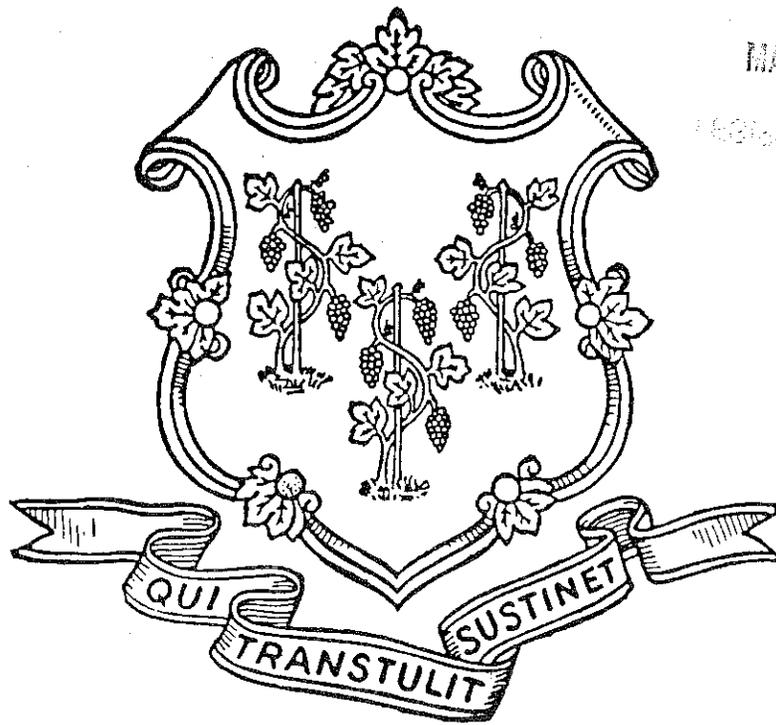


CONNECTICUT

REVENUE AND BUDGET DATA



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CONNECTICUT GENERAL ASSEMBLY

February 1997



## QUICK REFERENCE

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CONNECTICUT

REVENUE AND BUDGET DATA

OFFICE OF FISCAL ANALYSIS  
CONNECTICUT GENERAL ASSEMBLY

February 1997

89007850/1996



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## INTRODUCTION

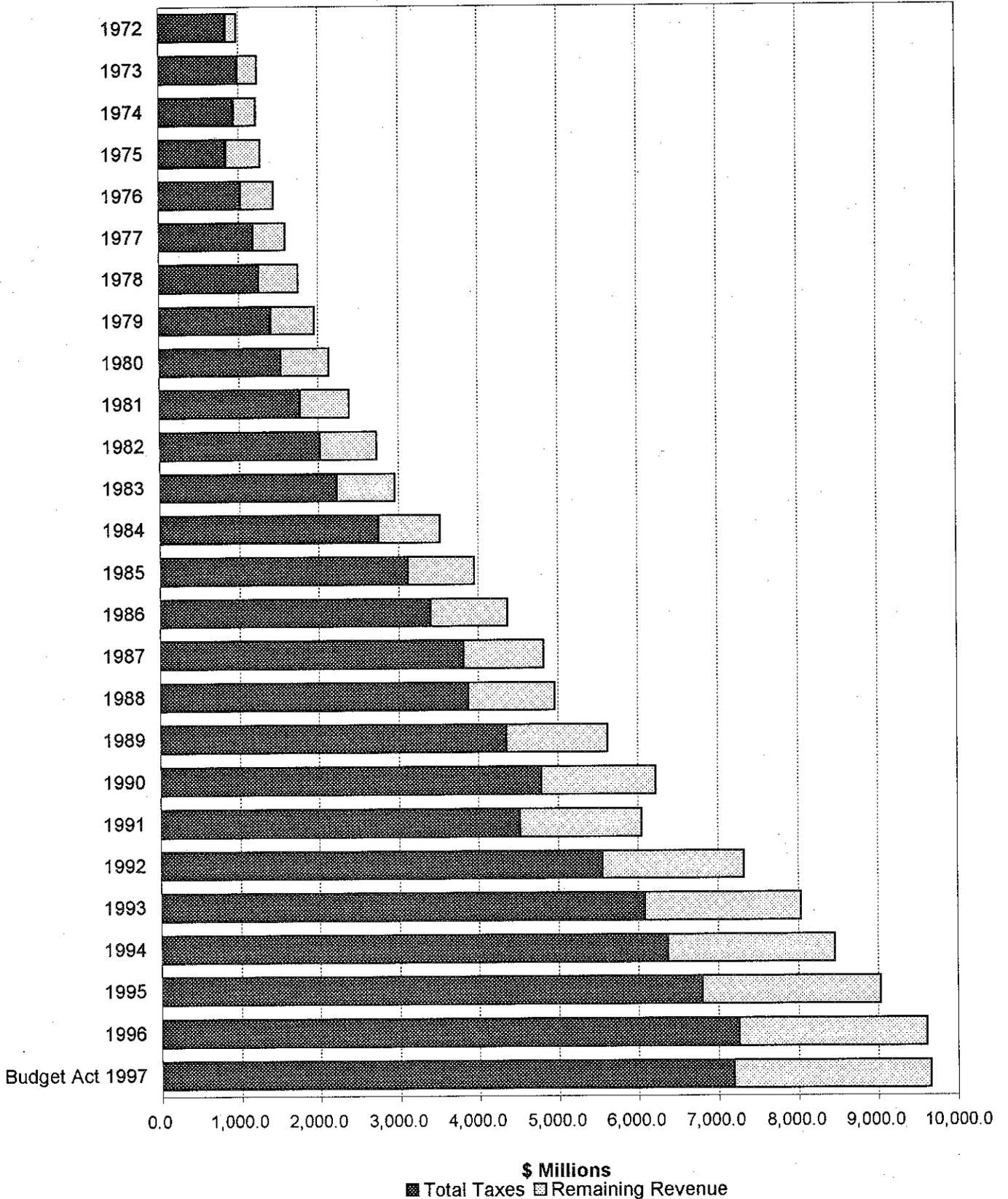
This document is designed to be a reference tool for legislators interested in putting the state's revenue and budget picture into historical perspective. Twenty years or more of data on major state taxes and some of the basic expenditure items most often asked for by state legislators is provided. Similar information is included for municipal finances. A section covering a number of important issues and major state and municipal programs or funds of interest to legislators is also provided..

