



General Assembly

February Session, 2022

Raised Bill No. 5403

LCO No. 2553



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 July 1, 2022, and applicable to taxable years*
2 *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 a resident of this state who is subject to
5 the tax under chapter 229 of the general statutes; and

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

8 (b) (1) Any eligible taxpayer shall be allowed a credit against the tax
9 imposed under chapter 229 of the general statutes, other than the
10 liability imposed under section 12-707 of the general statutes, for each
11 child, up to a maximum of three children, that the eligible taxpayer
12 validly claims as a dependent on such taxpayer's return filed under the

13 federal income tax for the applicable taxable year.

14 (2) An eligible taxpayer may claim one of the options set forth in this
15 subdivision:

16 (A) Six hundred dollars per child, provided such amount shall be
17 reduced ten per cent for every one thousand dollars, or fraction thereof,
18 of federal adjusted gross income over (i) one hundred thousand dollars
19 for an individual who files a return under the federal income tax as an
20 unmarried individual or a married individual filing separately, (ii) one
21 hundred sixty thousand dollars for an individual who files a return
22 under the federal income tax as a head of household, and (iii) two
23 hundred thousand dollars for individuals who file a return under the
24 federal income tax as married individuals filing jointly or as a surviving
25 spouse, as defined in Section 2(a) of the Internal Revenue Code of 1986,
26 or any subsequent corresponding internal revenue code of the United
27 States, as amended from time to time. The credit allowed under this
28 subparagraph shall not be used to reduce the taxpayer's liability to less
29 than zero; or

30 (B) Four hundred twenty dollars per child, provided such amount
31 shall be reduced ten per cent for every one thousand dollars, or fraction
32 thereof, of federal adjusted gross income over (i) one hundred thousand
33 dollars for an individual who files a return under the federal income tax
34 as an unmarried individual or a married individual filing separately, (ii)
35 one hundred sixty thousand dollars for an individual who files a return
36 under the federal income tax as a head of household, and (iii) two
37 hundred thousand dollars for individuals who file a return under the
38 federal income tax as married individuals filing jointly or as a surviving
39 spouse. The credit allowed under this subparagraph shall not exceed
40 four and one-half per cent of the eligible taxpayer's federal adjusted
41 gross income. If the amount of the credit allowed pursuant to this
42 subparagraph exceeds the eligible taxpayer's liability for the tax
43 imposed under chapter 229 of the general statutes, the Commissioner of
44 Revenue Services shall treat such excess as an overpayment and, except
45 as provided under section 12-739 or 12-742 of the general statutes, shall

46 refund the amount of such excess, without interest, to the eligible
47 taxpayer.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 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.]