600,000</td>
<td>$7,200 plus 7.8% of the excess over $3,600,000</td>
</tr>
<tr>
<td>T54</td>
<td>Over $3,600,000</td>
<td>$7,200 plus 7.8% of the excess over $3,600,000</td>
</tr>
<tr>
<td>T55</td>
<td>but not over $4,100,000</td>
<td>$46,200 plus 8.4% of the excess over $4,100,000</td>
</tr>
<tr>
<td>T56</td>
<td>Over $4,100,000</td>
<td>$130,200 plus 9.0% of the excess over $5,100,000</td>
</tr>
<tr>
<td>T57</td>
<td>but not over $5,100,000</td>
<td>$220,200 plus 9.6% of the excess over $6,100,000</td>
</tr>
<tr>
<td>T58</td>
<td>Over $5,100,000</td>
<td>$316,200 plus 10.2% of the excess over $7,100,000</td>
</tr>
<tr>
<td>T59</td>
<td>but not over $6,100,000</td>
<td>$418,200 plus 10.8% of the excess over $8,100,000</td>
</tr>
<tr>
<td>T60</td>
<td>Over $6,100,000</td>
<td>$526,200 plus 11.4% of the excess over $9,100,000</td>
</tr>
<tr>
<td>T61</td>
<td>but not over $7,100,000</td>
<td>$640,200 plus 12% of the excess over $10,100,000</td>
</tr>
<tr>
<td>T62</td>
<td>Over $7,100,000</td>
<td>$220,200 plus 9.6% of the excess over $6,100,000</td>
</tr>
<tr>
<td>T63</td>
<td>but not over $8,100,000</td>
<td>$316,200 plus 10.2% of the excess over $7,100,000</td>
</tr>
<tr>
<td>T64</td>
<td>Over $8,100,000</td>
<td>$418,200 plus 10.8% of the excess over $8,100,000</td>
</tr>
<tr>
<td>T65</td>
<td>but not over $9,100,000</td>
<td>$526,200 plus 11.4% of the excess over $9,100,000</td>
</tr>
<tr>
<td>T66</td>
<td>Over $9,100,000</td>
<td>$640,200 plus 12% of the excess over $10,100,000</td>
</tr>
<tr>
<td>T67</td>
<td>but not over $10,100,000</td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $2,000,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>but not over $3,600,000</td>
<td>over $2,000,000</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$115,200 plus 7.8% of the excess</td>
</tr>
<tr>
<td>but not over $4,100,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>Over $4,100,000</td>
<td>$154,200 plus 8.4% of the excess</td>
</tr>
<tr>
<td>but not over $5,100,000</td>
<td>over $4,100,000</td>
</tr>
<tr>
<td>Over $5,100,000</td>
<td>$238,200 plus 9.0% of the excess</td>
</tr>
<tr>
<td>but not over $6,100,000</td>
<td>over $5,100,000</td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>$328,200 plus 9.6% of the excess</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td>over $6,100,000</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$424,200 plus 10.2% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$526,200 plus 10.8% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$634,200 plus 11.4% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$748,200 plus 12% of the excess</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $2,600,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $2,600,000</td>
<td>7.2% of the excess</td>
</tr>
<tr>
<td>not over $3,600,000</td>
<td>over $2,600,000</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>$72,000 plus 7.8% of the excess</td>
</tr>
<tr>
<td>but not over $4,100,000</td>
<td>over $3,600,000</td>
</tr>
<tr>
<td>Over $4,100,000</td>
<td>$111,000 plus 8.4% of the excess</td>
</tr>
<tr>
<td>but not over $5,100,000</td>
<td>over $4,100,000</td>
</tr>
<tr>
<td>Over $5,100,000</td>
<td>$195,000 plus 10% of the excess</td>
</tr>
<tr>
<td>but not over $6,100,000</td>
<td>over $5,100,000</td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>$295,000 plus 10.4% of the excess</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td>over $6,100,000</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$399,000 plus 10.8% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$507,000 plus 11.2% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$619,000 plus 11.6% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$735,000 plus 12% of the excess</td>
</tr>
<tr>
<td></td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $3,600,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $3,600,000</td>
<td>7.8% of the excess over $3,600,000</td>
</tr>
<tr>
<td>Over $4,100,000</td>
<td>$39,000 plus 8.4% of the excess over $4,100,000</td>
</tr>
<tr>
<td>but not over $5,100,000</td>
<td></td>
</tr>
<tr>
<td>Over $5,100,000</td>
<td>$123,000 plus 10% of the excess over $5,100,000</td>
</tr>
<tr>
<td>but not over $6,100,000</td>
<td></td>
</tr>
<tr>
<td>Over $6,100,000</td>
<td>$223,000 plus 10.4% of the excess over $6,100,000</td>
</tr>
<tr>
<td>but not over $7,100,000</td>
<td></td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>$327,000 plus 10.8% of the excess over $7,100,000</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td></td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$435,000 plus 11.2% of the excess over $8,100,000</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td></td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$547,000 plus 11.6% of the excess over $9,100,000</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td></td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$663,000 plus 12% of the excess over $10,100,000</td>
</tr>
</tbody>
</table>

(8) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2020, but prior to January 1, 2021, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subsection or pursuant to subdivision (3), (4), (5), (6) or (7) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
</table>
(9) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2021, but prior to January 1, 2022, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3), (4), (5), (6), (7) or (8) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $7,100,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $7,100,000</td>
<td>10.8% of the excess</td>
</tr>
<tr>
<td>but not over $8,100,000</td>
<td>over $7,100,000</td>
</tr>
<tr>
<td>Over $8,100,000</td>
<td>$108,000 plus 11.2% of the excess</td>
</tr>
<tr>
<td>but not over $9,100,000</td>
<td>over $8,100,000</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>$220,000 plus 11.6% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$336,000 plus 12% of the excess</td>
</tr>
</tbody>
</table>
(10) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2022, but prior to January 1, 2023, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3), (4), (5), (6), (7), (8) or (9) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $9,100,000</td>
<td>None</td>
</tr>
<tr>
<td>Over $9,100,000</td>
<td>11.6% of the excess</td>
</tr>
<tr>
<td>but not over $10,100,000</td>
<td>over $9,100,000</td>
</tr>
<tr>
<td>Over $10,100,000</td>
<td>$116,000 plus 12% of the excess</td>
</tr>
<tr>
<td></td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>

(11) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2023, including the aggregate amount of all Connecticut taxable gifts made by the donor during all calendar years commencing on or after January 1, 2005, the tax imposed by section 12-640 for the calendar year shall be at the rate set forth in the following schedule, with a credit allowed against such tax for any tax previously paid to this state pursuant to this subdivision or pursuant to subdivision (3), (4), (5), (6), (7), (8), (9) or (10) of this subsection, provided such credit shall not exceed the amount of tax imposed by this section:

<table>
<thead>
<tr>
<th>Amount of Taxable Gifts</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>11.6% of the excess</td>
</tr>
<tr>
<td></td>
<td>over $9,100,000</td>
</tr>
<tr>
<td></td>
<td>$116,000 plus 12% of the excess</td>
</tr>
<tr>
<td></td>
<td>over $10,100,000</td>
</tr>
</tbody>
</table>
Governor's Bill No. 877

T159 Not over the None
T160 federal basic exclusion amount
T161 Over the 12% of the excess over the
T162 federal basic exclusion amount federal basic exclusion amount]

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

(c) [(1)] With respect to Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by a donor during a calendar year commencing on or after January 1, 2016, but prior to January 1, 2019, the aggregate amount of tax imposed by section 12-640, as amended by this act, for all calendar years commencing on or after January 1, 2016, shall not exceed twenty million dollars.

[(2) With respect to Connecticut taxable gifts, as defined in section 12-643, made by a donor during a calendar year commencing on or after January 1, 2019, the aggregate amount of tax imposed by section 12-640 for all calendar years commencing on or after January 1, 2016, shall not exceed fifteen million dollars.]

Sec. 11. Subdivision (3) of section 12-643 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to estates of decedents dying on or after January 1, 2019):

(3) "Connecticut taxable gifts" means taxable gifts made during a calendar year commencing on or after January 1, 2005, but prior to January 1, 2019, that are, (A) for residents of this state, taxable gifts, wherever located, but excepting gifts of real estate or tangible personal property located outside this state, and (B) for nonresidents of this state, gifts of real estate or tangible personal property located within this state.
Sec. 12. Subsections (a) to (e), inclusive, of section 12-391 of the
general statutes are repealed and the following is substituted in lieu
thereof (Effective from passage and applicable to estates of decedents dying on
or after January 1, 2019):

(a) With respect to estates of decedents who die prior to January 1,
2005, and except as otherwise provided in section 59 of public act 03-1
of the June 30 special session, a tax is imposed upon the transfer of the
estate of each person who at the time of death was a resident of this
state. The amount of the tax shall be the amount of the federal credit
allowable for estate, inheritance, legacy and succession taxes paid to
any state or the District of Columbia under the provisions of the
federal internal revenue code in force at the date of such decedent's
death in respect to any property owned by such decedent or subject to
such taxes as part of or in connection with the estate of such decedent.
If real or tangible personal property of such decedent is located outside
this state and is subject to estate, inheritance, legacy, or succession
taxes by any state or states, other than the state of Connecticut, or by
the District of Columbia for which such federal credit is allowable, the
amount of tax due under this section shall be reduced by the lesser of:
(1) The amount of any such taxes paid to such other state or states or
said district and allowed as a credit against the federal estate tax; or (2)
an amount computed by multiplying such federal credit by a fraction,
(A) the numerator of which is the value of that part of the decedent's
gross estate over which such other state or states or said district have
jurisdiction for estate tax purposes to the same extent to which this
state would assert jurisdiction for estate tax purposes under this
chapter with respect to the residents of such other state or states or
said district, and (B) the denominator of which is the value of the
decedent's gross estate. Property of a resident estate over which this
state has jurisdiction for estate tax purposes includes real property
situated in this state, tangible personal property having an actual situs
in this state, and intangible personal property owned by the decedent,
regardless of where it is located. The amount of any estate tax imposed
under this subsection shall also be reduced, but not below zero, by the
amount of any tax that is imposed under chapter 216 and that is
actually paid to this state.

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

(c) For purposes of this section and section 12-392, as amended by
this act:

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

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

(C) "Connecticut taxable estate" means, with respect to the estates of decedents dying on or after January 1, 2015, but prior to January 1, 2019, (i) the gross estate less allowable deductions, as determined under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate amount of all Connecticut taxable gifts, as defined in section 12-643, as amended by this act, made by the decedent for all calendar years beginning on or after January 1, 2005, but prior to January 1, 2019, other than Connecticut taxable gifts that are includable in the gross estate for federal estate tax purposes of the decedent, plus (iii) the amount of any tax paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate on any gift made by the decedent or the decedent's spouse during the three-year period preceding the date of the decedent's death. The deduction for state death taxes paid under Section 2058 of the Internal Revenue Code shall be disregarded.

(D) "Connecticut taxable estate" means, with respect to the estates of decedents dying on or after January 1, 2019, (i) the gross estate less allowable deductions, as determined under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate amount of all taxable gifts, as defined in section 12-643, as amended by this act, made by the decedent for all calendar years beginning on or after January 1, 2005,
but prior to January 1, 2019, other than Connecticut taxable gifts that are includable in the gross estate for federal tax purposes of the decedent, plus (iii) the amount of any tax paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate on any gift made by the decedent or the decedent's spouse during the three-year period preceding the date of the decedent's death, plus (iv) the amount of any taxable gift, as defined in Section 2503 of the Internal Revenue Code, excluding any taxable gift made when the decedent was a nonresident or that is real property or tangible personal property having an actual situs outside this state at the time the gift was made, that is (I) made on or after January 1, 2019, (II) not otherwise included in the decedent's gross estate, and (III) made during the three-year period preceding the date of the decedent's death. The deduction for state death taxes paid under Section 2058 of the Internal Revenue Code shall be disregarded.

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

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

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

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

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

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

(D) With respect to the estates of decedents who die on or after January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the transfer of the estate of each person who at the time of death was a resident of this state. The amount of the tax shall be determined using the schedule in subsection (g) of this section. A credit shall be allowed
against such tax for (i) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2005, but prior to January 1, 2019, and (ii) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2005, but prior to January 1, 2019, that are includable in the gross estate of the decedent, provided such credit shall not exceed the amount of tax imposed by this section. In no event shall the amount of tax payable under this section exceed twenty million dollars. Such twenty-million-dollar limit shall be reduced by the amount of (I) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2016, and (II) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2016, but prior to January 1, 2019, that are includable in the gross estate of the decedent, but in no event shall the amount be reduced below zero.

(E) With respect to the estates of decedents who die on or after January 1, 2019, a tax is imposed upon the transfer of the estate of each person who at the time of death was a resident of this state. The amount of the tax shall be determined using the schedule in subsection (g) of this section. A credit shall be allowed against such tax for (i) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2005, that are includable in the gross estate of the decedent, provided such credit shall not exceed the amount of tax imposed by this section. In no event shall the amount of tax payable under this section exceed fifteen million dollars. Such fifteen-million-
dollar limit shall be reduced by the amount of (I) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2016, and (II) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2016, that are includable in the gross estate of the decedent, but in no event shall the amount be reduced below zero.

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

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

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

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

(C) With respect to the estates of decedents who die on or after January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the transfer of the estate of each person who at the time of death was a nonresident of this state. The amount of such tax shall be computed by multiplying (i) the amount of tax determined using the schedule in subsection (g) of this section by (ii) a fraction, the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate tax purposes, and the denominator of which is the value of the decedent's gross estate. A credit shall be allowed against such tax for any taxes paid to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made on or after January 1, 2005, but prior to January 1, 2019, provided such credit shall not exceed the amount of tax imposed by this section. In no event shall the amount of tax payable under this section exceed twenty million dollars. Such twenty-million-dollar limit shall be
reduced by the amount of (I) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2016, but prior to January 1, 2019, and (II) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2016, but prior to January 1, 2019, that are includable in the gross estate of the decedent, but in no event shall the amount be reduced below zero.

(D) With respect to the estates of decedents who die on or after January 1, 2019, a tax is imposed upon the transfer of the estate of each person who at the time of death was a nonresident of this state. The amount of such tax shall be computed by multiplying the amount of tax determined using the schedule in subsection (g) of this section by a fraction, the numerator of which is the value of that part of the decedent's gross estate over which this state has jurisdiction for estate tax purposes, and the denominator of which is the value of the decedent's gross estate. A credit shall be allowed against such tax for (i) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2005, that are includable in the gross estate of the decedent, provided such credit shall not exceed the amount of tax imposed by this section. In no event shall the amount of tax payable under this section exceed fifteen million dollars. Such fifteen-million-dollar limit shall be reduced by the amount of (I) any taxes paid to this state pursuant to section 12-642, as amended by this act, by the decedent or the decedent's estate for Connecticut taxable gifts made on or after January 1, 2016, and (II) any taxes paid by the decedent's spouse to this state pursuant to section 12-642, as amended by this act, for Connecticut taxable gifts made by the decedent on or after January 1, 2016, but prior to January 1, 2019.
after January 1, 2016, that are includable in the gross estate of the decedent, but in no event shall the amount be reduced below zero.

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

Sec. 13. Subsections (a) and (b) of section 12-392 of the general statutes are repealed and the following is substituted in lieu thereof (Effective from passage and applicable to estates of decedents dying on or after January 1, 2019):

(a) (1) (A) For the estates of decedents dying prior to July 1, 2009, the tax imposed by this chapter shall become due at the date of the taxable transfer and shall become payable, and shall be paid, without assessment, notice or demand, to the Commissioner of Revenue Services at the expiration of nine months from the date of death. For the estates of decedents dying on or after July 1, 2009, but prior to January 1, 2019, the tax imposed by this chapter shall become due at the date of the taxable transfer and shall become payable and shall be paid, without assessment, notice or demand, to the commissioner at the expiration of six months from the date of death. For the estates of decedents dying on or after January 1, 2019, the tax imposed by this chapter shall become due at the date of the taxable transfer and shall become payable and shall be paid, without assessment, notice or demand, to the commissioner at the expiration of nine months from the date of death.