The information presented here is compiled from many authoritative sources which are noted at the end of each document. In some cases the data is taken directly from the source, while in other cases adjustments are made to provide consistency among data elements. Where these adjustments are made, descriptive footnotes are included. Differences between figures provided in this edition and previous ones are generally due to revised data becoming available.

Any comments or questions concerning the information contained in this book, the method of presentation, or suggestions for additional topics would be welcomed by: **The Revenue Section, Office of Fiscal Analysis, Legislative Office Building, Hartford, Connecticut, 06106 (telephone:(860) 240-0200).**

# General Fund Taxes and Other Revenue 1972-1997

Fiscal Year



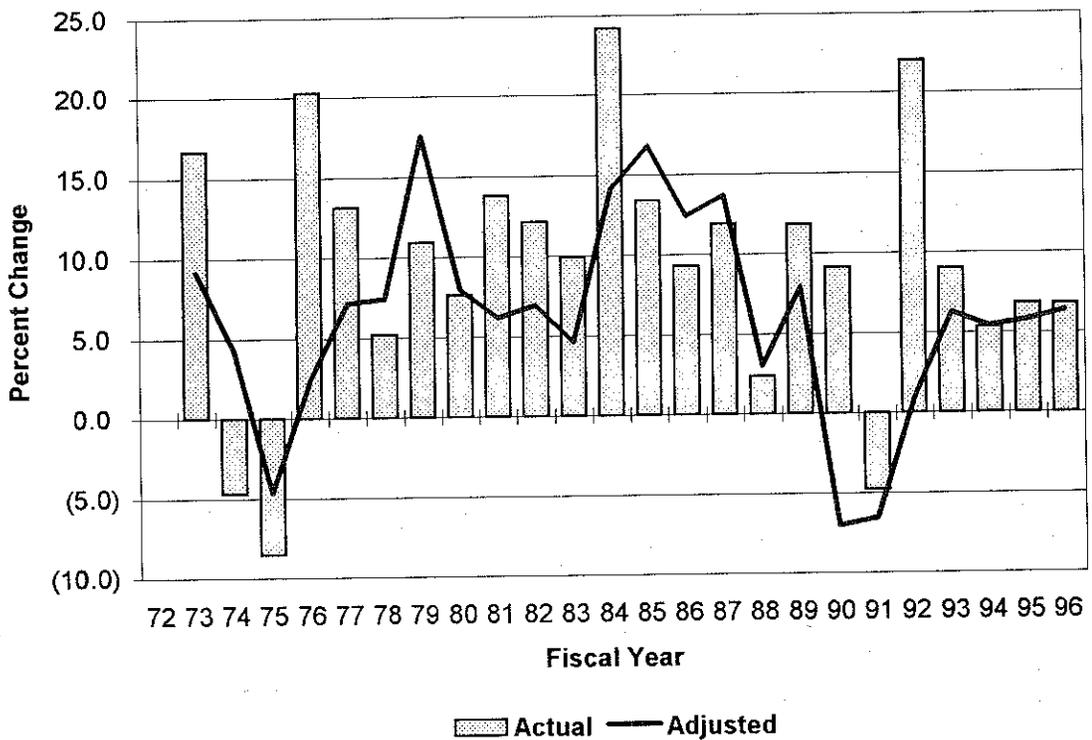
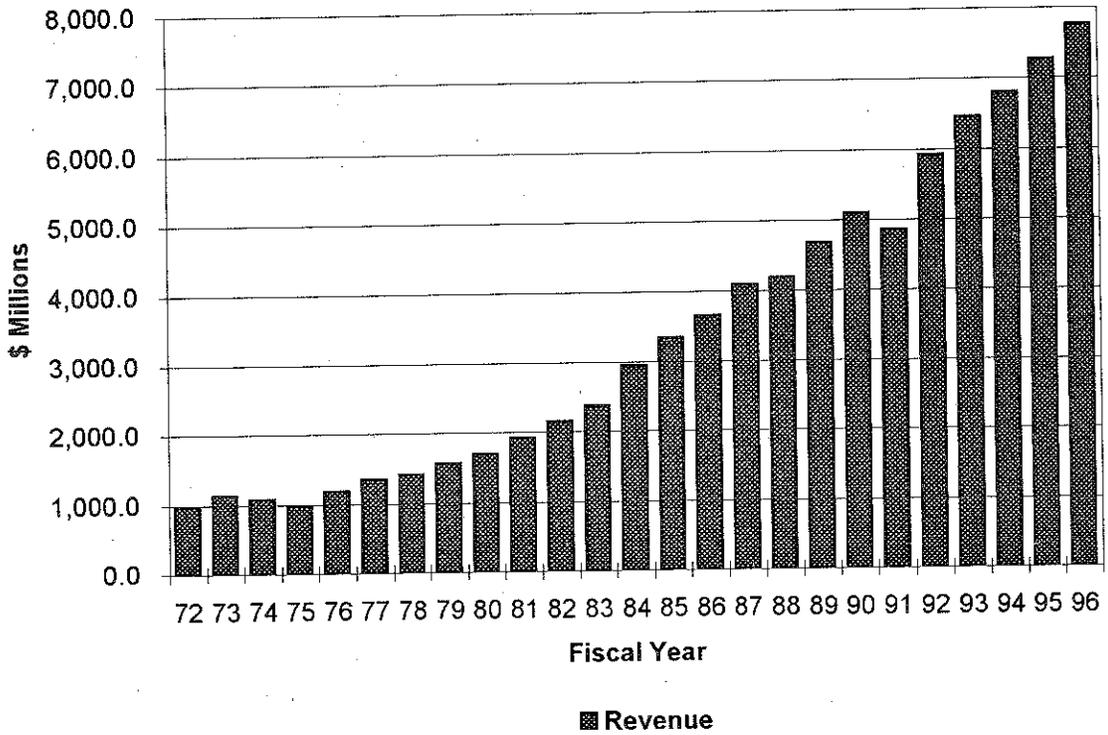
**TOTAL GENERAL FUND TAXES AND OTHER REVENUE**  
(Millions \$)

