



General Assembly

January Session, 2023

**Proposed Bill No. 5673**

LCO No. 2395



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

REP. FARRAR K., 20th Dist.  
REP. ELLIOTT, 88th Dist.  
REP. TURCO, 27th Dist.

REP. CHAFEE, 33rd Dist.  
REP. PORTER, 94th Dist.  
REP. HUGHES, 135th Dist.

**AN ACT CONCERNING THE REFORMATION OF CERTAIN TAXES AND TAX EQUITY.**

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

1 That the general statutes be amended to: (1) Establish a surcharge of  
2 five per cent of the net gain from the sale or exchange of capital assets  
3 and on dividend and interest income on a taxpayer whose Connecticut  
4 adjusted gross income is equal to or greater than the threshold amount  
5 specified in section 12-700 of the general statutes for imposition of the  
6 highest marginal rates on such taxpayer; (2) establish a ten per cent tax  
7 on the annual gross revenues of any business with annual gross  
8 revenues exceeding ten billion dollars from digital advertising services;  
9 (3) increase the applicable percentage of the earned income tax credit to  
10 forty-one and one-half per cent of the federal earned income tax credit;  
11 (4) establish a refundable child tax credit against the personal income  
12 tax of five hundred dollars per child up to three children; (5) increase  
13 the amount of the property tax credit against the personal income tax to

14 six hundred dollars and allow such credit to be refundable for  
15 individuals over sixty-five years of age; (6) establish additional property  
16 tax and rental credits and relief programs for seniors, such as a  
17 homestead exemption or a refundable property tax credit; (7) establish  
18 a state-wide property tax at the rate of 2 mills on commercial and  
19 residential real property with an assessed value of more than one  
20 million five hundred thousand dollars; (8) increase the rate of the  
21 corporation business tax to eleven and one-half per cent; (9) extend the  
22 imposition of the corporation business tax surcharge and increase the  
23 rate of such surcharge to twenty per cent; (10) require the Department  
24 of Revenue Services to hire fifty additional in-house auditors to assist in  
25 the closing of the state's tax gap by collecting taxes and assessing  
26 penalties and interest as applicable; (11) require the Labor Department  
27 to hire forty-five additional wage enforcement agents to investigate  
28 claims of wage theft and assess penalties and interest as applicable; (12)  
29 establish additional marginal rates for the personal income tax of nine  
30 and fifty-five-hundredths per cent, ten and twenty-five-hundredths per  
31 cent and ten and sixty-five-hundredths per cent, for Connecticut taxable  
32 income of over one million dollars, ten million dollars and twenty-five  
33 million dollars respectively, for unmarried individuals and married  
34 individuals filing separately and for proportional Connecticut taxable  
35 income for individuals filing as heads of households and married  
36 individuals filing jointly; (13) require the Commissioner of Revenue  
37 Services to provide additional information in the tax incidence report  
38 required under section 12-7c of the general statutes; and (14) require the  
39 Department of Revenue Services to provide information to the joint  
40 standing committee of the General Assembly having cognizance of  
41 matters relating to finance, revenue and bonding concerning the state's  
42 tax gap.

***Statement of Purpose:***

To reform certain taxes to reduce taxes for middle-income taxpayers and seniors and to increase collections, investigations and reporting by certain state agencies.