(B) Executors, administrators, trustees, grantees, donees, beneficiaries and surviving joint owners shall be liable for the tax and for any interest or penalty thereon until it is paid, notwithstanding any provision of chapter 802b, except that no executor, administrator, trustee, grantee, donee, beneficiary or surviving joint owner shall be
liable for a greater sum than the value of the property actually received
by him or her. If the amount of tax reported to be due on the return is
not paid [ , for the estates of decedents dying prior to July 1, 2009,
within such nine months, or for the estates of decedents dying on or
after July 1, 2009, within such six months] within the time period set
forth in subparagraph (A) of this subdivision, 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 tax until the date of payment. Subject to the provisions of section
12-3a, the commissioner may waive all or part of the penalties
provided under this chapter when it is proven to the commissioner's
satisfaction that the failure to pay any tax was due to reasonable cause
and was not intentional or due to neglect.

(2) The Commissioner of Revenue Services may, for reasonable
cause shown, extend the time for payment. The commissioner may
require the filing of a tentative return and the payment of the tax
reported to be due thereon in connection with such extension. Any
additional tax [which] that may be found to be due on the filing of a
return as allowed by such extension shall bear interest at the rate of
one per cent per month or fraction thereof from the original due date
of such tax to the date of actual payment.

(3) (A) Whenever there is a claimed overpayment of the tax imposed
by this chapter, the Commissioner of Revenue Services shall return to
the fiduciary or transferee the overpayment which shall bear interest at
the rate of two-thirds of one per cent per month or fraction thereof,
such interest commencing, for the estates of decedents dying prior to
July 1, 2009, or on or after January 1, 2019, from the expiration of nine
months after the death of the transferor or date of payment, whichever
is later, or, for the estates of decedents dying on or after July 1, 2009,
but prior to January 1, 2019, from the expiration of six months after the
death of the transferor or date of payment, whichever is later, as
provided in subparagraphs (B) and (C) of this subdivision.
(B) In case of such overpayment pursuant to a tax return, no interest shall be allowed or paid under this subdivision on such overpayment for any month or fraction thereof prior to (i) the ninety-first day after the last day prescribed for filing the tax return associated with such overpayment, determined without regard to any extension of time for filing, or (ii) the ninety-first day after the date such return was filed, whichever is later.

(C) In case of such overpayment pursuant to an amended tax return, no interest shall be allowed or paid under this subdivision on such overpayment for any month or fraction thereof prior to the ninety-first day after the date such amended tax return was filed.

(b) (1) The tax imposed by this chapter shall be reported on a tax return which shall be filed on or before the date fixed for paying the tax, determined without regard to any extension of time for paying the tax. The commissioner shall design a form of return and forms for such additional statements or schedules as the commissioner may require to be filed. Such forms shall provide for the setting forth of such facts as the commissioner deems necessary for the proper enforcement of this chapter. The commissioner shall furnish appropriate forms to each taxpayer upon application or otherwise as the commissioner deems necessary. Failure to receive a form shall not relieve any person from the obligation to file a return under the provisions of this chapter. In any case in which the commissioner believes that it would be advantageous to him or her in the administration of the tax imposed by this chapter, the commissioner may require that a true copy of the federal estate tax return made to the Internal Revenue Service be provided.

(2) Any tax return or other document, including any amended tax return under section 12-398, that is required to be filed under this chapter shall be filed, and shall be treated as filed, only if filed with (A) the Commissioner of Revenue Services, if required under subdivision (3) of this subsection, and (B) (i) the court of probate for the district
within which the decedent resided at the date of his or her death, or,
(ii) if the decedent died a nonresident of this state, in the court of
probate for the district within which real estate or tangible personal
property of the decedent is situated. The return shall contain a
statement, to be signed under penalty of false statement by the person
who is required to make and file the return under this chapter, that the
return has been filed with the Commissioner of Revenue Services, if
required under subdivision (3) of this subsection, and the appropriate
court of probate.

(3) (A) A tax return shall be filed, in the case of every decedent who
died prior to January 1, 2005, and at the time of death was (i) a resident
of this state, or (ii) a nonresident of this state whose gross estate
includes any real property situated in this state or tangible personal
property having an actual situs in this state, whenever the personal
representative of the estate is required by the laws of the United States
to file a federal estate tax return.

(B) A tax return shall be filed, in the case of every decedent who dies
on or after January 1, 2005, but prior to January 1, 2010, and at the time
of death was (i) a resident of this state, or (ii) a nonresident of this state
whose gross estate includes any real property situated in this state or
tangible personal property having an actual situs in this state. If the
decedent's Connecticut taxable estate is over two million dollars, such
tax return shall be filed with the Commissioner of Revenue Services
and a copy of such return shall be filed with the court of probate for
the district within which the decedent resided at the date of his or her
death or, if the decedent died a nonresident of this state, the court of
probate for the district within which such real property or tangible
personal property is situated. If the decedent's Connecticut taxable
estate is two million dollars or less, such return shall be filed with the
court of probate for the district within which the decedent resided at
the date of his or her death or, if the decedent died a nonresident of
this state, the court of probate for the district within which such real
property or tangible personal property is situated, and no such return
shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

(C) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2010, but prior to January 1, 2011, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state. If the decedent's Connecticut taxable estate is over three million five hundred thousand dollars, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is three million five hundred thousand dollars or less, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

(D) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2011, but prior to January 1, 2018, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state.
If the decedent's Connecticut taxable estate is over two million dollars, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is two million dollars or less, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

(E) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2018, but prior to January 1, 2019, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state. If the decedent's Connecticut taxable estate is over two million six hundred thousand dollars, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is two million six hundred thousand dollars or less, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated.
probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

(F) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2019, but prior to January 1, 2020, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state. If the decedent's Connecticut taxable estate is over three million six hundred thousand dollars, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is three million six hundred thousand dollars or less, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

(G) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2020, but prior to January 1, 2021, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state. If the decedent's Connecticut taxable estate is over three million six hundred thousand dollars, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is three million six hundred thousand dollars or less, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.
state whose gross estate includes any real property situated in this
state or tangible personal property having an actual situs in this state.
If the decedent's Connecticut taxable estate is over five million one
hundred thousand dollars, such tax return shall be filed with the
Commissioner of Revenue Services and a copy of such return shall be
filed with the court of probate for the district within which the
decedent resided at the date of his or her death or, if the decedent died
a nonresident of this state, the court of probate for the district within
which such real property or tangible personal property is situated. If
the decedent's Connecticut taxable estate is five million one hundred
thousand dollars or less, such return shall be filed with the court of
probate for the district within which the decedent resided at the date
of his or her death or, if the decedent died a nonresident of this state,
the court of probate for the district within which such real property or
tangible personal property is situated, and no such return shall be filed
with the Commissioner of Revenue Services. The judge of probate for
the district in which such return is filed shall review each such return
and shall issue a written opinion to the estate representative in each
case in which the judge determines that the estate is not subject to tax
under this chapter.

(H) A tax return shall be filed, in the case of every decedent who
dies on or after January 1, 2021, but prior to January 1, 2022, and at the
time of death was (i) a resident of this state, or (ii) a nonresident of this
state whose gross estate includes any real property situated in this
state or tangible personal property having an actual situs in this state.
If the decedent's Connecticut taxable estate is over seven million one
hundred thousand dollars, such tax return shall be filed with the
Commissioner of Revenue Services and a copy of such return shall be
filed with the court of probate for the district within which the
decedent resided at the date of his or her death or, if the decedent died
a nonresident of this state, the court of probate for the district within
which such real property or tangible personal property is situated. If
the decedent's Connecticut taxable estate is seven million one hundred
thousand dollars or less, such return shall be filed with the court of
probate for the district within which the decedent resided at the date
of his or her death or, if the decedent died a nonresident of this state,
the court of probate for the district within which such real property or
tangible personal property is situated, and no such return shall be filed
with the Commissioner of Revenue Services. The judge of probate for
the district in which such return is filed shall review each such return
and shall issue a written opinion to the estate representative in each
case in which the judge determines that the estate is not subject to tax
under this chapter.

(I) A tax return shall be filed, in the case of every decedent who dies
on or after January 1, 2022, but prior to January 1, 2023, and at the time
of death was (i) a resident of this state, or (ii) a nonresident of this state
whose gross estate includes any real property situated in this state or
tangible personal property having an actual situs in this state. If the
decedent's Connecticut taxable estate is over nine million one hundred
thousand dollars, such tax return shall be filed with the Commissioner
of Revenue Services and a copy of such return shall be filed with the
court of probate for the district within which the decedent resided at
the date of his or her death or, if the decedent died a nonresident of
this state, the court of probate for the district within which such real
property or tangible personal property is situated. If the decedent's
Connecticut taxable estate is nine million one hundred thousand
dollars or less, such return shall be filed with the court of probate for
the district within which the decedent resided at the date of his or her
death or, if the decedent died a nonresident of this state, the court of
probate for the district within which such real property or tangible
personal property is situated, and no such return shall be filed with the
Commissioner of Revenue Services. The judge of probate for the
district in which such return is filed shall review each such return and
shall issue a written opinion to the estate representative in each case in
which the judge determines that the estate is not subject to tax under
this chapter.
(J) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2023, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs in this state. If the decedent's Connecticut taxable estate is over five million four hundred ninety thousand dollars the federal basic exclusion amount, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is equal to or less than five million four hundred ninety thousand dollars the federal basic exclusion amount, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

(4) The duly authorized executor or administrator shall file the return. If there is more than one executor or administrator, the return shall be made jointly by all. If there is no executor or administrator appointed, qualified and acting, each person in actual or constructive possession of any property of the decedent is constituted an executor for purposes of the tax and shall make and file a return. If in any case the executor is unable to make a complete return as to any part of the gross estate, the executor shall provide all the information available to him or her with respect to such property, including a full description,
and the name of every person holding a legal or beneficial interest in the property. If the executor is unable to make a return as to any property, each person holding a legal or equitable interest in such property shall, upon notice from the commissioner, make a return as to that part of the gross estate.

(5) On or before the last day of the month next succeeding each calendar quarter, and commencing with the calendar quarter ending September 30, 2005, each court of probate shall file with the commissioner a report for the calendar quarter in such form as the commissioner may prescribe. The report shall pertain to returns filed with the court of probate during the calendar quarter.

(6) The Commissioner of Revenue Services may, for reasonable cause shown, extend the time for filing the return.

(7) If any person required to make and file the tax return under this chapter fails to file the return within the time prescribed, the commissioner may assess and compute the tax upon the best information obtainable. To the tax imposed upon the basis of such return, there shall be added an amount equal to ten per cent of such tax or fifty dollars, whichever is greater. The tax shall bear interest at the rate of one per cent per month or fraction thereof from the due date of such tax until the date of payment.

(8) The commissioner shall provide notice of any (A) deficiency assessment with respect to the payment of any tax under this chapter, (B) assessment with respect to any failure to make and file a return under this chapter by a person required to file, and (C) tax return or other document, including any amended tax return under section 12-398 that is required to be filed under this chapter to the court of probate for the district within which the commissioner contends that the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, to the court of probate for the district within which the commissioner contends that real estate or tangible
Sec. 14. Subdivision (1) of section 12-408 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to sales occurring on or after July 1, 2019):

(1) (A) For the privilege of making any sales, as defined in subdivision (2) of subsection (a) of section 12-407, as amended by this act, at retail, in this state for a consideration, a tax is hereby imposed on all retailers at the rate of six and thirty-five-hundredths per cent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail or from the rendering of any services constituting a sale in accordance with subdivision (2) of subsection (a) of section 12-407, as amended by this act, except, in lieu of said rate of six and thirty-five-hundredths per cent, the rates provided in subparagraphs (B) to (H), inclusive, of this subdivision;

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

(ii) At a rate of [eleven] thirteen per cent with respect to each transfer of occupancy, from the total amount of rent received by a bed and breakfast establishment for the first period not exceeding thirty consecutive calendar days;

(C) With respect to the sale of a motor vehicle to any individual who is a member of the armed forces of the United States and is on full-time active duty in Connecticut and who is considered, under 50 App USC 574, a resident of another state, or to any such individual and the spouse thereof, at a rate of four and one-half per cent of the gross receipts of any retailer from such sales, provided such retailer requires and maintains a declaration by such individual, prescribed as to form by the commissioner and bearing notice to the effect that false statements made in such declaration are punishable, or other evidence,
satisfactory to the commissioner, concerning the purchaser's state of
residence under 50 App USC 574;

(D) (i) With respect to the sales of computer and data processing
services occurring on or after July 1, 2001, at the rate of one per cent,
and (ii) with respect to sales of Internet access services, on and after
July 1, 2001, such services shall be exempt from such tax;

(E) [(i)] With respect to the sales of labor that is otherwise taxable
under subparagraph (C) or (G) of subdivision (2) of subsection (a) of
section 12-407 on existing vessels and repair or maintenance services
on vessels occurring on and after July 1, 1999, such services shall be
exempt from such tax;

[(ii) With respect to the sale of a vessel, a motor for a vessel or a
trailer used for transporting a vessel, at the rate of two and ninety-
nine-hundredths per cent, except that the sale of a vessel shall be
exempt from such tax if such vessel is docked in this state for sixty or
fewer days in a calendar year;]

(F) With respect to patient care services for which payment is
received by the hospital on or after July 1, 1999, and prior to July 1,
2001, at the rate of five and three-fourths per cent and on and after July
1, 2001, such services shall be exempt from such tax;

(G) With respect to the rental or leasing of a passenger motor
vehicle for a period of thirty consecutive calendar days or less, at a rate
of nine and thirty-five-hundredths per cent;

(H) With respect to the sale of (i) a motor vehicle for a sales price
exceeding fifty thousand dollars, at a rate of seven and three-fourths
per cent on the entire sales price, (ii) jewelry, whether real or imitation,
for a sales price exceeding five thousand dollars, at a rate of seven and
three-fourths per cent on the entire sales price, and (iii) an article of
clothing or footwear intended to be worn on or about the human body,

a handbag, luggage, umbrella, wallet or watch for a sales price
exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business enterprise and issued a commercial registration or more specific type of registration by the Department of Motor Vehicles;

(I) The rate of tax imposed by this chapter shall be applicable to all retail sales upon the effective date of such rate, except that a new rate which represents an increase in the rate applicable to the sale shall not apply to any sales transaction wherein a binding sales contract without an escalator clause has been entered into prior to the effective date of the new rate and delivery is made within ninety days after the effective date of the new rate. For the purposes of payment of the tax imposed under this section, any retailer of services taxable under subdivision (37) of subsection (a) of section 12-407, as amended by this act, who computes taxable income, for purposes of taxation under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, [amended,] on an accounting basis which recognizes only cash or other valuable consideration actually received as income and who is liable for such tax only due to the rendering of such services may make payments related to such tax for the period during which such income is received, without penalty or interest, without regard to when such service is rendered;

(J) (i) For calendar quarters ending on or after September 30, 2019, the commissioner shall deposit into the regional planning incentive account, established pursuant to section 4-66k, six and seven-tenths
per cent of the amounts received by the state from the tax imposed under subparagraph (B) of this subdivision and ten and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (G) of this subdivision;

(ii) For calendar quarters ending on or after September 30, 2018, the commissioner shall deposit into the Tourism Fund established under section 10-395b ten per cent of the amounts received by the state from the tax imposed under subparagraph (B) of this subdivision; and

[(K) For calendar months commencing on or after July 1, 2021, the commissioner shall deposit into the municipal revenue sharing account established pursuant to section 4-66l seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision; and]

[(L)] (K) (i) For calendar months commencing on or after July 1, 2017, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision;

(ii) For calendar months commencing on or after July 1, 2018, [but prior to July 1, 2019,] the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 eight per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle. [i]

[(iii) For calendar months commencing on or after July 1, 2019, but prior to July 1, 2020, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 thirty-three per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle;]
(iv) For calendar months commencing on or after July 1, 2020, but prior to July 1, 2021, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 fifty-six per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle;

(v) For calendar months commencing on or after July 1, 2021, but prior to July 1, 2022, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 seventy-five per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle; and

(vi) For calendar months commencing on or after July 1, 2022, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 one hundred per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle.