Fiscal Year	Total Taxes [1,2]	Yearly % Change	General Fund Revenues [1,2,3,4,5]	Yearly % Change
1969	436.8	6.8	550.0	14.5
1970	619.4	41.8	689.9	25.4
1971	664.7	7.3	812.8	17.8
1972	842.0	26.7	983.6	21.0
1973	992.7	17.9	1,235.3	25.6
1974	941.4	(5.2)	1,224.2	(0.9)
1975	846.9	(10.0)	1,277.7	4.4
1976	1,033.3	22.0	1,442.2	12.9
1977	1,184.3	14.6	1,588.3	10.1
1978	1,252.5	5.8	1,753.1	10.4
1979	1,402.9	12.0	1,955.7	11.6
1980	1,533.1	9.3	2,142.7	9.6
1981	1,771.1	15.5	2,396.6	11.8
1982	2,022.5	14.2	2,732.5	14.0
1983	2,228.7	10.2	2,956.5	8.2
1984	2,750.0	23.4	3,527.8	19.3
1985	3,114.3	13.2	3,958.3	12.2
1986	3,406.9	9.4	4,378.8	10.6
1987	3,818.5	12.1	4,827.4	10.2
1988	3,877.4	1.5	4,968.8	2.9
1989	4,356.8	12.4	5,630.5	13.3
1990	4,791.8	10.0	6,233.9	10.7
1991	4,523.6	(5.6)	6,051.3	(2.9)
1992	5,558.3	22.9	7,332.5	21.2
1993	6,085.6	9.5	8,034.9	9.6
1994	6,371.0	4.7	8,465.1	5.4
1995	6,802.6	6.8	9,031.5	6.7
1996	7,260.9	6.7	9,613.9	6.4
Budget Act 1997	7,195.8	(0.9)	9,661.2	0.5

Source: Annual Report of the Comptroller, various years.

