



General Assembly

January Session, 2021

Committee Bill No. 178

LCO No. 4703



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT INCREASING THE APPLICABLE PERCENTAGE OF THE EARNED INCOME TAX CREDIT.

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

1 Section 1. Section 12-704e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage and*
3 *applicable to taxable years commencing on or after January 1, 2021*):

4 (a) Any resident of this state, as defined in subdivision (1) of
5 subsection (a) of section 12-701, who is subject to the tax imposed under
6 this chapter for any taxable year shall be allowed a credit against the tax
7 otherwise due under this chapter in an amount equal to the applicable
8 percentage, as defined in subsection (e) of this section, of the earned
9 income credit claimed and allowed for the same taxable year under
10 Section 32 of the Internal Revenue Code, as defined in subsection (a) of
11 section 12-701.

12 (b) If the amount of the credit allowed pursuant to this section
13 exceeds the taxpayer's liability for the tax imposed under this chapter,
14 the Commissioner of Revenue Services shall treat such excess as an
15 overpayment and, except as provided under section 12-739 or 12-742,

16 shall refund the amount of such excess, without interest, to the taxpayer.

17 (c) If a married individual who is otherwise eligible for the credit
18 allowed hereunder has filed a joint federal income tax return for the
19 taxable year, but is required to file a separate return under this chapter
20 for such taxable year, the credit for which such individual is eligible
21 under this section shall be an amount equal to the applicable percentage,
22 as defined in subsection (e) of this section, of the earned income credit
23 claimed and allowed for such taxable year under said Section 32 of the
24 Internal Revenue Code multiplied by a fraction, the numerator of which
25 is such individual's federal adjusted gross income, as reported on such
26 individual's separate return under this chapter, and the denominator of
27 which is the federal adjusted gross income, as reported on the joint
28 federal income tax return.

29 (d) To the extent permitted under federal law, any state or federal
30 earned income tax credit shall not be counted as income when received
31 by an individual who is an applicant for, or recipient of, benefits or
32 services under any state or federal program that provides such benefits
33 or services based on need, nor shall any such earned income tax credit
34 be counted as resources, for the purpose of determining the individual's
35 or any other individual's eligibility for such benefits or services, or the
36 amount of such benefits or services.

37 (e) For purposes of this section, "applicable percentage" means
38 [twenty-three] thirty per cent.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2021</i>	12-704e

Statement of Purpose:

To increase the applicable percentage of the earned income tax credit to thirty per cent.

[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.]

Co-Sponsors: SEN. LOONEY, 11th Dist.

S.B. 178