Sec. 15. Subdivision (1) of section 12-408 of the general statutes, as amended by section 14 of this act, is repealed and the following is substituted in lieu thereof (Effective January 1, 2020, and applicable to sales occurring on or after January 1, 2020):

(1) (A) For the privilege of making any sales, as defined in subdivision (2) of subsection (a) of section 12-407, as amended by this act, at retail, in this state for a consideration, a tax is hereby imposed on all retailers at the rate of six and thirty-five-hundredths per cent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail or from the rendering of any services constituting a sale in accordance with subdivision (2) of subsection (a) of section 12-407, as amended by this act, except, in lieu of said rate of six and thirty-five-hundredths per cent, the rates provided in subparagraphs (B) to (H), inclusive, of this subdivision;
(B) (i) At a rate of seventeen per cent with respect to each transfer of occupancy, from the total amount of rent received by a hotel or lodging house for the first period not exceeding thirty consecutive calendar days;

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

(iii) At a rate of six and thirty-five-hundredths per cent with respect to each transfer of occupancy, from the total amount of rent received by a campground for the first period not exceeding thirty consecutive days;

(C) With respect to the sale of a motor vehicle to any individual who is a member of the armed forces of the United States and is on full-time active duty in Connecticut and who is considered, under 50 App USC 574, a resident of another state, or to any such individual and the spouse thereof, at a rate of four and one-half per cent of the gross receipts of any retailer from such sales, provided such retailer requires and maintains a declaration by such individual, prescribed as to form by the commissioner and bearing notice to the effect that false statements made in such declaration are punishable, or other evidence, satisfactory to the commissioner, concerning the purchaser’s state of residence under 50 App USC 574;

(D) (i) With respect to the sales of computer and data processing services occurring on or after July 1, 2001, at the rate of one per cent, and (ii) with respect to sales of Internet access services, on and after July 1, 2001, such services shall be exempt from such tax;

(E) With respect to the sales of labor that is otherwise taxable under subparagraph (C) or (G) of subdivision (2) of subsection (a) of section 12-407 on existing vessels and repair or maintenance services on vessels occurring on and after July 1, 1999, but prior to January 1, 2020.
such services shall be exempt from such tax;

(F) With respect to patient care services for which payment is received by the hospital on or after July 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths per cent and on and after July 1, 2001, such services shall be exempt from such tax;

(G) With respect to the rental or leasing of a passenger motor vehicle for a period of thirty consecutive calendar days or less, at a rate of nine and thirty-five-hundredths per cent;

(H) With respect to the sale of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business enterprise and issued a commercial registration or more specific type of registration by the Department of Motor Vehicles;

(I) The rate of tax imposed by this chapter shall be applicable to all retail sales upon the effective date of such rate, except that a new rate which represents an increase in the rate applicable to the sale shall not apply to any sales transaction wherein a binding sales contract without
an escalator clause has been entered into prior to the effective date of
the new rate and delivery is made within ninety days after the effective
date of the new rate. For the purposes of payment of the tax imposed
under this section, any retailer of services taxable under subdivision
(37) of subsection (a) of section 12-407, as amended by this act, who
computes taxable income, for purposes of taxation under the Internal
Revenue Code of 1986, or any subsequent corresponding internal
revenue code of the United States, as from time to time amended, on
an accounting basis which recognizes only cash or other valuable
consideration actually received as income and who is liable for such
tax only due to the rendering of such services may make payments
related to such tax for the period during which such income is
received, without penalty or interest, without regard to when such
service is rendered;

(J) (i) For calendar quarters ending on or after September 30, 2019,
the commissioner shall deposit into the regional planning incentive
account, established pursuant to section 4-66k, six and seven-tenths
per cent of the amounts received by the state from the tax imposed
under subparagraph (B) of this subdivision and ten and seven-tenths
per cent of the amounts received by the state from the tax imposed
under subparagraph (G) of this subdivision;

(ii) For calendar quarters ending on or after September 30, 2018, the
commissioner shall deposit into the Tourism Fund established under
section 10-395b ten per cent of the amounts received by the state from
the tax imposed under subparagraph [(B)] (B)(i) and (B)(ii) of this
subdivision; and

(K) (i) For calendar months commencing on or after July 1, 2017, the
commissioner shall deposit into the Special Transportation Fund
established under section 13b-68 seven and nine-tenths per cent of the
amounts received by the state from the tax imposed under
subparagraph (A) of this subdivision;
For calendar months commencing on or after July 1, 2018, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 eight per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the sale of a motor vehicle.

Sec. 16. Subdivision (1) of section 12-411 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to sales occurring on or after July 1, 2019):

(1) (A) An excise tax is hereby imposed on the storage, acceptance, consumption or any other use in this state of tangible personal property purchased from any retailer for storage, acceptance, consumption or any other use in this state, the acceptance or receipt of any services constituting a sale in accordance with subdivision (2) of subsection (a) of section 12-407, as amended by this act, purchased from any retailer for consumption or use in this state, or the storage, acceptance, consumption or any other use in this state of tangible personal property which has been manufactured, fabricated, assembled or processed from materials by a person, either within or without this state, for storage, acceptance, consumption or any other use by such person in this state, to be measured by the sales price of materials, at the rate of six and thirty-five-hundredths per cent of the sales price of such property or services, except, in lieu of said rate of six and thirty-five-hundredths per cent;

(B) (i) At a rate of [fifteen] seventeen per cent of the rent paid to a hotel or lodging house for the first period not exceeding thirty consecutive calendar days;

(ii) At a rate of [eleven] thirteen per cent of the rent paid to a bed and breakfast establishment for the first period not exceeding thirty consecutive calendar days;

(C) With respect to the storage, acceptance, consumption or use in this state of a motor vehicle purchased from any retailer for storage,
acceptance, consumption or use in this state by any individual who is a
member of the armed forces of the United States and is on full-time
active duty in Connecticut and who is considered, under 50 App USC
574, a resident of another state, or to any such individual and the
spouse of such individual at a rate of four and one-half per cent of the
sales price of such vehicle, provided such retailer requires and
maintains a declaration by such individual, prescribed as to form by
the commissioner and bearing notice to the effect that false statements
made in such declaration are punishable, or other evidence,
satisfactory to the commissioner, concerning the purchaser's state of
residence under 50 App USC 574;

(D) (i) With respect to the acceptance or receipt in this state of
labor that is otherwise taxable under subparagraph (C) or (G) of
subdivision (2) of subsection (a) of section 12-407 on existing vessels
and repair or maintenance services on vessels occurring on and after
July 1, 1999, such services shall be exempt from such tax;

(ii) (I) With respect to the storage, acceptance or other use of a
vessel in this state, at the rate of two and ninety-nine-hundredths per
cent, except that such storage, acceptance or other use shall be exempt
from such tax if such vessel is docked in this state for sixty or fewer
days in a calendar year;

(II) With respect to the storage, acceptance or other use of a motor
for a vessel or a trailer used for transporting a vessel in this state, at the
rate of two and ninety-nine-hundredths per cent;

(E) (i) With respect to the acceptance or receipt in this state of
computer and data processing services purchased from any retailer for
consumption or use in this state occurring on or after July 1, 2001, at
the rate of one per cent of such services, and (ii) with respect to the
acceptance or receipt in this state of Internet access services, on and
after July 1, 2001, such services shall be exempt from such tax;

(F) With respect to the acceptance or receipt in this state of patient
care services purchased from any retailer for consumption or use in
this state for which payment is received by the hospital on or after July
1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths
per cent and on and after July 1, 2001, such services shall be exempt
from such tax;

(G) With respect to the rental or leasing of a passenger motor
vehicle for a period of thirty consecutive calendar days or less, at a rate
of nine and thirty-five-hundredths per cent;

(H) With respect to the acceptance or receipt in this state of (i) a
motor vehicle for a sales price exceeding fifty thousand dollars, at a
rate of seven and three-fourths per cent on the entire sales price, (ii)
jewelry, whether real or imitation, for a sales price exceeding five
thousand dollars, at a rate of seven and three-fourths per cent on the
entire sales price, and (iii) an article of clothing or footwear intended to
be worn on or about the human body, a handbag, luggage, umbrella,
wallet or watch for a sales price exceeding one thousand dollars, at a
rate of seven and three-fourths per cent on the entire sales price. For
purposes of this subparagraph, "motor vehicle" has the meaning
provided in section 14-1, but does not include a motor vehicle subject
to the provisions of subparagraph (C) of this subdivision, a motor
vehicle having a gross vehicle weight rating over twelve thousand five
hundred pounds, or a motor vehicle having a gross vehicle weight
rating of twelve thousand five hundred pounds or less that is not used
for private passenger purposes, but is designed or used to transport
merchandise, freight or persons in connection with any business
enterprise and issued a commercial registration or more specific type
of registration by the Department of Motor Vehicles;

(I) (i) For calendar quarters ending on or after September 30, 2019,
the commissioner shall deposit into the regional planning incentive
account, established pursuant to section 4-66k, six and seven-tenths
per cent of the amounts received by the state from the tax imposed
under subparagraph (B) of this subdivision and ten and seven-tenths
per cent of the amounts received by the state from the tax imposed under subparagraph (G) of this subdivision;

(ii) For calendar quarters ending on or after September 30, 2018, the commissioner shall deposit into the Tourism Fund established under section 10-395b ten per cent of the amounts received by the state from the tax imposed under subparagraph (B) of this subdivision; and

[(J) For calendar months commencing on or after July 1, 2021, the commissioner shall deposit into said municipal revenue sharing account seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision; and]

[(K)] (i) For calendar months commencing on or after July 1, 2017, the commissioner shall deposit into said Special Transportation Fund seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle. [ ]

(ii) For calendar months commencing on or after July 1, 2018, [but prior to July 1, 2019,] the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 eight per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle. [ ]

[(iii) For calendar months commencing on or after July 1, 2019, but prior to July 1, 2020, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 thirty-three per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle;]

(iv) For calendar months commencing on or after July 1, 2020, but prior to July 1, 2021, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 fifty-six per cent
of the amounts received by the state from the tax imposed under
subparagraphs (A) and (H) of this subdivision on the acceptance or
receipt in this state of a motor vehicle;

(v) For calendar months commencing on or after July 1, 2021, but
prior to July 1, 2022, the commissioner shall deposit into the Special
Transportation Fund established under section 13b-68 seventy-five per
cent of the amounts received by the state from the tax imposed under
subparagraphs (A) and (H) of this subdivision on the acceptance or
receipt in this state of a motor vehicle; and

(vi) For calendar months commencing on or after July 1, 2022, the
commissioner shall deposit into the Special Transportation Fund
established under section 13b-68 one hundred per cent of the amounts
received by the state from the tax imposed under subparagraphs (A)
and (H) of this subdivision on the acceptance or receipt in this state of
a motor vehicle.]

Sec. 17. Subdivision (1) of section 12-411 of the general statutes, as
amended by section 16 of this act, is repealed and the following is
substituted in lieu thereof (Effective January 1, 2020, and applicable to
sales occurring on or after January 1, 2020):

(1) (A) An excise tax is hereby imposed on the storage, acceptance,
consumption or any other use in this state of tangible personal
property purchased from any retailer for storage, acceptance,
consumption or any other use in this state, the acceptance or receipt of
any services constituting a sale in accordance with subdivision (2) of
subsection (a) of section 12-407, as amended by this act, purchased
from any retailer for consumption or use in this state, or the storage,
acceptance, consumption or any other use in this state of tangible
personal property which has been manufactured, fabricated,
assembled or processed from materials by a person, either within or
without this state, for storage, acceptance, consumption or any other
use by such person in this state, to be measured by the sales price of
materials, at the rate of six and thirty-five-hundredths per cent of the
sales price of such property or services, except, in lieu of said rate of six
and thirty-five-hundredths per cent;

(B) (i) At a rate of seventeen per cent of the rent paid to a hotel or
lodging house for the first period not exceeding thirty consecutive
calendar days;

(ii) At a rate of thirteen per cent of the rent paid to a bed and
breakfast establishment for the first period not exceeding thirty
consecutive calendar days;

(iii) At a rate of six and thirty-five-hundredths per cent with respect
to each transfer of occupancy, from the total amount of rent received
by a campground for the first period not exceeding thirty consecutive
days;

(C) With respect to the storage, acceptance, consumption or use in
this state of a motor vehicle purchased from any retailer for storage,
acceptance, consumption or use in this state by any individual who is a
member of the armed forces of the United States and is on full-time
active duty in Connecticut and who is considered, under 50 App USC
574, a resident of another state, or to any such individual and the
spouse of such individual at a rate of four and one-half per cent of the
sales price of such vehicle, provided such retailer requires and
maintains a declaration by such individual, prescribed as to form by
the commissioner and bearing notice to the effect that false statements
made in such declaration are punishable, or other evidence,
satisfactory to the commissioner, concerning the purchaser's state of
residence under 50 App USC 574;

(D) With respect to the acceptance or receipt in this state of labor
that is otherwise taxable under subparagraph (C) or (G) of subdivision
(2) of subsection (a) of section 12-407 on existing vessels and repair or
maintenance services on vessels occurring on and after July 1, 1999, but
prior to January 1, 2020, such services shall be exempt from such tax;
(E) (i) With respect to the acceptance or receipt in this state of computer and data processing services purchased from any retailer for consumption or use in this state occurring on or after July 1, 2001, at the rate of one per cent of such services, and (ii) with respect to the acceptance or receipt in this state of Internet access services, on and after July 1, 2001, such services shall be exempt from such tax;

(F) With respect to the acceptance or receipt in this state of patient care services purchased from any retailer for consumption or use in this state for which payment is received by the hospital on or after July 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths per cent and on and after July 1, 2001, such services shall be exempt from such tax;

(G) With respect to the rental or leasing of a passenger motor vehicle for a period of thirty consecutive calendar days or less, at a rate of nine and thirty-five-hundredths per cent;

(H) With respect to the acceptance or receipt in this state of (i) a motor vehicle for a sales price exceeding fifty thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, (ii) jewelry, whether real or imitation, for a sales price exceeding five thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price, and (iii) an article of clothing or footwear intended to be worn on or about the human body, a handbag, luggage, umbrella, wallet or watch for a sales price exceeding one thousand dollars, at a rate of seven and three-fourths per cent on the entire sales price. For purposes of this subparagraph, "motor vehicle" has the meaning provided in section 14-1, but does not include a motor vehicle subject to the provisions of subparagraph (C) of this subdivision, a motor vehicle having a gross vehicle weight rating over twelve thousand five hundred pounds, or a motor vehicle having a gross vehicle weight rating of twelve thousand five hundred pounds or less that is not used for private passenger purposes, but is designed or used to transport merchandise, freight or persons in connection with any business
enterprise and issued a commercial registration or more specific type of registration by the Department of Motor Vehicles;

(I) (i) For calendar quarters ending on or after September 30, 2019, the commissioner shall deposit into the regional planning incentive account, established pursuant to section 4-66k, six and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (B) of this subdivision and ten and seven-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (G) of this subdivision;

(ii) For calendar quarters ending on or after September 30, 2018, the commissioner shall deposit into the Tourism Fund established under section 10-395b ten per cent of the amounts received by the state from the tax imposed under subparagraph [(B)] (B)(i) and (B)(ii) of this subdivision; and

(J) (i) For calendar months commencing on or after July 1, 2017, the commissioner shall deposit into said Special Transportation Fund seven and nine-tenths per cent of the amounts received by the state from the tax imposed under subparagraph (A) of this subdivision;

(ii) For calendar months commencing on or after July 1, 2018, the commissioner shall deposit into the Special Transportation Fund established under section 13b-68 eight per cent of the amounts received by the state from the tax imposed under subparagraphs (A) and (H) of this subdivision on the acceptance or receipt in this state of a motor vehicle.

Sec. 18. Subparagraph (M) of subdivision (2) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019, and applicable to sales occurring on or after October 1, 2019):

(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;]

Sec. 19. Subdivision (13) of subsection (a) of section 12-407 of the
general statutes is repealed and the following is substituted in lieu
thereof (Effective October 1, 2019, and applicable to sales occurring on or
after October 1, 2019):

(13) "Tangible personal property" means personal property [which]
that may be seen, weighed, measured, felt or touched or [which] that is
in any other manner perceptible to the senses, [including] "Tangible
personal property" includes (A) digital goods and canned or
prewritten computer software, [Tangible personal property includes]
including prewritten software that is electronically accessed or
transferred and any additional content related to such software, and
(B) the distribution, generation or transmission of electricity.