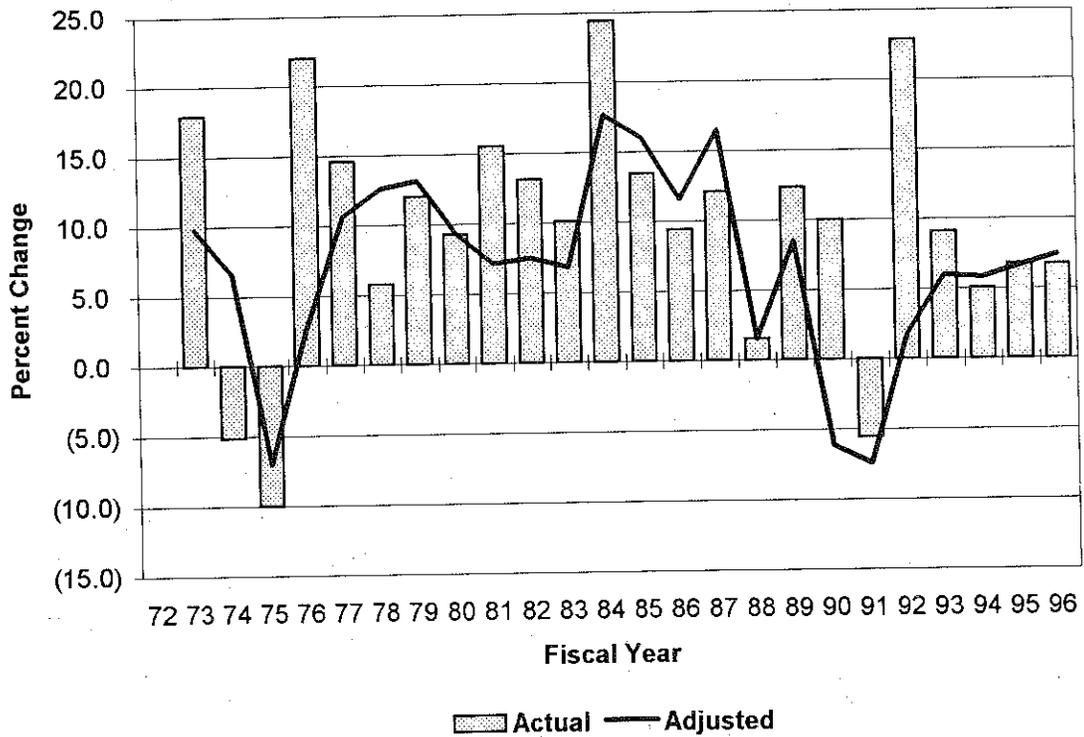
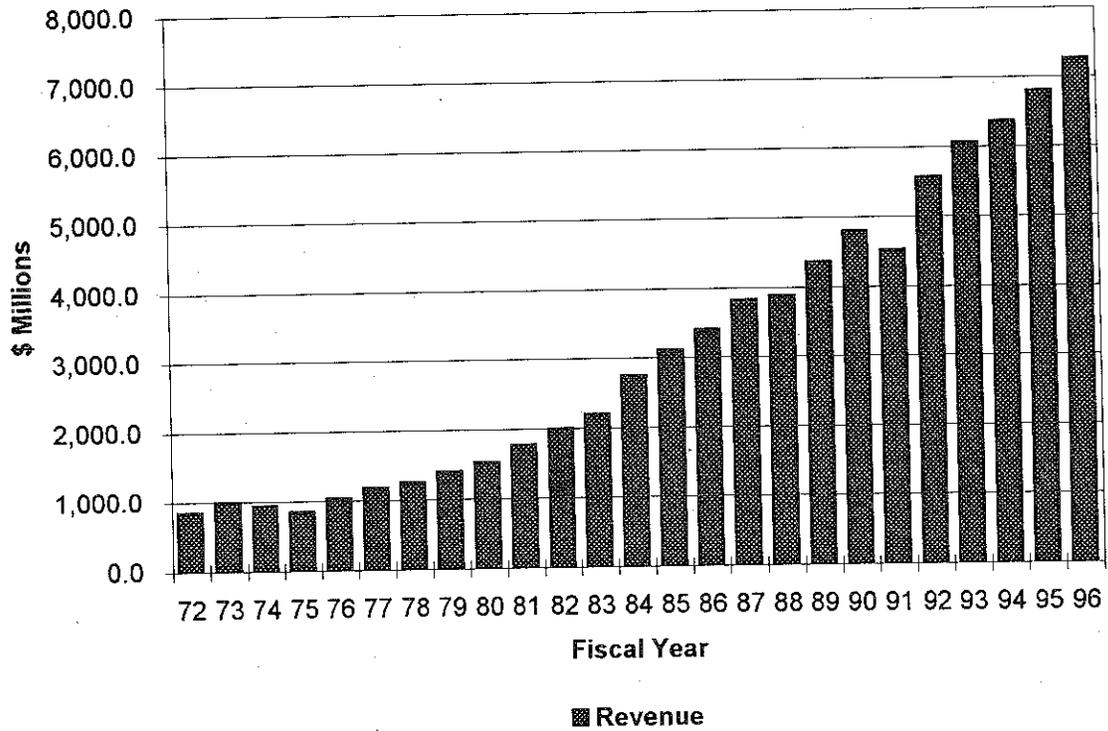
- [1] From FY69 to FY 74 Public Service Taxes went into the Public Service Tax Sinking Fund rather than the General Fund. To make the data comparable, the tax was added to Total General Fund Revenues for these years.
- [2] From FY 75 to FY 84 the Transportation Fund was included in the General Fund. To make the data comparable, Motor Fuels Tax was eliminated from Total Taxes and revenues later transferred to the Transportation Fund were removed from Total General Fund Revenues for these years. Other tables in this book include Motor Fuels Tax in Total Taxes and thus are not comparable with the figures appearing here.
- [3] From FY 78 to FY 83 betting taxes are included with Special Revenue Transfers in the "Other Revenues" portion of the Comptroller's Statement.
- [4] To make the data comparable, Refunds of Taxes were added to Total General Fund Revenues for FY 86 and subsequent years.
- [5] Beginning in FY 92 Total General Fund Revenues include Economic Recovery Fund payments.

