



General Assembly

January Session, 2023

**Proposed Bill No. 351**

LCO No. 2204



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
SEN. CABRERA, 17th Dist.

**AN ACT CONCERNING THE RESTRUCTURING 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) establish a refundable child tax credit against the personal income  
10 tax of five hundred dollars per child up to three children; (4) increase  
11 the amount of the property tax credit against the personal income tax to  
12 six hundred dollars and allow such credit to be refundable for  
13 individuals over sixty-five years of age; (5) establish additional property  
14 tax and rental credits and relief programs for seniors, such as a  
15 homestead exemption or a refundable property tax credit; (6) establish

16 a state-wide property tax at the rate of 2 mills on commercial and  
17 residential real property with an assessed value of more than one  
18 million five hundred thousand dollars; (7) increase the applicable  
19 percentage of the earned income tax credit to forty-one and one-half per  
20 cent of the federal earned income tax credit; (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 additional wage enforcement agents to investigate claims of  
28 wage theft and assess penalties and interest as applicable; (12) establish  
29 additional marginal rates for the personal income tax of nine and fifty-  
30 five-hundredths per cent, ten and twenty-five-hundredths per cent and  
31 ten and sixty-five-hundredths per cent, for Connecticut taxable income  
32 of over one million dollars, ten million dollars and twenty-five million  
33 dollars respectively, for unmarried individuals and married individuals  
34 filing separately and for proportional Connecticut taxable income for  
35 individuals filing as heads of households and married individuals filing  
36 jointly; (13) require the Commissioner of Revenue Services to provide  
37 additional information in the tax incidence report required under  
38 section 12-7c of the general statutes; and (14) require the Department of  
39 Revenue Services to provide information to the joint standing  
40 committee of the General Assembly having cognizance of matters  
41 relating to finance, revenue and bonding concerning the state's tax gap.

***Statement of Purpose:***

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