Sec. 20. Subsection (a) of section 12-407 of the general statutes is
amended by adding subdivision (43) as follows (Effective October 1,
2019, and applicable to sales occurring on or after October 1, 2019):

(NEW) (43) "Digital goods" means audio works, visual works,
audio-visual works, reading materials or ring tones, that are
electronically accessed or transferred.

Sec. 21. Subparagraph (A) of subdivision (37) of subsection (a) of
section 12-407 of the general statutes is repealed and the following is
substituted in lieu thereof (Effective October 1, 2019, and applicable to
sales occurring on or after October 1, 2019):

(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, but excluding
digital goods;

Sec. 22. Subdivision (37) of subsection (a) of section 12-407 of the
general statutes, as amended by section 21 of this act, is repealed and
the following is substituted in lieu thereof (Effective January 1, 2020, and
applicable to sales occurring on or after January 1, 2020):

(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, but excluding
digital goods;

(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 (I) 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
cooperative direct mail advertising;

(V) Landscaping and horticulture services;

(W) Window cleaning services;

(X) [Maintenance services] Services to buildings and dwellings,
including, but not limited to, maintenance, repair, renovation, exterior
cleaning, chimney cleaning, driveway cleaning, duct cleaning, drain or
gutter cleaning, refuse collection, snow plowing and all other such
services not specifically enumerated herein;

(Y) Janitorial services;

(Z) Exterminating and pest control 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] Personal and laundry services
described in industry group 812 of the North American [Industrial]
Industry Classification System United States Manual, United States
Office of Management and Budget (NAICS), [1997] 2017 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] death care services described in industry group 8122 of the NAICS, 2017 edition;

(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;

(EE) Notwithstanding the provisions of section 12-412, as amended by this act, 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] Animal grooming and [pet] animal 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; [.

(PP) Scenic and sightseeing transportation services described in
industry group 487 of the NAICS, 2017 edition, as amended from time

to time;

(QQ) Real estate agent and broker services described in industry
group 5312 and services for activities related to real estate described in
industry group 5313 of the NAICS, 2017 edition, as amended from
time to time;

(RR) Travel arrangement and reservation services described in
industry group 5615 of the NAICS, 2017 edition, as amended from
time to time;

(SS) Legal services described in industry group 5411 of the NAICS,
2017 edition, as amended from time to time;

(TT) Accounting services described in industry group 541211 and
tax return preparation services described in industry group 541213 of
the NAICS, 2017 edition, as amended from time to time;

(UU) Architectural services described in industry group 54131 of the
NAICS, 2017 edition, as amended from time to time;

(VV) Engineering services described in industry group 54133 of the
NAICS, 2017 edition, as amended from time to time;
(WW) Interior design services described in industry group 54141 of the NAICS, 2017 edition, as amended from time to time;

(XX) Veterinary services described in industry group 54194 of the NAICS, 2017 edition, as amended from time to time;

(YY) Sports and recreation instruction services described in industry group 61162 of the NAICS, 2017 edition, as amended from time to time;

(ZZ) Services provided by amusement and recreation establishments described in industry group 7139 of the NAICS, 2017 edition, as amended from time to time; and

(AAA) Waste management and remediation services provided by establishments described in industry group 5621 of the NAICS, 2017 edition, as amended from time to time.

Sec. 23. Subparagraph (H) of subdivision (2) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2020, and applicable to sales occurring on or after January 1, 2020):

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

Sec. 24. Subparagraph (A) of subdivision (3) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2020, and applicable to sales occurring on or after January 1, 2020):

(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 (i) tangible personal property, [or (ii) a transfer for a consideration of the occupancy of (I) 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 (II) any space in a campground for a period of thirty
consecutive calendar days or less, or (iii) 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.

Sec. 25. Subdivision (7) of subsection (a) of section 12-407 of the
general statutes is repealed and the following is substituted in lieu
thereof (Effective January 1, 2020, and applicable to sales occurring on or
after January 1, 2020):

(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 (i) tangible personal property for a
consideration, or (ii) 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 or of any space in
a campground 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 consideration 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.

Sec. 26. Subparagraph (A) of subdivision (8) of subsection (a) of
section 12-407 of the general statutes is repealed and the following is
substituted in lieu thereof (Effective January 1, 2020, and applicable to
sales occurring on or after January 1, 2020):

(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 or of a space in a campground 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,
as amended by this act. 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.

Sec. 27. Subparagraph (A) of subdivision (9) of subsection (a) of
section 12-407 of the general statutes is repealed and the following is
substituted in lieu thereof (Effective January 1, 2020, and applicable to
sales occurring on or after January 1, 2020):

(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 or of space in
a campground 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,
as amended by this act, 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.

Sec. 28. Subparagraph (A) of subdivision (15) of subsection (a) of section 12-407 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2020, and applicable to sales occurring on or after January 1, 2020):

(15) (A) "Engaged in business in the state" means and, to the extent not prohibited by the Constitution of the United States, 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 (I) 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 (II) any space in a campground 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, 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, Internet or other communication system, for the purpose of effecting retail sales of tangible personal property, provided at least two hundred fifty thousand dollars of gross receipts are received and two 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, 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 hundred fifty thousand dollars during the four preceding four
quarterly periods ending on the last day of March, June, September
and December.

Sec. 29. Subdivisions (18) and (19) of subsection (a) of section 12-407
of the general statutes are repealed and the following is substituted in
lieu thereof (Effective January 1, 2020, and applicable to sales occurring on
or after January 1, 2020):

(18) "Operator" means any person operating a hotel, lodging house,
[or] bed and breakfast establishment or campground 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 or campground.

(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 of any space in a campground, 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 or such space, for the first period of not more than thirty
consecutive calendar days.

Sec. 30. Subdivision (120) of section 12-412 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective
January 1, 2020, and applicable to sales occurring on or after January 1,
2020):

(120) [On and after April 1, 2015, sales of the following
nonprescription drugs or medicines available for purchase for use in or
on the body: Vitamin or mineral concentrates; dietary supplements;
natural or herbal drugs or medicines; products intended to be taken for
coughs, cold, asthma or allergies, or antihistamines; laxatives;
antidiarrheal medicines; analgesics; antibiotic, antibacterial, antiviral
and antifungal medicines; antiseptics; astringents; anesthetics;
steroidal medicines; anthelmintics; emetics and antiemetics; antacids;
and any medication prepared to be used in the eyes, ears or nose.
Nonprescription drugs or medicines shall not include cosmetics,
dentrifrices, mouthwash, shaving and hair care products, soaps or
deodorants.] Sales of marijuana sold pursuant to chapter 420f by a
licensed dispensary for palliative use.

Sec. 31. Subdivision (123) of section 12-412 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective
January 1, 2020, and applicable to sales occurring on or after January 1,
2020):

(123) Sales of disposable or reusable diapers, but not including
diaper cleaning services.

Sec. 32. Section 12-412 of the general statutes is amended by adding
subdivision (124) as follows (Effective January 1, 2020, and applicable to
sales occurring on or after January 1, 2020):

(NEW) (124) (A) Sales of services set forth in subparagraphs (QQ) to
(XX), inclusive, and subparagraph (AAA) of subdivision (37) of
subsection (a) of section 12-407, as amended by this act, that are
purchased by a business for use by such business.

(B) Each purchaser of services exempt pursuant to the provisions of
this subdivision shall present, in order to qualify for such exemption, a
certificate to the retailer, in such form as the commissioner may
prescribe, certifying that the purchaser is a business and is purchasing
such services for its business. The purchaser of the services shall be
liable for the tax otherwise imposed if the certificate is improperly
provided to the retailer, and any person who wilfully delivers a
certificate that is known to be fraudulent or false in any material
matter to a retailer shall, in addition to any other penalty provided by law, be guilty of a class D felony.

Sec. 33. Subdivision (4) of section 12-430 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to sales occurring on or after July 1, 2019):

(4) Where for sales occurring prior to July 1, 2019, where a trade-in of a motor vehicle is received by a motor vehicle dealer, upon the sale of another motor vehicle to a consumer, or where a trade-in of an aircraft, as defined in subdivision (5) of section 15-34, is received by an aircraft dealer, upon the sale of another aircraft to a consumer, or where a trade-in of a farm tractor, snowmobile or any vessel, as defined in section 15-127, is received by a retailer of farm tractors, snowmobiles or such vessels upon the sale of another farm tractor, snowmobile or such vessel to a consumer, the tax is only on the difference between the sale price of the motor vehicle, aircraft, snowmobile, farm tractor or such vessel purchased and the amount allowed on the motor vehicle, aircraft, snowmobile, farm tractor or such vessel traded in on such purchase. When any such motor vehicle, aircraft, snowmobile, farm tractor or such vessel traded in is subsequently sold to a consumer or user, the tax provided for in this chapter applies.

Sec. 34. Section 4-66o of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

The Secretary of the Office of Policy and Management may establish receivables for the revenue anticipated pursuant to [subparagraph (K) of subdivision (1) of section 12-408 and] section 4-66l.

Sec. 35. Section 12-263p of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

As used in sections 12-263p to 12-263x, inclusive, unless the context otherwise requires:
(1) "Commissioner" means the Commissioner of Revenue Services;

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

(3) "Taxpayer" means any health care provider subject to any tax or fee under section 12-263q, as amended by this act, or 12-263r, as amended by this act;

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

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

(6) "Net revenue" means gross receipts less payer discounts, charity care and bad debts, to the extent the taxpayer previously paid tax under section 12-263q, as amended by this act, on the amount of such bad debts;

(7) "Payer discounts" means the difference between a health care provider's published charges and the payments received by the health care provider from one or more health care payers for a rate or method of payment that is different than or discounted from such published charges. "Payer discounts" does not include charity care or bad debts;

(8) "Charity care" means free or discounted health care services rendered by a health care provider to an individual who cannot afford to pay for such services, including, but not limited to, health care services provided to an uninsured patient who is not expected to pay all or part of a health care provider's bill based on income guidelines and other financial criteria set forth in the general statutes or in a health care provider's charity care policies on file at the office of such
provider. "Charity care" does not include bad debts or payer discounts;

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

(10) "Hospital" means any health care facility, as defined in section 19a-630, that (A) is licensed by the Department of Public Health as a short-term general hospital; (B) is maintained primarily for the care and treatment of patients with disorders other than mental diseases; (C) meets the requirements for participation in Medicare as a hospital; and (D) has in effect a utilization review plan, applicable to all Medicaid patients, that meets the requirements of 42 CFR 482.30, as amended from time to time, unless a waiver has been granted by the Secretary of the United States Department of Health and Human Services;

(11) "Inpatient hospital services" means, in accordance with federal law, all services that are (A) ordinarily furnished in a hospital for the care and treatment of inpatients; (B) furnished under the direction of a physician or dentist; and (C) furnished in a hospital. "Inpatient hospital services" does not include skilled nursing facility services and intermediate care facility services furnished by a hospital with swing bed approval;

(12) "Inpatient" means a patient who has been admitted to a medical institution as an inpatient on the recommendation of a physician or dentist and who (A) receives room, board and professional services in the institution for a twenty-four-hour period or longer, or (B) is expected by the institution to receive room, board and professional services in the institution for a twenty-four-hour period or longer, even if the patient does not actually stay in the institution for a twenty-four-hour period or longer;

(13) "Outpatient hospital services" means, in accordance with federal law, preventive, diagnostic, therapeutic, rehabilitative or palliative services that are (A) furnished to an outpatient; (B) furnished
by or under the direction of a physician or dentist; and (C) furnished by a hospital;

(14) "Outpatient" means a patient of an organized medical facility or a distinct part of such facility, who is expected by the facility to receive, and who does receive, professional services for less than a twenty-four-hour period regardless of the hour of admission, whether or not a bed is used or the patient remains in the facility past midnight;

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

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

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

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

(19) "Intermediate care facility resident day" means a day of intermediate care facility residential care provided to an individual
and includes the day a resident is admitted and any day for which the
intermediate care facility is eligible for payment for reserving a
resident's bed due to hospitalization or temporary leave and for the
date of death. For purposes of this subdivision, a day of intermediate
care facility residential care shall be the period of time between the
census-taking hour in a facility on two successive calendar days.
"Intermediate care facility resident day" does not include the day a
resident is discharged;

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

(21) "Ambulatory surgical center services" means, in accordance
with 42 CFR 433.56(a)(9), as amended from time to time, services for
which payment is received from any payer that, if such services were
furnished under the federal Medicare program (A) would be furnished
in connection with covered surgical procedures performed in an
ambulatory surgical center as provided in 42 CFR 416.164(a), as
amended from time to time, and (B) for which payment would be
included in the ambulatory surgical center payment established under
42 CFR 416.171, as amended from time to time, for the covered surgical
procedure. "Ambulatory surgical center services" includes facility
services only and does not include surgical procedures, physicians'
services, anesthetists' services, radiology services, diagnostic services
or ambulance services, if such procedures or services would be
reimbursed separately from facility services under 42 CFR 416.164(a),
as amended from time to time;
(22) "Medicaid" means the program operated by the Department of Social Services pursuant to section 17b-260 and authorized by Title XIX of the Social Security Act, as amended from time to time; and

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

Sec. 36. Section 12-263q of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) (1) For each calendar quarter commencing on or after July 1, 2017, each hospital shall pay a tax on the total net revenue received by such hospital for the provision of inpatient hospital services and outpatient hospital services.

(A) On and after July 1, 2017, [and prior to July 1, 2019,] the rate of tax for the provision of inpatient hospital services shall be six per cent of each hospital's audited net revenue for the fiscal year, [2016] as set forth in subparagraph (C) of this subdivision, attributable to inpatient hospital services.

(B) On and after July 1, 2017, [and prior to July 1, 2019,] the rate of tax for the provision of outpatient hospital services shall be nine hundred million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for the fiscal year, [2016] as set forth in subparagraph (C) of this subdivision, attributable to outpatient hospital services, of all hospitals that are required to pay such tax.

(C) [On and after July 1, 2019, the rate of tax for the provision of inpatient hospital services and outpatient hospital services shall be three hundred eighty-four million dollars divided by the total audited net revenue for fiscal year 2016, of all hospitals that are required to pay]
such tax.] For the state fiscal years commencing July 1, 2017, and July 1, 2018, the fiscal year upon which the tax shall be imposed under subparagraphs (A) and (B) of this subdivision shall be fiscal year 2016. For the biennium commencing July 1, 2019, and for each biennium thereafter, the fiscal year upon which the tax shall be imposed under subparagraphs (A) and (B) of this subdivision for each year of the biennium shall be the fiscal year occurring three years prior to the first state fiscal year of each biennium.

(D) If a hospital or hospitals subject to the tax imposed under this subdivision merge, consolidate or otherwise reorganize, the surviving hospital shall assume and be liable for the total tax imposed under this subdivision on the merging, consolidating or reorganizing hospitals, including any outstanding liabilities from periods prior to such merger, consolidation or reorganization. If a hospital ceases to operate as a hospital for any reason other than a merger, consolidation or reorganization, or ceases for any reason to be subject to the tax imposed under this subdivision, the amount of tax due from each taxpayer under this subdivision shall not be recalculated to take into account such occurrence but the total amount of such tax to be collected under subparagraphs (A) and (B) of this subdivision shall be reduced by the amount of the tax liability imposed on the hospital that is no longer subject to the tax.

(E) (i) If the Commissioner of Social Services determines for any fiscal year that the effective rate of tax for the tax imposed on net revenue for the provision of inpatient hospital services exceeds the rate permitted under the provisions of 42 CFR 433.68(f), as amended from time to time, the amount of tax collected that exceeds the permissible amount shall be refunded to hospitals, in proportion to the amount of net revenue for the provision of inpatient hospital services upon which the hospitals were taxed. The effective rate of tax shall be calculated by comparing the amount of tax paid by hospitals on net revenue for the provision of inpatient hospital services in a state fiscal year with the amount of net revenue received by hospitals subject to the tax for the
provision of inpatient hospital services for the equivalent fiscal year.