# Total Taxes Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.

# Total Taxes (w/o Motor Fuels Taxes) Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.

**TAX REVENUE  
ACTUAL and ADJUSTED  
GROWTH RATES**

	Total Taxes			Actual %	Adjusted %	Total Taxes (w/o Motor Fuels)			Actual %	Adjusted %
	Revenue (000,000)	Tax Changes	Non-recurring			Revenue (000,000)	Tax Changes	Non-recurring		
FY72	974.1	187.4	0.0			842.0	165.1	0.0		
FY73	1,136.4	58.6	14.5	16.7	9.2	992.7	54.1	14.5	17.9	9.8
FY74	1,082.6	(102.3)	0.0	(4.7)	4.3	941.4	(101.3)	0.0	(5.2)	6.6
FY75	990.0	(28.4)	0.0	(8.6)	(4.7)	846.9	(28.4)	0.0	(10.0)	(7.0)
FY76	1,190.9	149.5	27.7	20.3	2.4	1,033.3	149.5	13.7	22.0	2.7
FY77	1,347.1	(0.7)	71.6	13.1	7.2	1,184.3	(15.3)	71.6	14.6	10.6
FY78	1,417.0	(4.1)	4.0	5.2	7.4	1,252.5	(4.1)	4.0	5.8	12.6
FY79	1,571.7	(9.6)	0.0	10.9	17.5	1,402.9	(9.6)	0.0	12.0	13.1
FY80	1,691.4	(0.9)	0.0	7.6	7.9	1,533.1	(0.8)	0.0	9.3	9.3
FY81	1,924.8	128.9	0.0	13.8	6.2	1,771.1	128.9	0.0	15.5	7.1
FY82	2,158.6	65.0	35.3	12.1	6.9	2,003.9	65.0	35.3	13.1	7.5
FY83	2,372.3	28.9	84.2	9.9	4.7	2,205.8	18.9	83.7	10.1	6.8
FY84	2,946.9	233.1	45.8	24.2	14.2	2,744.9	202.1	45.8	24.4	17.7
FY85	3,341.3	(1.8)	0.0	13.4	16.8	3,114.3	(16.7)	0.0	13.5	16.0
FY86	3,651.2	(113.3)	60.0	9.3	12.4	3,406.8	(128.6)	60.0	9.4	11.6
FY87	4,085.4	(68.8)	4.0	11.9	13.7	3,818.6	(84.5)	4.0	12.1	16.5
FY88	4,183.3	36.0	0.0	2.4	3.0	3,877.3	4.2	0.0	1.5	1.5
FY89	4,677.2	108.3	57.6	11.8	7.9	4,356.7	92.3	57.6	12.4	8.5
FY90	5,104.3	730.3	26.4	9.1	(7.0)	4,791.9	730.3	26.4	10.0	(6.1)
FY91	4,858.4	92.4	49.7	(4.8)	(6.5)	4,523.5	62.0	49.7	(5.6)	(7.4)
FY92	5,928.2	1,039.0	11.6	22.0	0.9	5,558.2	991.0	11.6	22.9	1.8
FY93	6,461.6	197.0	16.6	9.0	6.3	6,063.8	169.0	16.6	9.1	6.0
FY94	6,806.7	(38.3)	47.3	5.3	5.4	6,371.0	(76.3)	47.3	5.1	5.8
FY95	7,271.1	11.6	76.8	6.8	5.8	6,802.5	(18.8)	77.0	6.8	6.7
FY96	7,765.6	(8.8)	89.8	6.8	6.4	7,260.9	(54.4)	90.1	6.7	7.4

	Sales			Actual %	Adjusted %	Corporations			Actual %	Adjusted %
	Revenue (000,000)	Tax Changes	Non-recurring			Revenue (000,000)	Tax Changes	Non-recurring		
FY72	358.4	64.0	0.0			122.7	0.0	0.0		
FY73	465.9	64.9	0.0	30.0	11.9	138.6	0.0	0.0	13.0	13.0
FY74	451.4	(55.2)	0.0	(3.1)	8.7	140.2	(8.0)	0.0	1.2	6.9
FY75	425.5	(27.4)	0.0	(5.7)	0.3	140.0	0.0	0.0	(0.1)	(0.1)
FY76	542.9	97.4	1.3	27.6	4.4	143.2	19.8	0.0	2.3	(11.9)
FY77	583.7	(28.5)	0.0	7.5	13.0	201.7	13.2	35.0	40.9	7.2
FY78	654.2	(4.1)	0.0	12.1	12.8	199.6	0.0	0.0	(1.0)	19.7
FY79	742.8	(8.7)	0.0	13.5	14.9	231.1	0.0	0.0	15.8	15.8
FY80	808.9	(0.3)	0.0	8.9	8.9	246.1	(0.5)	0.0	6.5	6.7
FY81	932.7	79.2	0.0	15.3	5.5	248.7	0.0	0.0	1.1	1.1
FY82	1,014.6	(0.1)	0.0	8.8	8.8	330.7	50.6	35.3	33.0	(1.6)
FY83	1,123.1	4.1	0.0	10.7	10.3	345.5	6.8	33.7	4.5	3.2
FY84	1,362.9	44.0	0.0	21.4	17.4	416.1	15.0	0.0	20.4	28.6
FY85	1,542.0	(14.0)	0.0	13.1	14.2	521.3	(2.6)	0.0	25.3	25.9
FY86	1,652.6	(67.1)	0.0	7.2	11.5	654.8	(2.5)	60.0	25.6	14.6
FY87	1,840.6	(39.6)	0.0	11.4	13.8	681.9	9.5	0.0	4.1	13.0
FY88	2,000.3	28.8	0.0	8.7	7.1	661.3	(1.3)	0.0	(3.0)	(2.8)
FY89	2,097.6	19.7	12.0	4.9	3.3	870.0	35.0	0.0	31.6	26.3
FY90	2,479.0	392.0	0.0	18.2	0.1	794.1	142.0	35.6	(8.7)	(29.1)
FY91	2,417.8	90.5	0.0	(2.5)	(6.1)	669.0	35.0	43.0	(15.8)	(22.1)
FY92	2,080.2	(381.0)	(23.3)	(14.0)	2.8	641.4	(33.7)	36.9	(4.1)	1.9
FY93	2,056.2	(138.5)	(2.3)	(1.2)	4.4	715.2	(29.0)	29.8	11.5	18.2
FY94	2,181.5	(22.8)	11.1	6.1	6.5	703.5	(58.4)	17.7	(1.6)	8.6
FY95	2,368.1	(13.8)	100.2	8.6	5.1	724.7	(6.6)	0.3	3.0	6.6
FY96	2,460.1	(6.7)	103.7	3.9	4.2	748.1	(23.6)	(13.6)	3.2	8.4

