



General Assembly

January Session, 2021

Raised Bill No. 6654

LCO No. 5631



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT ESTABLISHING A CHILD TAX CREDIT AGAINST THE PERSONAL INCOME TAX.

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

- 1 Section 1. (NEW) (*Effective January 1, 2022, and applicable to taxable*
2 *years commencing on or after January 1, 2022*) (a) As used in this section:
- 3 (1) "Child" means an individual who is under seventeen years of age;
- 4 (2) "Eligible taxpayer" means:
- 5 (A) A resident of this state who files a return under the federal income
6 tax as an unmarried individual or a married individual filing separately,
7 whose federal adjusted gross income for the applicable taxable year is
8 one hundred thousand dollars or less;
- 9 (B) A resident of this state who files a return under the federal income
10 tax as a head of household whose federal adjusted gross income for the
11 applicable taxable year is one hundred sixty thousand dollars or less; or

12 (C) Residents of this state who file a return under the federal income
13 tax as married individuals filing jointly or as a surviving spouse, as
14 defined in Section 2(a) of the Internal Revenue Code, whose federal
15 adjusted gross income for the applicable taxable year is two hundred
16 thousand dollars or less; and

17 (3) "Resident of this state" has the same meaning as provided in
18 subsection (a) of section 12-701 of the general statutes.

19 (b) Any eligible taxpayer subject to the tax under chapter 229 of the
20 general statutes shall be allowed a credit against the tax imposed under
21 said chapter, other than the liability imposed under section 12-707 of the
22 general statutes, for each child, up to a maximum of three children, that
23 the eligible taxpayer validly claims as a dependent on such taxpayer's
24 return filed under the federal income tax for the applicable taxable year.

25 (1) For the taxable year commencing January 1, 2022, an eligible
26 taxpayer may claim one of the options set forth in this subdivision:

27 (A) Three hundred dollars per child, provided such amount shall be
28 reduced ten per cent for every one thousand dollars of federal adjusted
29 gross income over (i) one hundred thousand dollars for an individual
30 who files a return under the federal income tax as an unmarried
31 individual or a married individual filing separately, (ii) one hundred
32 sixty thousand dollars for an individual who files a return under the
33 federal income tax as a head of household, and (iii) two hundred
34 thousand dollars for individuals who file a return under the federal
35 income tax as married individuals filing jointly or as a surviving spouse,
36 as defined in Section 2(a) of the Internal Revenue Code. The credit
37 allowed under this subparagraph shall not be used to reduce the
38 taxpayer's liability to less than zero; or

39 (B) Two hundred ten dollars per child, provided such amount shall
40 be reduced ten per cent for every one thousand dollars of federal
41 adjusted gross income over (i) one hundred thousand dollars for an
42 individual who files a return under the federal income tax as an
43 unmarried individual or a married individual filing separately, (ii) one

44 hundred sixty thousand dollars for an individual who files a return
45 under the federal income tax as a head of household, and (iii) two
46 hundred thousand dollars for individuals who file a return under the
47 federal income tax as married individuals filing jointly or as a surviving
48 spouse. The credit allowed under this subparagraph shall not exceed
49 two and one-quarter per cent of the eligible taxpayer's federal adjusted
50 gross income. If the amount of the credit allowed pursuant to this
51 subparagraph exceeds the eligible taxpayer's liability for the tax
52 imposed under chapter 229 of the general statutes, the Commissioner of
53 Revenue Services shall treat such excess as an overpayment and, except
54 as provided under section 12-739 or 12-742 of the general statutes, shall
55 refund the amount of such excess, without interest, to the eligible
56 taxpayer.

57 (2) For the taxable year commencing January 1, 2023, and each taxable
58 year thereafter, an eligible taxpayer may claim one of the options set
59 forth in this subdivision:

60 (A) Six hundred dollars per child, provided such amount shall be
61 reduced ten per cent for every one thousand dollars of federal adjusted
62 gross income over (i) one hundred thousand dollars for an individual
63 who files a return under the federal income tax as an unmarried
64 individual or a married individual filing separately, (ii) one hundred
65 sixty thousand dollars for an individual who files a return under the
66 federal income tax as a head of household, and (iii) two hundred
67 thousand dollars for individuals who file a return under the federal
68 income tax as married individuals filing jointly or as a surviving spouse,
69 as defined in Section 2(a) of the Internal Revenue Code. The credit
70 allowed under this subparagraph shall not be used to reduce the
71 taxpayer's liability to less than zero; or

72 (B) Four hundred twenty dollars per child, provided such amount
73 shall be reduced ten per cent for every one thousand dollars of federal
74 adjusted gross income over (i) one hundred thousand dollars for an
75 individual who files a return under the federal income tax as an
76 unmarried individual or a married individual filing separately, (ii) one

77 hundred sixty thousand dollars for an individual who files a return
78 under the federal income tax as a head of household, and (iii) two
79 hundred thousand dollars for individuals who file a return under the
80 federal income tax as married individuals filing jointly or as a surviving
81 spouse. The credit allowed under this subparagraph shall not exceed
82 four and one-half per cent of the eligible taxpayer's federal adjusted
83 gross income. If the amount of the credit allowed pursuant to this
84 subparagraph exceeds the eligible taxpayer's liability for the tax
85 imposed under chapter 229 of the general statutes, the Commissioner of
86 Revenue Services shall treat such excess as an overpayment and, except
87 as provided under section 12-739 or 12-742 of the general statutes, shall
88 refund the amount of such excess, without interest, to the eligible
89 taxpayer.

90 (c) For the purposes of this section, the tax liability of an eligible
91 taxpayer shall be calculated without regard to the credit allowed under
92 section 12-704e of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2022, and applicable to taxable years commencing on or after January 1, 2022</i>	New section

Statement of Purpose:

To establish a child tax credit against the personal income tax.

[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.]