(ii) On or before July 1, 2020, and annually thereafter, each hospital subject to the tax imposed under this subdivision shall report to the Commissioner of Social Services, in the manner prescribed by and on forms provided by said commissioner, the amount of tax paid pursuant to this subsection by such hospital and the amount of net revenue received by such hospital for the provision of inpatient hospital services, in the state fiscal year commencing two years prior to each such reporting date. Not later than ninety days after said commissioner receives completed reports from all hospitals required to submit such reports, said commissioner shall notify the Commissioner of Revenue Services of the amount of any refund due each hospital to be in compliance with 42 CFR 433.68(f), as amended from time to time. Not later than thirty days after receiving such notice, the Commissioner of Revenue Services shall notify the Comptroller of the amount of each such refund and the Comptroller shall draw an order on the Treasurer for payment of each such refund. No interest shall be added to any refund issued pursuant to this subparagraph.

(2) Except as provided in subdivision (3) of this subsection, each [such] hospital subject to the tax imposed under subdivision (1) of this subsection shall be required to pay the total amount due in four quarterly payments consistent with section 12-263s, with the first quarter commencing with the first day of each state fiscal year and the last quarter ending on the last day of each state fiscal year. Hospitals shall make all payments required under this subsection in accordance with procedures established by and on forms provided by the commissioner.

(3) (A) For the state fiscal year commencing July 1, 2017, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall make an estimated tax payment on December 15, 2017, which estimated payment shall be equal to one hundred thirty-three per cent of the tax due under chapter 211a for the period
ending June 30, 2017. If a hospital was not required to pay tax under [said] chapter 211a on either inpatient hospital services or outpatient hospital services, such hospital shall make its estimated payment based on its unaudited net patient revenue.

(B) Each hospital required to pay tax pursuant to this subdivision on inpatient hospital services or outpatient hospital services shall pay the remaining balance determined to be due in two equal payments, which shall be due on April 30, 2018, and July 31, 2018, respectively.

(C) (i) For each state fiscal year commencing on or after July 1, 2017, and prior to July 1, 2019, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall calculate the amount of tax due on forms prescribed by the commissioner by multiplying the applicable rate set forth in subdivision (1) of this subsection by its audited net revenue for fiscal year 2016. [Hospitals shall make all payments required under this section in accordance with procedures established by and on forms provided by the commissioner.]

(ii) For each state fiscal year commencing on or after July 1, 2019, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall calculate the amount of tax due on forms prescribed by the commissioner by multiplying the applicable rate set forth in subdivision (1) of this subsection by its audited net revenue for the fiscal year, as set forth in subparagraph (C) of subdivision (1) of this subsection.

(D) The commissioner shall apply any payment made by a hospital in connection with the tax under chapter 211a for the period ending September 30, 2017, as a partial payment of such hospital's estimated tax payment due on December 15, 2017, under subparagraph (A) of this subdivision. The commissioner shall return to a hospital any credit claimed by such hospital in connection with the tax imposed under [said] chapter 211a for the period ending September 30, 2017, for
assignment as provided under section 12-263s.

(4) (A) [Each] (i) For each state fiscal year commencing on or after July 1, 2017, and prior to July 1, 2019, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall submit to the commissioner such information as the commissioner requires in order to calculate the audited net inpatient revenue for fiscal year 2016, the audited net outpatient revenue for fiscal year 2016 and the audited net revenue for fiscal year 2016 of all such health care providers. Such information shall be provided to the commissioner not later than January 1, 2018. The commissioner shall make additional requests for information as necessary to fully audit each hospital's net revenue. Upon completion of the commissioner's examination, the commissioner shall notify, prior to February 28, 2018, each hospital of its audited net inpatient revenue for fiscal year 2016, audited net outpatient revenue for fiscal year 2016 and audited net revenue for fiscal year 2016.

(ii) For each state fiscal year commencing on or after July 1, 2019, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall submit to the commissioner biennially such information as the commissioner requires in order to calculate for the applicable fiscal year, as set forth in subparagraph (C) of subdivision (1) of this subsection, the audited net inpatient revenue, the audited net outpatient revenue and the audited net revenue of all such health care providers. For the state fiscal year commencing July 1, 2019, such information shall be provided to the commissioner not later than June 30, 2019. For the biennium commencing July 1, 2021, and each biennium thereafter, such information shall be provided to the commissioner not later than January fifteenth of the second year of the biennium immediately preceding. The commissioner shall make additional requests for information as necessary to fully audit each hospital's net revenue. Upon completion of the commissioner's examination, the commissioner shall notify each hospital of its audited net inpatient revenue, audited net outpatient revenue and audited net revenue.
revenue for the applicable fiscal year, as set forth in subparagraph (C) of subdivision (1) of this subsection.

(B) Any hospital that fails to provide the requested information [prior to January 1, 2018,] by the dates specified in subparagraph (A) of this subdivision or fails to comply with a request for additional information made under this subdivision shall be subject to a penalty of one thousand dollars per day for each day the hospital fails to provide the requested information or additional information.

(C) The commissioner may engage an independent auditor to assist in the performance of the commissioner's duties and responsibilities under this subdivision.

[(5) Net revenue derived from providing a health care item or service to a patient shall be taxed only one time under this section.]

[(6) (5) (A) For purposes of this [section] subsection:

(i) ["Audited net inpatient revenue for fiscal year 2016"] "Audited net inpatient revenue for the fiscal year" means the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received for the provision of inpatient hospital services during the [2016] applicable federal fiscal year;

(ii) ["Audited net outpatient revenue for fiscal year 2016"] "Audited net outpatient revenue for the fiscal year" means the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received for the provision of outpatient hospital services during the [2016] applicable federal fiscal year; and

(iii) ["Audited net revenue for fiscal year 2016"] "Audited net revenue for the fiscal year" means net revenue, as reported in each hospital's audited financial statement, less the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received from other than the provision of inpatient hospital
services and outpatient hospital services. The total audited net revenue for the fiscal year [2016] shall be the sum of all audited net revenue for the applicable fiscal year [2016] for all hospitals required to pay tax on inpatient hospital services and outpatient hospital services.

(B) Audited net inpatient revenue and audited net outpatient revenue shall be based on information provided by each hospital required to pay tax on inpatient hospital services or outpatient hospital services.

[(b) (1)] (6) (A) The Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt from the net revenue tax imposed under [subsection (a) of this section] this subsection the following: [(A)] (i) Specialty hospitals; [(B)] (ii) children's general hospitals; and [(C)] (iii) hospitals operated exclusively by the state other than a short-term acute hospital operated by the state as a receiver pursuant to chapter 920. Any hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed under [subsection (a) of this section] this subsection. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be deemed to be a hospital for purposes of this [section] subsection and shall be required to pay the net revenue tax imposed under [subsection (a) of this section] this subsection on inpatient hospital services and outpatient hospital services.

[(2)] (B) Each hospital shall provide to the Commissioner of Social Services, upon request, such information as said commissioner may require to make any computations necessary to seek approval for exemption under this [subsection] subdivision.

[(3)] (C) As used in this [subsection] subdivision, [(A)] (i) "specialty hospital" means a health care facility, as defined in section 19a-630, other than a facility licensed by the Department of Public Health as a short-term general hospital or a short-term children's hospital.
"Specialty hospital" includes, but is not limited to, a psychiatric hospital or a chronic disease hospital, and [(B)] (iii) "children's general hospital" means a health care facility, as defined in section 19a-630, that is licensed by the Department of Public Health as a short-term children's hospital. "Children's general hospital" does not include a specialty hospital.

[(c)] (7) Prior to [January 1, 2018] July 1, 2019, and every three years thereafter, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt financially distressed hospitals from the net revenue tax imposed on outpatient hospital services. Any such hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed on outpatient hospital services under [subsection (a) of this section] this subsection. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the net revenue tax imposed on outpatient hospital services under [subsection (a) of this section] this subsection. For purposes of this [subsection] subdivision, "financially distressed hospital" means a hospital that has experienced over a five-year period an average net loss of more than five per cent of aggregate revenue. A hospital has an average net loss of more than five per cent of aggregate revenue if such a loss is reflected in the five most recent years of financial reporting that have been made available by the Health Systems Planning Unit of the Office of Health Strategy for such hospital in accordance with section 19a-670 as of the effective date of the request for approval which effective date shall be July first of the year in which the request is made.

[(d)] (8) The commissioner shall issue guidance regarding the administration of the tax on inpatient hospital services and outpatient hospital services. Such guidance shall be issued upon completion of a study of the applicable federal law governing the administration of tax on inpatient hospital services and outpatient hospital services. The commissioner shall conduct such study in collaboration with the
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Commissioner of Social Services, the Secretary of the Office of Policy and Management, the Connecticut Hospital Association and the hospitals subject to the tax imposed on inpatient hospital services and outpatient hospital services.

[(e) (1)] (9) (A) The commissioner shall determine, in consultation with the Commissioner of Social Services, the Secretary of the Office of Policy and Management, the Connecticut Hospital Association and the hospitals subject to the tax imposed on inpatient hospital services and outpatient hospital services, if there is any underreporting of revenue on hospitals' audited financial statements. Such consultation shall only be as authorized under section 12-15. The commissioner shall issue guidance, if necessary, to address any such underreporting.

[(2)] (B) If the commissioner determines, in accordance with this [subsection] subdivision, that a hospital underreported net revenue on its audited financial statement, the amount of underreported net revenue shall be added to the amount of net revenue reported on such hospital's audited financial statement so as to comply with federal law and the revised net revenue amount shall be used for purposes of calculating the amount of tax owed by such hospital under this [section] subsection. For purposes of this [subsection] subdivision, "underreported net revenue" means any revenue of a hospital subject to the tax imposed under this section that is required to be included in net revenue from the provision of inpatient hospital services and net revenue from the provision of outpatient hospital services to comply with 42 CFR 433.56, as amended from time to time, 42 CFR 433.68, as amended from time to time, and Section 1903(w) of the Social Security Act, as amended from time to time, but that was not reported on such hospital's audited financial statement. Underreported net revenue shall only include revenue of the hospital subject to such tax.

(b) (1) For each calendar quarter commencing on or after July 1, 2019, each ambulatory surgical center shall pay a tax on the total net revenue received by such ambulatory surgical center for the provision
of ambulatory surgical center services. The rate of tax on such net
revenue received for the provision of such services shall be six per
cent, except that such tax shall not be imposed on Medicaid payments
or Medicare payments received by the ambulatory surgical center for
the provision of ambulatory surgical center services.

(2) Net revenue from each hospital-owned ambulatory surgical
center shall be considered net revenue of the hospital and shall be
reported as net revenue from inpatient hospital services or outpatient
hospital services to the extent such net revenue is derived from
services that fall within the scope of inpatient hospital services or
outpatient hospital services. As used in this subdivision, "hospital-
owned ambulatory surgical center" includes only those ambulatory
surgical centers that are considered departments of the owner-hospital
and that have provider-based status in accordance with 42 CFR 413.65,
as amended from time to time. If an ambulatory surgical center is
owned by a hospital, but is not considered to be a department of the
hospital or does not have provider-based status in accordance with 42
CFR 413.65, as amended from time to time, the net revenue of such
ambulatory surgical center shall not be considered net revenue of the
owner-hospital, and such ambulatory surgical center shall be required
to file and pay tax for any net revenue received from the provision of
ambulatory surgical center services.

(c) Net revenue derived from providing a health care item or service
to a patient shall be taxed only one time under this section.

[f] (d) Nothing in this section shall affect the commissioner's
obligations under section 12-15 regarding disclosure and inspection of
returns and return information.

[g] (e) The provisions of section 17b-8 shall not apply to any
exemption or exemptions sought by the [Department] Commissioner
of Social Services from the Centers for Medicare and Medicaid Services
under this section.
Sec. 37. Subsection (a) of section 12-263r of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) For each calendar quarter commencing on or after July 1, 2017, there is hereby imposed a quarterly fee on each nursing home and intermediate care facility in this state, which fee shall be the product of each facility's total resident days during the calendar quarter multiplied by the user fee. Except as otherwise provided in this section, (1) the user fee for nursing homes shall be twenty-one dollars and two cents, and (2) the user fee for intermediate care facilities shall be (A) twenty-seven dollars and twenty-six cents for calendar quarters commencing on or after July 1, 2017, and prior to July 1, 2019, and (B) twenty-seven dollars and seventy-six cents for calendar quarters commencing on or after July 1, 2019. As used in this subsection, "resident day" means nursing home resident day and intermediate care facility resident day, as applicable.

Sec. 38. Section 12-263i of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) As used in this section:

(1) "Ambulatory surgical center" means an entity included within the definition of said term that is set forth in 42 CFR 416.2 and that is licensed by the Department of Public Health as an outpatient surgical facility, and any other ambulatory surgical center that is Medicare certified;

(2) "Commissioner" means the Commissioner of Revenue Services; and

(3) "Department" means the Department of Revenue Services.

(b) (1) For each calendar quarter commencing on or after October 1, 2015, and prior to July 1, 2019, there is hereby imposed a tax on each
ambulatory surgical center in this state to be paid each calendar quarter. The tax imposed by this section shall be at the rate of six per cent of the gross receipts of each ambulatory surgical center, except that [: (A) Prior to July 1, 2019,] such tax shall not be imposed on any amount of such gross receipts that constitutes either [(i)] (A) the first million dollars of gross receipts of the ambulatory surgical center in the applicable fiscal year, or [(ii)] (B) net revenue of a hospital that is subject to the tax imposed under section 12-263q, as amended by this act; [; and

(B) On and after July 1, 2019, such tax shall not be imposed on any amount of such gross receipts that constitutes any of the following: (i) The first million dollars of gross receipts of the ambulatory surgical center in the applicable fiscal year, excluding Medicaid and Medicare payments, (ii) net revenue of a hospital that is subject to the tax imposed under section 12-263q, (iii) Medicaid payments received by the ambulatory surgical center, and (iv) Medicare payments received by the ambulatory surgical center.]

(2) Nothing in this section shall prohibit an ambulatory surgical center from seeking remuneration for the tax imposed by this section.

(3) Each ambulatory surgical center shall, [on or before January 31, 2016, and thereafter] on or before the last day of January, April, July and October of each year until and including July 30, 2019, render to the commissioner a return, on forms prescribed or furnished by the commissioner, reporting the name and location of such ambulatory surgical center, the entire amount of gross receipts generated by such ambulatory surgical center during the calendar quarter ending on the last day of the preceding month and such other information as the commissioner deems necessary for the proper administration of this section. The tax imposed under this section shall be due and payable on the due date of such return. Each ambulatory surgical center shall be required to file such return electronically with the department and to make payment of such tax by electronic funds transfer in the
manner provided by chapter 228g, regardless of whether such
ambulatory surgical center would have otherwise been required to file
such return electronically or to make such tax payment by electronic
funds transfer under the provisions of chapter 228g.

(c) Whenever the tax imposed under this section is not paid when
due, a penalty of ten per cent of the amount due and unpaid or fifty
dollars, whichever is greater, shall be imposed and interest at the rate
of one per cent per month or fraction thereof shall accrue on such tax
from the due date of such tax until the date of payment.

(d) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and
12-555a 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 tax imposed under this section, except to the extent that
any provision is inconsistent with a provision in this section.

(e) For the fiscal year ending June 30, 2016, and each fiscal year
[thereafter] ending prior to July 1, 2019, the Comptroller is authorized
to record as revenue for each fiscal year the amount of tax imposed
under the provisions of this section prior to the end of each fiscal year
and which tax is received by the Commissioner of Revenue Services
not later than five business days after the last day of July immediately
following the end of each fiscal year.

Sec. 39. Subsection (b) of section 12-494 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to conveyances occurring on or after July 1, 2019):

(b) The rate of tax imposed under subdivision (1) of subsection (a) of
this section shall, in lieu of the rate under said subdivision (1), be
imposed on certain conveyances as follows: (1) In the case of any
conveyance of real property which at the time of such conveyance is
used for any purpose other than residential use, except unimproved
land, the tax under said subdivision (1) shall be imposed at the rate of
one and one-quarter per cent of the consideration for the interest in real property conveyed; (2) in the case of any conveyance in which the real property conveyed is a residential estate, including a primary dwelling and any auxiliary housing or structures, regardless of the number of deeds, instruments or writings used to convey such residential real estate, for which the consideration or aggregate consideration, as the case may be, in such conveyance is eight hundred thousand dollars or more, the tax under said subdivision (1) shall be imposed (A) at the rate of three-quarters of one per cent on that portion of such consideration up to and including the amount of eight hundred thousand dollars, and (B) at the rate of one and one-quarter per cent on that portion of such consideration in excess of eight hundred thousand dollars; and (3) in the case of any conveyance in which real property on which mortgage payments have been delinquent for not less than six months is conveyed to a financial institution or its subsidiary which holds such a delinquent mortgage on such property, the tax under said subdivision (1) shall be imposed at the rate of three-quarters of one per cent of the consideration for the interest in real property conveyed. For the purposes of subdivision (1) of this subsection, "unimproved land" includes land designated as farm, forest or open space land.