**TAX REVENUE  
ACTUAL and ADJUSTED  
GROWTH RATES**

	Public Service Corporations			Actual %	Adjusted %	Insurance			Actual %	Adjusted %
	Revenue (000,000)	Tax Changes	Non- recurring			Revenue (000,000)	Tax Changes	Non- recurring		
FY72	52.9	15.0	0.0			51.8	19.6	0.0		
FY73	61.7	0.0	0.0	16.6	16.6	56.7	(10.8)	0.0	9.5	30.3
FY74	68.7	0.0	0.0	11.3	11.3	44.1	(8.7)	0.0	(22.2)	(6.9)
FY75	82.8	0.0	0.0	20.5	20.5	34.0	0.0	0.0	(22.9)	(22.9)
FY76	92.7	0.0	0.0	12.0	12.0	44.2	0.0	6.0	30.0	12.4
FY77	131.2	0.0	30.6	41.5	8.5	49.0	0.0	6.0	10.9	12.6
FY78	108.3	0.0	0.0	(17.5)	7.7	51.7	0.0	4.0	5.5	10.9
FY79	122.6	(0.1)	0.0	13.2	13.3	56.3	0.0	0.0	8.9	18.0
FY80	146.3	0.0	0.0	19.3	19.3	62.0	0.0	0.0	10.1	10.1
FY81	175.3	0.0	0.0	19.8	19.8	67.0	0.0	0.0	8.1	8.1
FY82	218.2	11.4	0.0	24.5	18.0	72.4	0.0	0.0	8.1	8.1
FY83	233.9	0.0	0.0	7.2	7.2	77.8	0.0	0.0	7.5	7.5
FY84	259.8	0.0	0.0	11.1	11.1	82.3	0.0	0.0	5.8	5.8
FY85	260.7	(0.1)	0.0	11.9	11.9	92.8	0.0	0.0	12.8	12.8
FY86	269.4	(11.7)	0.0	(7.3)	(3.3)	115.4	0.0	0.0	24.4	24.4
FY87	253.2	(22.1)	0.0	(6.0)	2.2	140.3	0.0	4.0	21.6	18.1
FY88	254.8	(13.6)	0.0	0.6	6.0	151.1	0.0	0.0	7.7	10.9
FY89	263.0	0.0	0.0	3.2	3.2	176.0	0.0	16.0	16.5	5.9
FY90	278.4	0.0	0.0	5.9	5.9	170.5	0.0	0.0	(3.1)	6.6
FY91	182.1	(100.0)	0.0	(34.6)	1.3	174.3	0.0	6.7	2.2	(1.7)
FY92	180.9	(18.0)	3.5	(0.7)	7.3	166.2	0.0	(6.0)	(4.6)	2.7
FY93	185.0	0.0	0.0	2.3	4.3	157.9	0.0	0.0	(5.0)	(8.3)
FY94	187.6	(2.7)	0.0	1.4	2.9	170.9	0.0	0.0	8.2	8.2
FY95	185.5	(5.4)	0.0	(1.1)	1.8	176.8	5.2	(5.0)	3.5	3.3
FY96	192.0	(5.4)	0.0	3.5	6.4	167.9	(7.2)	0.0	(5.0)	(3.7)

	Personal Income Tax & Capital Gains, Int. & Dividends*					Inheritance				
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	60.9	54.0	0.0			49.7	0.0	0.0		
FY73	50.8	0.0	0.0	(16.6)	(16.6)	64.2	0.0	14.5	29.2	0.0
FY74	18.7	(29.4)	0.0	(63.2)	(5.3)	53.9	0.0	0.0	(16.0)	8.5
FY75	13.6	(1.0)	0.0	(27.3)	(21.9)	46.0	0.0	0.0	(14.7)	(14.7)
FY76	50.4	32.3	0.0	270.6	33.1	45.2	0.0	0.0	(1.7)	(1.7)
FY77	59.3	0.0	0.0	17.7	17.7	48.7	0.0	0.0	7.7	7.7
FY78	75.6	0.0	0.0	27.5	27.5	48.9	0.0	0.0	0.4	0.4
FY79	83.5	0.0	0.0	10.4	10.4	53.0	0.0	0.0	8.4	8.4
FY80	101.0	0.0	0.0	21.0	21.0	54.8	0.0	0.0	3.4	3.4
FY81	117.8	0.0	0.0	16.6	16.6	67.4	0.0	0.0	23.0	23.0
FY82	137.7	1.0	0.0	16.9	16.0	79.2	0.0	0.0	17.5	17.5
FY83	183.7	0.0	50.0	33.4	(2.9)	77.5	0.0	0.0	(2.1)	(2.1)
FY84	289.5	82.0	45.0	57.6	21.5	111.2	3.0	0.0	43.5	39.6
FY85	302.4	(9.0)	0.0	4.5	27.4	125.3	9.0	0.0	12.7	4.6
FY86	317.3	(30.9)	0.0	4.9	15.1	153.3	(2.3)	0.0	22.3	24.2
FY87	467.8	(20.8)	0.0	47.4	54.0	177.3	(8.2)	0.0	15.7	21.0
FY88	386.3	0.0	0.0	(17.4)	(17.4)	181.2	(6.2)	0.0	2.2	5.7
FY89	508.6	46.0	25.0	31.7	13.3	194.0	(23.6)	0.0	7.1	20.1
FY90	624.7	112.8	5.0	22.8	4.8	164.0	(5.0)	0.0	(15.5)	(12.9)
FY91	520.5	6.5	0.0	(16.7)	(17.1)	274.3	30.0	0.0	67.3	49.0
FY92	1,976.6	1,450.6	0.0	279.8	1.1	198.3	8.0	0.0	(27.7)	(30.6)
FY93	2,392.0	324.0	2.1	21.0	4.5	230.2	0.0	0.0	16.1	16.1
FY94	2,517.7	4.6	18.5	5.3	4.4	207.7	0.0	0.0	(9.8)	(9.8)
FY95	2,589.9	(3.0)	(0.8)	2.9	3.8	200.5	0.0	0.0	(3.5)	(3.5)
FY96	2,879.4	(11.5)	7.2	11.2	11.3	247.4	0.0	0.0	23.4	23.4

\*Capital Gains, Interest and Dividends Tax was repealed as of 1/1/92 and replaced by the Personal Income Tax, effective 10/1/91.

**TAX REVENUE  
ACTUAL and ADJUSTED  
GROWTH RATES**

	Admissions, Dues & Cabaret Tax					Real Estate Conveyance Tax			Actual %	Adjusted %
	Revenue (000,000)	Tax Changes	Non-recurring	Actual %	Adjusted %	Revenue (000,000)	Tax Changes	Non-recurring		
FY72	7.0	0.0	0.0							
FY73	7.3	0.0	0.0	4.3	4.3					
FY74	8.5	0.0	0.0	16.4	16.4					
FY75	9.4	0.0	0.0	10.6	10.6					
FY76	9.5	0.0	0.0	1.1	1.1					
FY77	10.1	0.0	0.0	6.3	6.3					
FY78	11.0	0.0	0.0	8.9	8.9					
FY79	10.9	(0.8)	0.0	(0.9)	6.4					
FY80	11.7	0.0	0.0	7.3	7.3					
FY81	11.7	0.0	0.0	0.0	0.0					
FY82	11.9	0.0	0.0	1.7	1.7					
FY83	12.5	0.0	0.0	5.0	5.0					
FY84	12.9	0.0	0.0	3.2	3.2	37.6	37.7	0.0		
FY85	14.1	0.0	0.0	9.3	9.3	49.3	0.0	0.0	31.3	31.3
FY86	13.8	(0.1)	0.0	(2.1)	(1.4)	71.9	0.0	0.0	45.8	45.8
FY87	14.9	0.0	0.0	8.0	8.0	93.7	(3.3)	0.0	30.4	35.0
FY88	16.8	0.0	0.0	12.8	12.8	76.8	(3.4)	0.0	(18.1)	(14.5)
FY89	17.5	0.0	0.0	4.2	4.2	65.6	0.0	0.0	(14.6)	(14.6)
FY90	19.9	0.0	0.0	13.7	13.7	59.7	26.0	0.0	(8.9)	(48.6)
FY91	19.8	0.0	0.0	(0.5)	(0.5)	49.1	0.0	0.0	(17.8)	(17.8)
FY92	20.1	0.0	0.0	1.5	1.5	51.2	0.0	0.0	4.3	4.3
FY93	20.1	0.0	0.0	0.0	0.0	54.3	0.0	0.0	6.1	6.1
FY94	20.5	(0.3)	(0.2)	2.0	4.5	61.0	0.0	0.0	12.3	12.3
FY95	20.9	(0.4)	0.0	2.0	2.9	63.3	0.0	0.0	3.8	3.8
FY96	23.3	0.0	0.0	11.5	11.5	65.1	0.0	0.0	2.8	2.8

	Motor Fuels					Petroleum Companies			Actual %	Adjusted %
	Revenue (000,000)	Tax Changes	Non-recurring	Actual %	Adjusted %	Revenue (000,000)	Tax Changes	Non-recurring		
FY72	132.1	22.3	0.0							
FY73	143.7	4.5	0.0	8.8	5.4					
FY74	141.2	(1.0)	0.0	(1.8)	(1.1)					
FY75	143.1	0.0	0.0	1.3	1.3					
FY76	157.6	0.0	14.0	10.2	0.4					
FY77	162.8	14.6	0.0	3.3	3.2					
FY78	164.5	0.0	0.0	1.0	1.0					
FY79	168.8	0.0	0.0	2.6	2.6					
FY80	158.3	(0.1)	0.0	(6.2)	(6.2)					
FY81	153.7	0.0	0.0	(2.9)	(2.9)	49.7	49.7	0.0		
FY82	154.7	0.0	0.0	0.6	0.6	37.7	1.0	0.0	(24.1)	(26.2)
FY83	166.5	10.0	0.5	7.7	0.9	49.7	8.0	0.0	31.8	10.6
FY84	202.0	31.0	0.0	21.3	3.0	50.1	0.0	0.0	0.8	0.8
FY85	227.0	14.9	0.0	12.4	5.0	50.7	0.0	0.0	1.2	1.2
FY86	244.3	15.3	0.0	7.6	0.9	37.0	(14.0)	0.0	(27.0)	0.6
FY87	266.8	15.7	0.0	9.2	2.8	25.1	0.0	0.0	(32.2)	(32.2)
FY88	306.0	31.8	0.0	14.7	2.8	28.9	(0.1)	0.0	15.1	15.5
FY89	320.5	16.0	0.0	4.7	(0.5)	29.2	0.0	0.0	1.0	1.0
FY90	312.4	0.0	0.0	(2.5)	(2.5)	28.8*	14.2	(14.2)	(1.4)	(1.4)
FY91	334.9	30.4	0.0	7.2	(2.5)	51.2*	0.0	0.0	77.8	19.1
FY92	370.0	48.0	0.0	10.5	(3.9)	72.8	28.0	0.0	42.2	(12.5)
FY93	397.8	28.0	0.0	7.5	(0.1)	68.3*	9.0	(13.0)	(6.2)	(0.7)
FY94	435.7	38.0	0.0	9.5	(0.0)	75.4	(0.2)	0.0	10.4	(7.0)
FY95	468.6	30.4	(0.2)	7.6	0.6	57.0*	0.0	(18.0)	(24.4)	(0.5)
FY96	504.7	45.6	(0.3)	7.7	(2.0)	69.2*	0.0	(7.2)	-21.4	1.9