Sec. 40. Subsection (d) of section 12-217n of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to taxable years commencing on or after January 1, 2019):

(d) (1) The credit provided for by this section shall be allowed for any income year commencing on or after January 1, 1993, provided any credits allowed for income years commencing on or after January 1, 1993, and prior to January 1, 1995, may not be taken until income years commencing on or after January 1, 1995, and, for the purposes of subdivision (2) of this subsection, shall be treated as if the credit for each such income year first became allowable in the first income year commencing on or after January 1, 1995.
(2) No more than one-third of the amount of the credit allowable for any income year may be included in the calculation of the amount of the credit that may be taken in that income year.

(3) The total amount of the credit under subdivision (1) of this subsection that may be taken for any income year may not exceed the greater of (A) fifty per cent of the taxpayer's tax liability or in the case of a combined return, fifty per cent of the combined tax liability, for such income year, determined without regard to any credits allowed under this section, and (B) the lesser of (i) two hundred per cent of the credit otherwise allowed under subsection (c) of this section for such income year, and (ii) ninety per cent of the taxpayer's tax liability or in the case of a combined return, ninety per cent of the combined liability for such income year, determined without regard to any credits allowed under this section.

(4) (A) Credits that are allowed under this section [but] for taxable years commencing prior to January 1, 2019, that exceed the amount permitted to be taken in an income year [by reason of] pursuant to the provisions of subdivision (1), (2) or (3) of this subsection [.] shall be carried forward to each of the successive income years until such credits, or applicable portion thereof, are fully taken. No credit permitted under this section shall be taken in any income year until the full amount of all allowable credits carried forward to such year from any prior income year, commencing with the earliest such prior year, that otherwise may be taken under subdivision (2) of this subsection in that income year, have been fully taken.

(B) Credits that are allowed under this section for taxable years commencing on or after January 1, 2019, that exceed the amount permitted to be taken in an income year pursuant to the provisions of subdivision (1), (2) or (3) of this subsection shall be carried forward to each of the successive income years until such credits, or applicable portion thereof, are fully taken. No credit permitted under this section shall be taken in any income year until the full amount of all allowable
credits carried forward to such year from any prior income year, commencing with the earliest such prior year, that otherwise may be taken under subdivision (2) of this subsection in that income year, have been fully taken. In no case may a credit allowed under this subparagraph, or any portion thereof, that is not used by a taxpayer be carried forward for a period of more than fifteen years.

Sec. 41. Subsection (a) of section 12-217zz of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to income years commencing on or after January 1, 2019):

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

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

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

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

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

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

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

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

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

Sec. 42. (NEW) (Effective from passage and applicable to quarterly periods commencing on or after July 1, 2019) Notwithstanding any provision of the general statutes allowing for a higher amount, for any quarterly periods commencing on or after July 1, 2019, the amount of tax credit or credits allowable against the tax imposed under chapter 211 of the
general statutes, shall not exceed fifty and one one-hundredths per cent of the amount of tax due from a taxpayer under such chapter with respect to any such quarterly period of the taxpayer prior to the application of such credit or credits.

Sec. 43. (NEW) (Effective from passage and applicable to quarterly periods commencing on or after July 1, 2019) Notwithstanding any provision of the general statutes allowing for a higher amount, for any quarterly periods commencing on or after July 1, 2019, the amount of tax credit or credits allowable against the tax imposed under chapter 212 of the general statutes, shall not exceed fifty and one one-hundredths per cent of the amount of tax due from a taxpayer under such chapter with respect to any such quarterly period of the taxpayer prior to the application of such credit or credits.

Sec. 44. (NEW) (Effective from passage and applicable to quarterly periods commencing on or after July 1, 2019) Notwithstanding any provision of the general statutes allowing for a higher amount, for any quarterly periods commencing on or after July 1, 2019, the amount of tax credit or credits allowable against the tax imposed under chapter 227 of the general statutes, shall not exceed fifty and one one-hundredths per cent of the amount of tax due from a taxpayer under such chapter with respect to any such quarterly period of the taxpayer prior to the application of such credit or credits.

Sec. 45. Subsection (a) of section 12-264 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) Each (1) municipality, or department or agency thereof, or district manufacturing, selling or distributing gas to be used for light, heat or power, (2) company the principal business of which is manufacturing, selling or distributing gas or steam to be used for light, heat or power, including each foreign electric company, as defined in section 16-246f, that holds property in this state, and (3) company
required to register pursuant to section 16-258a, shall pay a quarterly
tax upon gross earnings from such operations in this state. Gross
earnings from such operations under subdivisions (1) and (2) of this
subsection shall include, as determined by the Commissioner of
Revenue Services, (A) all income included in operating revenue
accounts in the uniform systems of accounts prescribed by the Public
Utilities Regulatory Authority for operations within the taxable
quarter and, with respect to each such company, (B) all income
identified in said uniform systems of accounts as income from
merchandising, jobbing and contract work, (C) all revenues identified
in said uniform systems of accounts as income from nonutility
operations, (D) all revenues identified in said uniform systems of
accounts as nonoperating retail income, and (E) receipts from the sale
of residuals and other by-products obtained in connection with the
production of gas, electricity or steam. Gross earnings from such
operations under subdivision (3) of this subsection shall be gross
income from the sales of natural gas, [provided gross income shall not
include income from the sale of natural gas to an existing combined
cycle facility comprised of three gas turbines providing electric
generation services, as defined in section 16-1, with a total capacity of
seven hundred seventy-five megawatts, for use in the production of
electricity.] Gross earnings of a gas company, as defined in section 16-
1, shall not include income earned in a taxable quarter commencing
prior to June 30, 2008, from the sale of natural gas or propane as a fuel
for a motor vehicle. No deductions shall be allowed from such gross
earnings for any commission, rebate or other payment, except a refund
resulting from an error or overcharge and those specifically mentioned
in section 12-265. Gross earnings of a company, as described in
subdivision (2) of this subsection, shall not include income earned in
any taxable quarter commencing on or after July 1, 2000, from the sale
of steam.

Sec. 46. (NEW) (Effective October 1, 2019, and applicable to sales
occurring on or after October 1, 2019) (a) As used in this section:
(1) "Electronic nicotine delivery system" has the same meaning as provided in section 19a-342a of the general statutes;

(2) "Liquid nicotine container" has the same meaning as provided in section 19a-342a of the general statutes;

(3) "Vapor product" has the same meaning as provided in section 19a-342a of the general statutes;

(4) "Electronic cigarette liquid" means a liquid that, when used in an electronic nicotine delivery system or a vapor product, produces a vapor that may or may not include nicotine and is inhaled by the user of such electronic nicotine delivery system or vapor product;

(5) "Electronic cigarette products" means electronic nicotine delivery systems, liquid nicotine containers, vapor products and electronic cigarette liquids;

(6) "Electronic cigarette wholesaler" means (A) any person engaged in the business of selling electronic cigarette products at wholesale in the state, (B) any person in this state who purchases electronic cigarette products at wholesale from a manufacturer, or (C) any dealer, retailer or other person that otherwise imports, or causes another person to import, untaxed electronic cigarette products into this state;

(7) "Wholesale sales price" means the price of electronic cigarette products or, if no price has been set, the wholesale value of such products; and

(8) "Sale" means any transfer of title or possession or both, exchange, barter, distribution or gift, of electronic cigarette products, with or without consideration.

(b) For each calendar month commencing on or after October 1, 2019, a tax is imposed on all sales of electronic cigarette products made in this state by electronic cigarette wholesalers at the rate of seventy-five per cent of the wholesale sales price of such products, whether or
not sold at wholesale, or if not sold, then at the same rate upon the use
by the wholesaler. Only one sale of the same product shall be used in
computing the amount of tax due under this subsection.

(c) Each electronic cigarette wholesaler shall file with the
commissioner, on or before the last day of each month, a report for the
calendar month immediately preceding in such form and containing
such information as the Commissioner of Revenue Services may
prescribe. The return shall be accompanied by a payment of the
amount of the tax shown to be due thereon. Payment shall be made
with such return. Each electronic cigarette wholesaler shall file such
return electronically with the Department of Revenue Services and
make such payment by electronic funds transfer in the manner
provided by chapter 228g of the general statutes.

(d) If any person fails to pay the amount of tax reported due on its
report within the time specified under this section, 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 tax 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 tax was due to reasonable cause and was not intentional or
due to neglect.

(e) Each person, other than an electronic cigarette wholesaler, who is
required, on behalf of an electronic cigarette wholesaler, to collect,
truthfully account for and pay over the tax imposed on such electronic
cigarette wholesaler under this section and who wilfully fails to collect,
truthfully account for and pay over such tax or who wilfully attempts
in any manner to evade or defeat the tax or the payment thereof, shall,
in addition to other penalties provided by law, be liable for a penalty
equal to the total amount of the tax evaded, or not collected, or not
accounted for and paid over, including any penalty or interest attributable to such willful failure to collect or truthfully account for and pay over such tax or such willful attempt to evade or defeat such tax, provided such penalty shall only be imposed against such person in the event that such tax, penalty or interest cannot otherwise be collected from the electronic cigarette wholesaler. The amount of such penalty with respect to which a person may be personally liable under this section shall be collected in accordance with the provisions of section 12-555a of the general statutes and any amount so collected shall be allowed as a credit against the amount of such tax, penalty or interest due and owing from the electronic cigarette wholesaler. The dissolution of the electronic cigarette wholesaler shall not discharge any person in relation to any personal liability under this section for willful failure to collect or truthfully account for and pay over such tax or for a willful attempt to evade or defeat such tax prior to dissolution, except as otherwise provided in this section. For purposes of this section, "person" includes any individual, corporation, limited liability company or partnership and any officer or employee of any corporation, including a dissolved corporation, and a member or employee of any partnership or limited liability company who, as such officer, employee or member, is under a duty to file a tax return under this section on behalf of an electronic cigarette wholesaler or to collect or truthfully account for and pay over the tax imposed under this section on behalf of an electronic cigarette wholesaler.

(f) No tax credit or credits shall be allowable against the tax imposed under this section.

(g) The provisions of sections 12-550 to 12-554, inclusive, and section 12-555a 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 tax under this section, except to the extent that any provision is inconsistent with a provision in this section.
(h) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of this section.

(i) 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 tax 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.

Sec. 47. Subsection (a) of section 12-286a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) Each distributor and each dealer, as defined in section 12-285, shall place and maintain in legible condition at each point of sale of cigarettes to consumers, including the front of each vending machine, and each restricted cigarette vending machine a notice which states (1) that the sale, giving or delivering of tobacco products, including cigarettes, to any person under [eighteen] twenty-one years of age is prohibited by section 53-344, as amended by this act, (2) the purchase or misrepresentation of age by a person under [eighteen] twenty-one years of age to purchase cigarettes or tobacco products is prohibited by [said] section 53-344, as amended by this act, and (3) the penalties and fines for violating [said] section 53-344, as amended by this act, and section 12-295a, as amended by this act.

Sec. 48. Subsection (a) of section 12-295 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) The commissioner may suspend or revoke the license of any dealer or distributor for failure to comply with any provision of this chapter or regulations related thereto or for the sale or delivery of tobacco in any form to a [minor under eighteen] person under twenty-six years of age.
one years of age, following a hearing with respect to which notice in
writing, specifying the time and place of such hearing and requiring
such dealer or distributor to show cause why such license should not
be revoked, is mailed or delivered to such dealer or distributor not less
than ten days preceding the date of such hearing. Such notice may be
served personally or by registered or certified mail.

Sec. 49. Subsection (a) of section 12-295a of the general statutes is
repealed and the following is substituted in lieu thereof (Effective
October 1, 2019):

(a) If the Commissioner of Revenue Services finds, after a hearing,
that a minor has purchased cigarettes or tobacco products, said
commissioner shall assess such minor a civil penalty of not more than
one hundred dollars for the first violation and not more than one
hundred fifty dollars for any second or subsequent offense within
twenty-four months after the first violation. For purposes of this
section, "minor" means a person under twenty-one years of age.

Sec. 50. Section 12-314a of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2019):

The Commissioner of Revenue Services may authorize a dealer or
distributor to give or deliver any cigarette, as defined in section 12-285,
or tobacco product, as defined in section 12-330a, in connection with
the promotion or advertisement of such cigarette or tobacco product
without receiving monetary consideration from the person receiving
the cigarette or tobacco product, provided (1) such distribution is on
the premises of a licensed dealer as defined in said section 12-285 or at
any event or establishment with an area the access to which is limited
to adult patrons provided such distribution is restricted to such area,
(2) the sample of cigarettes, if applicable, contains no less than two
cigarettes, and (3) the taxes on such cigarettes have been previously
paid. The licensed dealer or distributor shall be liable for any gift or
delivery of cigarettes or tobacco products to [minors on his] persons
under twenty-one years of age on such dealer's premises by any person conducting a promotion or advertisement of such cigarette or tobacco product in accordance with this section. This section shall not apply to the gift or delivery of a cigarette package in connection with a sale of similar package of cigarettes.

Sec. 51. Section 53-344 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) As used in this section:

(1) "Cardholder" means any person who presents a driver's license or an identity card to a seller or seller's agent or employee, to purchase or receive tobacco from such seller or seller's agent or employee;

(2) "Identity card" means an identification card issued in accordance with the provisions of section 1-1h;

(3) "Transaction scan" means the process by which a seller or seller's agent or employee checks, by means of a transaction scan device, the validity of a driver's license or an identity card; and

(4) "Transaction scan device" means any commercial device or combination of devices used at a point of sale that is capable of deciphering in an electronically readable format the information encoded on the magnetic strip or bar code of a driver's license or an identity card.

(b) Any person who sells, gives or delivers to any person under [eighteen] twenty-one years of age tobacco shall be fined not more than two hundred dollars for the first offense, not more than three hundred fifty dollars for a second offense within a twenty-four-month period and not more than five hundred dollars for each subsequent offense within a twenty-four-month period. The provisions of this subsection shall not apply to a person under [eighteen] twenty-one years of age who is delivering or accepting delivery of tobacco (1) in
such person's capacity as an employee, or (2) as part of a scientific
study being conducted by an organization for the purpose of medical
research to further efforts in tobacco use prevention and cessation,
provided such medical research has been approved by the
organization's institutional review board, as defined in section 21a-408.

(c) Any person under [eighteen] twenty-one years of age who
purchases or misrepresents such person's age to purchase tobacco in
any form or possesses tobacco in any form in any public place shall be
fined not more than fifty dollars for the first offense and not less than
fifty dollars or more than one hundred dollars for each subsequent
offense. For purposes of this subsection, "public place" means any area
that is used or held out for use by the public whether owned or
operated by public or private interests.

(d) (1) A seller or seller's agent or employee may perform a
transaction scan to check the validity of a driver's license or identity
card presented by a cardholder as a condition for selling, giving away
or otherwise distributing tobacco to the cardholder.

(2) If the information deciphered by the transaction scan performed
under subdivision (1) of this subsection fails to match the information
printed on the driver's license or identity card presented by the
cardholder, or if the transaction scan indicates that the information so
printed is false or fraudulent, neither the seller nor any seller's agent or
employee shall sell, give away or otherwise distribute any tobacco to
the cardholder.

(3) Subdivision (1) of this subsection does not preclude a seller or
seller's agent or employee from using a transaction scan device to
check the validity of a document other than a driver's license or an
identity card, if the document includes a bar code or magnetic strip
that may be scanned by the device, as a condition for selling, giving
away or otherwise distributing tobacco to the person presenting the
document.
(e) (1) No seller or seller's agent or employee shall electronically or mechanically record or maintain any information derived from a transaction scan, except the following: (A) The name and date of birth of the person listed on the driver's license or identity card presented by a cardholder; (B) the expiration date and identification number of the driver's license or identity card presented by a cardholder.

(2) No seller or seller's agent or employee shall use a transaction scan device for a purpose other than the purposes specified in subsection (e) of section 53-344b, as amended by this act, subsection (d) of this section or subsection (c) of section 30-86.

(3) No seller or seller's agent or employee shall sell or otherwise disseminate the information derived from a transaction scan to any third party, including, but not limited to, selling or otherwise disseminating that information for any marketing, advertising or promotional activities, but a seller or seller's agent or employee may release that information pursuant to a court order.

(4) Nothing in subsection (d) of this section or this subsection relieves a seller or seller's agent or employee of any responsibility to comply with any other applicable state or federal laws or rules governing the sale, giving away or other distribution of tobacco.

(5) Any person who violates this subsection shall be subject to a civil penalty of not more than one thousand dollars.

(f) (1) In any prosecution of a seller or seller's agent or employee for a violation of subsection (b) of this section, it shall be an affirmative defense that all of the following occurred: (A) A cardholder attempting to purchase or receive tobacco presented a driver's license or an identity card; (B) a transaction scan of the driver's license or identity card that the cardholder presented indicated that the license or card was valid; and (C) the tobacco was sold, given away or otherwise distributed to the cardholder in reasonable reliance upon the identification presented and the completed transaction scan.
(2) In determining whether a seller or seller's agent or employee has proven the affirmative defense provided by subdivision (1) of this section, the trier of fact in such prosecution shall consider that reasonable reliance upon the identification presented and the completed transaction scan may require a seller or seller's agent or employee to exercise reasonable diligence and that the use of a transaction scan device does not excuse a seller or seller's agent or employee from exercising such reasonable diligence to determine the following: (A) Whether a person to whom the seller or seller's agent or employee sells, gives away or otherwise distributes tobacco is [eighteen] twenty-one years of age or older; and (B) whether the description and picture appearing on the driver's license or identity card presented by a cardholder is that of the cardholder.

Sec. 52. Section 53-344b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) As used in this section and sections 21a-415 and 21a-415a:

(1) "Electronic nicotine delivery system" means an electronic device that may be used to simulate smoking in the delivery of nicotine or other substance to a person inhaling from the device, and includes, but is not limited to, an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe or electronic hookah and any related device and any cartridge, electronic cigarette liquid or other component of such device;

(2) "Cardholder" means any person who presents a driver's license or an identity card to a seller or seller's agent or employee, to purchase or receive an electronic nicotine delivery system or vapor product from such seller or seller's agent or employee;

(3) "Identity card" means an identification card issued in accordance with the provisions of section 1-1h;

(4) "Transaction scan" means the process by which a seller or seller's
agent or employee checks, by means of a transaction scan device, the
validity of a driver's license or an identity card;

(5) "Transaction scan device" means any commercial device or
combination of devices used at a point of sale that is capable of
deciphering in an electronically readable format the information
encoded on the magnetic strip or bar code of a driver's license or an
identity card;

(6) "Sale" or "sell" means an act done intentionally by any person,
whether done as principal, proprietor, agent, servant or employee, of
transferring, or offering or attempting to transfer, for consideration, an
electronic nicotine delivery system or vapor product, including
bartering or exchanging, or offering to barter or exchange, an
electronic nicotine delivery system or vapor product;

(7) "Give" or "giving" means an act done intentionally by any
person, whether done as principal, proprietor, agent, servant or
employee, of transferring, or offering or attempting to transfer,
without consideration, an electronic nicotine delivery system or vapor
product;

(8) "Deliver" or "delivering" means an act done intentionally by any
person, whether as principal, proprietor, agent, servant or employee,
of transferring, or offering or attempting to transfer, physical
possession or control of an electronic nicotine delivery system or vapor
product;

(9) "Vapor product" means any product that employs a heating
element, power source, electronic circuit or other electronic, chemical
or mechanical means, regardless of shape or size, to produce a vapor
that may or may not include nicotine, that is inhaled by the user of
such product; and

(10) "Electronic cigarette liquid" means a liquid that, when used in
an electronic nicotine delivery system or vapor product, produces a
vapor that may or may not include nicotine and is inhaled by the user of such electronic nicotine delivery system or vapor product.

(b) Any person who sells, gives or delivers to any person under [eighteen] twenty-one years of age an electronic nicotine delivery system or vapor product in any form shall be fined not more than two hundred dollars for the first offense, not more than three hundred fifty dollars for a second offense within a twenty-four-month period and not more than five hundred dollars for each subsequent offense within a twenty-four-month period. The provisions of this subsection shall not apply to a person under [eighteen] twenty-one years of age who is delivering or accepting delivery of an electronic nicotine delivery system or vapor product (1) in such person's capacity as an employee, or (2) as part of a scientific study being conducted by an organization for the purpose of medical research to further efforts in tobacco use prevention and cessation, provided such medical research has been approved by the organization's institutional review board, as defined in section 21a-408.

(c) Any person under [eighteen] twenty-one years of age who purchases or misrepresents such person's age to purchase an electronic nicotine delivery system or vapor product in any form or possesses an electronic nicotine delivery system or vapor product in any form in any public place shall be fined not more than fifty dollars for the first offense and not less than fifty dollars or more than one hundred dollars for each subsequent offense. For purposes of this subsection "public place" means any area that is used or held out for use by the public whether owned or operated by public or private interests.

(d) (1) A seller or seller's agent or employee may perform a transaction scan to check the validity of a driver's license or identity card presented by a cardholder as a condition for selling, giving or otherwise delivering an electronic nicotine delivery system or vapor product to the cardholder.
(2) If the information deciphered by the transaction scan performed under subdivision (1) of this subsection fails to match the information printed on the driver's license or identity card presented by the cardholder, or if the transaction scan indicates that the information so printed is false or fraudulent, neither the seller nor any seller's agent or employee shall sell, give or otherwise deliver any electronic nicotine delivery system or vapor product to the cardholder.

(3) Subdivision (1) of this subsection does not preclude a seller or seller's agent or employee from using a transaction scan device to check the validity of a document other than a driver's license or an identity card, if the document includes a bar code or magnetic strip that may be scanned by the device, as a condition for selling, giving or otherwise delivering an electronic nicotine delivery system or vapor product to the person presenting the document.

(e) (1) No seller or seller's agent or employee shall electronically or mechanically record or maintain any information derived from a transaction scan, except the following: (A) The name and date of birth of the person listed on the driver's license or identity card presented by a cardholder; and (B) the expiration date and identification number of the driver's license or identity card presented by a cardholder.

(2) No seller or seller's agent or employee shall use a transaction scan device for a purpose other than the purposes specified in subsection (d) of this section, subsection (d) of section 53-344, as amended by this act, or subsection (c) of section 30-86.

(3) No seller or seller's agent or employee shall sell or otherwise disseminate the information derived from a transaction scan to any third party, including, but not limited to, selling or otherwise disseminating that information for any marketing, advertising or promotional activities, but a seller or seller's agent or employee may release that information pursuant to a court order.

(4) Nothing in subsection (d) of this section or this subsection
relieves a seller or seller's agent or employee of any responsibility to comply with any other applicable state or federal laws or rules governing selling, giving or otherwise delivering electronic nicotine delivery systems or vapor products.

(5) Any person who violates this subsection shall be subject to a civil penalty of not more than one thousand dollars.

(f) (1) In any prosecution of a seller or seller's agent or employee for a violation of subsection (b) of this section, it shall be an affirmative defense that all of the following occurred: (A) A cardholder attempting to purchase or receive an electronic nicotine delivery system or vapor product presented a driver's license or an identity card; (B) a transaction scan of the driver's license or identity card that the cardholder presented indicated that the license or card was valid; and (C) the electronic nicotine delivery system or vapor product was sold, given or otherwise delivered to the cardholder in reasonable reliance upon the identification presented and the completed transaction scan.

(2) In determining whether a seller or seller's agent or employee has proven the affirmative defense provided by subdivision (1) of this section, the trier of fact in such prosecution shall consider that reasonable reliance upon the identification presented and the completed transaction scan may require a seller or seller's agent or employee to exercise reasonable diligence and that the use of a transaction scan device does not excuse a seller or seller's agent or employee from exercising such reasonable diligence to determine the following: (A) Whether a person to whom the seller or seller's agent or employee sells, gives or otherwise delivers an electronic nicotine delivery system or vapor product is [eighteen] twenty-one years of age or older; and (B) whether the description and picture appearing on the driver's license or identity card presented by a cardholder is that of the cardholder.

(g) Each seller of electronic nicotine delivery systems or vapor
products or such seller's agent or employee shall require a person who
is purchasing or attempting to purchase an electronic nicotine delivery
system or vapor product, whose age is in question, to exhibit proper
proof of age. If a person fails to provide such proof of age, such seller
or seller's agent or employee shall not sell an electronic nicotine
delivery system or vapor product to the person. As used in this
subsection, "proper proof" means a motor vehicle operator's license, a
valid passport or an identity card issued in accordance with the
provisions of section 1-1h.

Sec. 53. Section 21a-416 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2019):

(a) For the purposes of this section:

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

(2) "Liquid nicotine container" has the same meaning as provided in
section 19a-342a.

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

(4) "Electronic cigarette liquid" has the same meaning as provided in
section 46 of this act.

(5) "Electronic cigarette products" has the same meaning as
provided in section 46 of this act.

[[3)] (6) "Retail establishment" has the same meaning as provided in
section 19a-106a.

(b) [(1)] Except as provided in [subdivision (3) of this] subsection (c)
of this section, no retail establishment may sell or offer for sale an
electronic [nicotine delivery system or a vapor] cigarette product by
any means other than an employee-assisted sale where the customer
has no direct access to the electronic [nicotine delivery system or vapor] cigarette product except through the assistance of the employee of such retail establishment.

[(2) No retail establishment may sell or offer for sale an electronic nicotine delivery system or a vapor product from a self-service display.]

[(3)] (c) The provisions of [subdivisions (1) and (2) of this] subsection (b) of this section shall not apply to a retail establishment if [minors] persons under twenty-one years of age are prohibited from entering the retail establishment and the prohibition on [minors] such persons entering the retail establishment is posted clearly on all entrances of the retail establishment.

Sec. 54. Section 12-435 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

Each distributor of alcoholic beverages shall pay a tax to the state on all sales within the state of alcoholic beverages, except sales to licensed distributors, sales of alcoholic beverages [which] that, in the course of such sales, are actually transported to some point without the state and except [malt beverages which are] beer that is consumed on the premises covered by a manufacturer's permit, at the rates for the respective categories of alcoholic beverages listed below:

[(a)] (1) Beer, except as provided in subdivision (2) of this section, seven dollars and twenty cents for each barrel, three dollars and sixty cents for each half barrel, one dollar and eighty cents for each quarter barrel and twenty-four cents per wine gallon or fraction thereof on quantities less than a quarter barrel;

(2) Beer sold on the premises covered by a manufacturer's permit for off-premises consumption, three dollars and sixty cents for each barrel, one dollar and eighty cents for each half barrel, ninety cents for each quarter barrel and twelve cents per wine gallon or fraction thereof on quantities less than a quarter barrel;
quantities less than a quarter barrel;

[(b)] (3) Liquor, five dollars and forty cents per wine gallon;

[(c)] (4) Still wines containing not more than twenty-one per cent of absolute alcohol, except as provided in subsections (g) and (h) of this section, seventy-two cents per wine gallon;

[(d)] (5) Still wines containing more than twenty-one per cent of absolute alcohol and sparkling wines, one dollar and eighty cents per wine gallon;

[(e)] (6) Alcohol in excess of 100 proof, five dollars and forty cents per proof gallon;

[(f)] (7) Liquor coolers containing not more than seven per cent of alcohol by volume, two dollars and forty-six cents per wine gallon;

[(g)] (8) Still wine containing not more than twenty-one per cent of absolute alcohol, produced by a person who produces not more than fifty-five thousand wine gallons of wine during the calendar year, eighteen cents per wine gallon, provided such person presents to each distributor of alcoholic beverages described in this section a certificate, issued by the commissioner, stating that such person produces not more than fifty-five thousand wine gallons of wine during the calendar year. The commissioner is authorized to issue such certificates, prescribe the procedures for obtaining such certificates and prescribe their form; and

[(h)] (9) Cider containing not more than seven per cent of absolute alcohol shall be subject to the same rate as applies to beer, as provided in subsection (a) subdivision (1) of this section.

Sec. 55. Section 22a-243 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):
For purposes of sections 22a-243 to 22a-245c, inclusive:

(1) "Carbonated beverage" means beer or other malt beverages, and mineral waters, soda water and similar carbonated soft drinks in liquid form and intended for human consumption;

(2) "Noncarbonated beverage" means water, including flavored water, nutritionally enhanced water and any beverage that is identified through the use of letters, words or symbols on such beverage's product label as a type of water, but excluding juice and mineral water;

(3) "Alcoholic beverage" means any wine or liquor, as those terms are defined in section 12-433;

(4) "Beverage container" means the miniature or any other individual, separate, sealed glass, metal or plastic bottle, can, jar or carton containing a carbonated or noncarbonated beverage or an alcoholic beverage, but does not include a bottle, can, jar or carton (A) three liters or more in size if containing a noncarbonated beverage, or (B) made of high-density polyethylene;

(5) "Miniature" means any sealable bottle, can, jar or carton, that (A) is primarily composed of glass, metal, plastic or any combination of such materials, (B) is fifty milliliters or less in size, and (C) contains an alcoholic beverage;

(6) "Consumer" means every person who purchases a beverage in a beverage container for use or consumption;

(7) "Dealer" means every person who engages in the sale of beverages in beverage containers to a consumer;

(8) "Distributor" means every person who engages in the sale of beverages in beverage containers to a dealer in this state including any manufacturer who engages in such sale and includes a dealer who engages in the sale of beverages in beverage containers on which no deposit has been collected prior to retail sale;
"Manufacturer" means every person bottling, canning or
otherwise filling beverage containers for sale to distributors or dealers
or, in the case of private label brands, the owner of the private label
trademark;

"Place of business of a dealer" means the fixed location at
which a dealer sells or offers for sale beverages in beverage containers
to consumers;

"Redemption center" means any facility established to
redeem empty beverage containers from consumers or to collect and
sort empty beverage containers from dealers and to prepare such
containers for redemption by the appropriate distributors;

"Use or consumption" includes the exercise of any right or
power over a beverage incident to the ownership thereof, other than
the sale or the keeping or retention of a beverage for the purposes of
sale;

"Nonrefillable beverage container" means a beverage
container which is not designed to be refilled and reused in its
original shape; and

"Deposit initiator" means the first distributor to collect the
deposit on a beverage container sold to any person within this state.

Sec. 56. Section 22a-244 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2019):

(a) (1) Every beverage container containing a carbonated beverage
sold or offered for sale in this state, except for any such beverage
containers sold or offered for sale for consumption on an interstate
passenger carrier, shall have a refund value. Such refund value shall
not be less than five cents and shall be a uniform amount throughout
the distribution process in this state.

(2) Every beverage container containing a noncarbonated beverage
sold or offered for sale in this state shall have a refund value, except for beverage containers containing a noncarbonated beverage that are (A) sold or offered for sale for consumption on an interstate passenger carrier, or (B) that comprise any dealer's existing inventory as of March 31, 2009. Such refund value shall not be less than five cents and shall be a uniform amount throughout the distribution process in this state.

(3) Every miniature that is sold or offered for sale in this state shall have a refund value, except for miniatures that are (A) sold or offered for sale for consumption on an interstate passenger carrier, or (B) that comprise any dealer's existing inventory as of September 30, 2019. Such refund value shall not be less than five cents and shall be a uniform amount throughout the distribution process in this state.

(4) Every beverage container of greater than fifty milliliters but less than two liters that contains an alcoholic beverage that is sold or offered for sale in this state shall have a refund value, except for such beverage containers that are (A) sold or offered for sale for consumption on an interstate passenger carrier, or (B) that comprise any dealer's existing inventory as of September 30, 2019. Such refund value shall not be less than twenty-five cents and shall be a uniform amount throughout the distribution process in this state.

(b) Every beverage container sold or offered for sale in this state, that has a refund value pursuant to subsection (a) of this section, shall clearly indicate by embossing or by a stamp or by a label or other method securely affixed to the beverage container (1) either the refund value of the container or the words "return for deposit" or "return for refund" or other words as approved by the Department of Energy and Environmental Protection, and (2) either the word "Connecticut" or the abbreviation "Ct.", provided this subdivision shall not apply to glass beverage containers permanently marked or embossed with a brand name.

(c) No person shall sell or offer for sale in this state any metal
beverage container (1) a part of which is designed to be detached in order to open such container, or (2) that is connected to another beverage container by a device constructed of a material which does not decompose by photodegradation, chemical degradation or biodegradation within a reasonable time after exposure to the elements.

Sec. 57. Subsection (a) of section 12-541 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) There is hereby imposed a tax of ten per cent of the admission charge to any place of amusement, entertainment or recreation, except that no tax shall be imposed with respect to any admission charge (1) when the admission charge is less than one dollar or, in the case of any motion picture show, when the admission charge is not more than five dollars, (2) when a daily admission charge is imposed which entitles the patron to participate in an athletic or sporting activity, (3) to any event, other than events held at the stadium facility, as defined in section 32-651, if all of the proceeds from the event inure exclusively to an entity [which] that is exempt from federal income tax under the Internal Revenue Code, provided such entity actively engages in and assumes the financial risk associated with the presentation of such event, (4) to any event, other than events held at the stadium facility, as defined in section 32-651, [which] that, in the opinion of the commissioner, is conducted primarily to raise funds for an entity [which] that is exempt from federal income tax under the Internal Revenue Code, provided the commissioner is satisfied that the net profit [which] that inures to such entity from such event will exceed the amount of the admissions tax [which] that, but for this subdivision, would be imposed upon the person making such charge to such event, (5) other than for events held at the stadium facility, as defined in section 32-651, paid by centers of service for elderly persons, as described in section 17a-310, (6) to any production featuring live performances by actors or musicians presented at Gateway's
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Candlewood Playhouse, Ocean Beach Park or any nonprofit theater or playhouse in the state, provided such theater or playhouse possesses evidence confirming exemption from federal tax under Section 501 of the Internal Revenue Code, (7) to any carnival or amusement ride, (8) to any interscholastic athletic event held at the stadium facility, as defined in section 32-651, or (9) if the admission charge would have been subject to tax under the provisions of section 12-542 of the general statutes, revision of 1958, revised to January 1, 1999. On and after July 1, 2000, the tax imposed under this section on any motion picture show shall be [eight] six and thirty-five-hundredths per cent of the admission charge. [and, on and after July 1, 2001, the tax imposed on any such motion picture show shall be six per cent of such charge.]

Sec. 58. (NEW) (Effective from passage) (a) As used in this section:

1. (A) "Caloric sweetener" means sugar or any form of sugar-based substance, including, but not limited to, sucrose, fructose, glucose, high-fructose corn syrup, honey or maple syrup, that adds calories to a beverage;

   (B) "Caloric sweetener" does not include a sugar substitute, an artificial sweetener approved by the federal Food and Drug Administration or a nonnutritive sweetener, including, but not limited to, aspartame, saccharin, stevia or sucralose, that does not add calories to a beverage;

2. "Milk" means a fluid dairy or nondairy beverage from an animal or a plant source and includes natural milk concentrate, whether or not reconstituted, and milk powder or evaporated milk, whether or not reconstituted;

3. "Nonalcoholic beverage" means any beverage that contains less than one-half of one per cent of alcohol by volume;

4. "Person" has the same meaning as provided in section 12-1 of the
general statutes;

(5) "Retailer" has the same meaning as described in section 12-407 of the general statutes, as amended by this act; and

(6) (A) "Sweetened beverage" means any carbonated or noncarbonated nonalcoholic beverage that (i) is intended for human consumption, (ii) is ready for consumption without further processing such as dilution or carbonation, and (iii) contains added caloric sweetener;

(B) "Sweetened beverage" does not include (i) milk or any beverage in which milk is the primary ingredient or is the first listed ingredient, regardless of sugar content, (ii) dairy or nondairy creamer, regardless of sugar content, (iii) any beverage that is one hundred per cent juice, (iv) infant formula, (v) medical food, as defined in 21 USC 360ee, as amended from time to time, (vi) any product in liquid form that is (I) designed as oral nutrition therapy for individuals who may have a limited ability to absorb or metabolize dietary nutrients from traditional food or beverages, or (II) an oral rehydration electrolyte solution to prevent or treat dehydration, (vii) any product sold in liquid form that is designed as supplemental, meal replacement or sole-source nutrition and includes proteins, carbohydrates and multiple vitamins and minerals, (viii) any product sold in liquid form that is designed for use for weight reduction, or (ix) any freshly prepared coffee or tea beverage that is sold by a retailer for immediate consumption.

(b) On and after July 1, 2020, there is imposed a tax on the sale of any sweetened beverage sold by a retailer to a consumer within the state at the rate of one and one-half cent per ounce of such beverage. Such tax shall be in addition to any other tax applicable to such sale and shall be included, for purposes of chapter 219 of the general statutes, in the calculation of gross receipts. Each retailer shall collect from the consumer the full amount of the tax imposed by this
(c) (1) Each retailer shall (A) file a return electronically with the Commissioner of Revenue Services, on or before the last day of each month, setting forth the amount of tax due for the preceding month and such additional information as the commissioner may require, and (B) make payment of the tax required under subsection (b) of this section by electronic funds transfer in the manner provided by chapter 228g of the general statutes.

(2) The commissioner may permit or require a retailer to file returns or remit the tax on other than a monthly basis if the commissioner deems it necessary to ensure payment or facilitate collection of the tax.

(d) The tax due under this section shall be subject to the penalties and interest established under section 12-547 of the general statutes and the amount of such tax, penalty or interest, due and unpaid, may be collected under the provisions of section 12-35 of the general statutes.

(e) 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 remit the tax was due to reasonable cause and was not intentional or due to neglect.

(f) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and 12-555a 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 fee imposed under this section, except to the extent that any such provision is inconsistent with a provision of this section.

(g) The commissioner may adopt regulations in accordance with the provisions of chapter 54 of the general statutes, and make rulings, not
inconsistent with law, to carry into effect the provisions of this section, which regulations or rulings, when reasonably designed to carry out the intent and purpose of this section, shall be prima facie evidence of its proper interpretation.

(h) At the close of each fiscal year commencing with the fiscal year ending June 30, 2021, the Comptroller is authorized to record as revenue for such fiscal year the amount of the tax 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.

Sec. 59. (Effective from passage) The Secretary of the Office of Policy and Management, in consultation with the Commissioners of Public Health and Revenue Services, shall conduct a study to define "junk food" and examine the administrative feasibility of imposing a tax on such junk food. Not later than January 1, 2020, the secretary shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, of the results of such study to the joint standing committees of the General Assembly having cognizance of matters relating to public health and finance and revenue.

Sec. 60. (NEW) (Effective October 1, 2019) (a) As used in this section:

(1) "Single-use checkout bag" means a plastic bag with a thickness of less than four mils that is provided by a store to a customer at the point of sale. "Single-use checkout bag" does not include: (A) A compostable plastic bag; (B) a bag provided to contain meat, seafood, loose produce or other unwrapped food items; (C) a newspaper bag; or (D) a laundry or dry cleaning bag;

(2) "Compostable plastic bag" means a plastic bag that (A) conforms to the American Society of Testing Materials (ASTM) standard D6400; (B) is certified and labeled as meeting the ASTM standard D6400 standard specification by a recognized verification entity; and (C) is capable of undergoing biological decomposition in a compost site such
that the material breaks down into carbon dioxide, water, inorganic compounds and biomass at a rate consistent with known compostable materials; and

(3) "Store" means any retailer, as defined in section 12-407 of the general statutes, as amended by this act, that maintains a retail store within the state and sells tangible personal property directly to the public.

(b) Each store shall charge a fee of ten cents for each single-use checkout bag provided to a customer at the point of sale. The store shall indicate the number of single-use checkout bags provided and the total amount of the fee charged on any transaction receipt provided to a customer. Any fees collected pursuant to this subsection shall be excluded from gross receipts under chapter 219 of the general statutes.

(c) Each store shall report all fees collected pursuant to subsection (b) of this section to the Commissioner of Revenue Services with its return due under section 12-414 of the general statutes and remit payment at the same time and in the same form and manner required under 12-414 of the general statutes.

(d) Any fees due and unpaid under this section shall be subject to the penalties and interest established under section 12-419 of the general statutes and the amount of such fee, penalty or interest, due and unpaid, may be collected under the provisions of section 12-35 of the general statutes as if they were taxes due to the state.

(e) The provisions of sections 12-415, 12-416 and 12-421 to 12-428, inclusive, 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 fee imposed under this section, except to the extent that any such provision is inconsistent with a provision of this section.
(f) The Commissioner of Revenue Services, in consultation with the Commissioner of Energy and Environmental Protection, may adopt regulations in accordance with the provisions of chapter 54 of the general statutes, to carry out the provisions of this section.

(g) 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 fee imposed under the provisions of this section that is received by the Commissioner of Revenue Services not later than five business days from the last day of July immediately following the end of such fiscal year.

Sec. 61. Subsection (a) of section 34-38n of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) The Secretary of the State shall receive, for filing any document or certificate required to be filed under sections 34-10, 34-13a, 34-13e, 34-32, 34-32a, 34-32c, 34-38g and 34-38s, the following fees: (1) For reservation or cancellation of reservation of name, sixty dollars; (2) for a certificate of limited partnership and appointment of statutory agent, one hundred twenty dollars; (3) for a certificate of amendment, one hundred twenty dollars; (4) for a certificate of merger or consolidation, sixty dollars; (5) for a certificate of registration, one hundred twenty dollars; (6) for a change of agent or change of address of agent, twenty dollars; (7) for a certificate of reinstatement, one hundred twenty dollars; and (8) for an annual report, twenty one hundred dollars.

Sec. 62. Subsection (a) of section 34-243u of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) Fees for filing documents and issuing certificates: (1) Filing an application to reserve a limited liability company name or to cancel a reserved limited liability company name, sixty dollars; (2) filing a transfer of reserved limited liability company name, sixty dollars; (3)
filing a certificate of organization, including appointment of registered agent, one hundred twenty dollars; (4) filing a change of address of agent certificate or change of agent certificate, fifty dollars; (5) filing a notice of resignation of registered agent, fifty dollars; (6) filing an amendment to certificate of organization, one hundred twenty dollars; (7) filing a restated certificate of organization, one hundred twenty dollars; (8) filing a certificate of merger, sixty dollars; (9) filing a certificate of interest exchange, sixty dollars; (10) filing a certificate of abandonment, fifty dollars; (11) filing a certificate of reinstatement, one hundred twenty dollars; (12) filing a foreign registration certificate by a foreign limited liability company to transact business in this state, one hundred twenty dollars; (13) filing an application of foreign limited liability company for amended foreign registration certificate, one hundred twenty dollars; (14) filing a certificate of withdrawal of registration under section 34-275h, one hundred twenty dollars; (15) filing an annual report, twenty one hundred dollars; (16) filing an interim notice of change of manager or member, twenty dollars; (17) filing a registration of name or a renewal of registration of name, sixty dollars; (18) filing a statement of correction, one hundred dollars; and (19) filing a transfer of registration, sixty dollars plus the qualification fee.

Sec. 63. Subsection (a) of section 34-413 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

(a) Fees for filing documents and processing certificates: (1) Filing application to reserve a registered limited liability partnership name or to cancel a reserved limited liability partnership name, sixty dollars; (2) filing transfer of reserved registered limited liability partnership name, sixty dollars; (3) filing change of address of statutory agent or change of statutory agent, fifty dollars; (4) filing certificate of limited liability partnership, one hundred twenty dollars; (5) filing amendment to certificate of limited liability partnership, one hundred twenty dollars; (6) filing certificate of authority to transact business in this state,
including appointment of statutory agent, one hundred twenty dollars; 
(7) filing amendment to certificate of authority to transact business in 
this state, one hundred twenty dollars; (8) filing an annual report, 
[twenty] one hundred dollars; (9) filing statement of merger, sixty 
dollars; and (10) filing certificate of reinstatement, one hundred twenty 
dollars.

Sec. 64. Subsection (a) of section 19a-7p of the general statutes is 
repealed and the following is substituted in lieu thereof (Effective July 
1, 2019):

(a) Not later than September first, annually, the Secretary of the 
Office of Policy and Management, in consultation with the 
Commissioner of Public Health, shall (1) determine the amounts 
appropriated for the syringe services program, children's health 
initiatives, AIDS services, breast and cervical cancer detection and 
treatment, x-ray screening and tuberculosis care, and sexually 
transmitted disease control; and (2) inform the Insurance 
Commissioner of such amounts.

Sec. 65. (Effective July 1, 2019) Not later than June 30, 2020, the 
Comptroller may transfer up to $20,000,000 of the resources of the 
Special Transportation Fund for the fiscal year ending June 30, 2020, to 
be accounted for as revenue of the Special Transportation Fund for the 
fiscal year ending June 30, 2021.

Sec. 66. Subdivision (1) of subsection (a) of section 12-217 of the 
general statutes is repealed and the following is substituted in lieu 
thereof (Effective from passage):

(a) (1) In arriving at net income as defined in section 12-213, whether 
or not the taxpayer is taxable under the federal corporation net income 
tax, there shall be deducted from gross income, (A) all items deductible 
under the Internal Revenue Code effective and in force on the last day 
of the income year except (i) any taxes imposed under the provisions 
of this chapter which are paid or accrued in the income year and in the
income year commencing January 1, 1989, and thereafter, any taxes in
any state of the United States or any political subdivision of such state,
or the District of Columbia, imposed on or measured by the income or
profits of a corporation which are paid or accrued in the income year,
(ii) deductions for depreciation, which shall be allowed as provided in
subsection (b) of this section, (iii) deductions for qualified domestic
production activities income, as provided in Section 199 of the Internal
Revenue Code, and (iv) in the case of any captive real estate
investment trust, the deduction for dividends paid provided under
Section 857(b)(2) of the Internal Revenue Code, and (B) additionally, in
the case of a regulated investment company, the sum of (i) the exempt-
interest dividends, as defined in the Internal Revenue Code, and (ii)
expenses, bond premium, and interest related to tax-exempt income
that are disallowed as deductions under the Internal Revenue Code,
and (C) in the case of a taxpayer maintaining an international banking
facility as defined in the laws of the United States or the regulations of
the Board of Governors of the Federal Reserve System, as either may
be amended from time to time, the gross income attributable to the
international banking facility, provided, no expense or loss attributable
to the international banking facility shall be a deduction under any
provision of this section, and (D) additionally, in the case of all
taxpayers, all dividends as defined in the Internal Revenue Code
effective and in force on the last day of the income year not otherwise
deducted from gross income, including dividends received from a
DISC or former DISC as defined in Section 992 of the Internal Revenue
Code and dividends deemed to have been distributed by a DISC or
former DISC as provided in Section 995 of said Internal Revenue Code,
other than thirty per cent of dividends received from a domestic
corporation in which the taxpayer owns less than twenty per cent of
the total voting power and value of the stock of such corporation, and
(E) additionally, in the case of all taxpayers, the value of any capital
gain realized from the sale of any land, or interest in land, to the state,
any political subdivision of the state, or to any nonprofit land
conservation organization where such land is to be permanently
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preserved as protected open space or to a water company, as defined in section 25-32a, where such land is to be permanently preserved as protected open space or as Class I or Class II water company land, and (F) in the case of manufacturers, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the income year that such contribution is made to the extent not deductible for federal income tax purposes, [(G) additionally, to the extent allowable under subsection (g) of section 32-776, the amount paid by a 7/7 participant, as defined in section 32-776, for the remediation of a brownfield.] and [(H) (G)] the amount of any contribution made on or after December 23, 2017, by the state of Connecticut or a political subdivision thereof to the extent included in a company's gross income under Section 118(b)(2) of the Internal Revenue Code.

Sec. 67. Sections 12-704f and 32-776 of the general statutes are repealed. (Effective from passage and applicable to taxable years commencing on or after January 1, 2019)

Sec. 68. Section 12-407e of the general statutes is repealed. (Effective July 1, 2019)

Sec. 69. Subdivisions (91), (96), (102), (105), (108), (109), (114) and (121) of section 12-412 of the general statutes are repealed. (Effective January 1, 2020)

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

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<td>12-217n(d)</td>
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**Statement of Purpose:**
To implement the Governor's budget recommendations.

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