\*Net of transfers to USTP Clean-Up Fund

**TAX REVENUE  
ACTUAL and ADJUSTED  
GROWTH RATES**

	Cigarettes					Alcohol				
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	68.2	12.5	0.0			24.1	0.0	0.0		
FY73	69.9	0.0	0.0	2.5	2.5	24.2	0.0	0.0	0.4	0.4
FY74	72.4	0.0	0.0	3.5	3.5	24.7	0.0	0.0	2.1	2.1
FY75	70.2	0.0	0.0	(3.0)	(3.0)	24.2	0.0	0.0	(2.0)	(2.0)
FY76	77.4	0.0	4.3	10.2	4.1	26.5	0.0	2.1	9.5	0.8
FY77	74.8	0.0	0.0	(3.3)	2.4	24.3	0.0	0.0	(8.3)	(0.4)
FY78	76.2	0.0	0.0	1.8	1.8	25.2	0.0	0.0	3.7	3.7
FY79	76.3	0.0	0.0	0.2	0.2	25.3	0.0	0.0	0.4	0.4
FY80	75.8	0.0	0.0	(0.7)	(0.7)	25.6	0.0	0.0	1.2	1.2
FY81	74.3	0.0	0.0	(1.9)	(1.9)	25.4	0.0	0.0	(0.8)	(0.8)
FY82	74.3	0.0	0.0	(0.0)	(0.0)	26.0	1.1	0.0	2.4	(2.0)
FY83	73.8	0.0	0.0	(0.7)	(0.7)	27.1	0.0	0.0	4.2	4.2
FY84	89.8	15.6	0.8	21.8	(0.4)	31.5	4.8	0.0	16.2	(1.5)
FY85	89.3	0.0	0.0	(0.6)	0.3	33.0	0.0	0.0	4.8	4.8
FY86	87.7	0.0	0.0	(1.8)	(1.8)	31.8	0.0	0.0	(3.6)	(3.6)
FY87	88.7	0.0	0.0	1.2	1.2	33.5	0.0	0.0	5.3	5.3
FY88	87.5	0.0	0.0	(1.4)	(1.4)	30.9	0.0	0.0	(7.8)	(7.8)
FY89	98.1	9.4	2.5	12.2	(1.4)	35.5	5.8	2.1	14.9	(10.7)
FY90	120.9	33.8	0.0	23.2	(8.9)	47.4	14.5	0.0	33.5	(1.5)
FY91	115.7	0.0	0.0	(4.3)	(4.3)	45.0	0.0	0.0	(5.1)	(5.1)
FY92	121.3	8.5	0.5	4.8	(2.9)	43.1	0.0	0.0	(4.2)	(4.2)
FY93	118.1	3.5	0.0	(2.6)	(5.1)	43.5	0.0	0.0	0.9	0.9
FY94	124.8	3.6	0.2	5.7	2.5	41.7	(0.1)	0.0	(4.1)	(3.9)
FY95	131.8	5.2	0.3	5.6	1.4	40.5	0.0	0.0	(2.9)	(2.9)
FY96	126.4	0.0	0.0	(4.1)	(3.9)	40.4	0.0	0.0	(0.2)	(0.2)

	Hospital Gross Receipts					Miscellaneous				
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72						0.0	0.0	0.0		
FY73						0.0	0.0	0.0	0.0	0.0
FY74						0.1	0.0	0.0	0.0	0.0
FY75						0.4	0.0	0.0	0.0	0.0
FY76						0.5	0.0	0.0	25.0	25.0
FY77						0.9	0.0	0.0	80.0	80.0
FY78						1.9	0.0	0.9	111.1	11.1
FY79						1.0	0.0	0.0	(47.4)	0.0
FY80						1.1	0.0	0.0	10.0	10.0
FY81						1.1	0.0	0.0	0.0	0.0
FY82						1.2	0.0	0.0	9.1	9.1
FY83						1.2	0.0	0.0	0.0	0.0
FY84						1.2	0.0	0.0	0.0	0.0
FY85						3.3	0.0	1.8	175.0	25.0
FY86						1.8	0.0	0.0	(45.5)	20.0
FY87						1.5	0.0	0.0	(16.7)	(16.7)
FY88						1.5	0.0	0.0	0.0	0.0
FY89						1.6	0.0	0.0	6.7	6.7
FY90						4.5	3.0	0.0	181.3	(6.3)
FY91						4.7	0.0	0.0	4.4	4.4
FY92						6.1	1.4	0.0	29.8	(0.0)
FY93						23.0	16.7	0.0	277.0	3.3
FY94	54.2	0.0	0.0			24.5	5.5	0.0	6.5	(17.4)
FY95	222.3	0.0	0.0	0.0	0.0	21.2	0.0	0.0	(13.5)	(13.5)
FY96	214.0	0.0	0.0	(3.7)	(3.7)	27.6	0.0	0.0	30.2	30.2

## **GENERAL FUND REVENUE INCREASES AND DECREASES**

The following two sections list General Fund revenue increases and decreases enacted since FY 72. If the full effect of the revenue change does not occur in the first year, an estimate for the portion of the revenue impact occurring in the second year is also given. Further information about these items appears in the annual report of the Office of Fiscal Analysis for the appropriate year.

Only estimated gains or losses above \$100,000 are included here. Items which affect revenue collections for only one year are noted below the dollar estimate.

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

The revenue estimates below indicate the amount of additional revenue raised by tax changes in each fiscal year.

**FY 71-72**

<u>Capital Gains and Dividends Tax</u>		
- New tax of 6% on Capital Gains and Dividends was established		54.0
<u>Cigarette Tax</u>		
- Tax was increased from 16 to 21 cents per pack		12.5
<u>Motor Fuels Tax</u>		
- Tax was increased from 8 to 10 cents per gallon (eff 9/1/91) (10 mos)		22.3
<u>Public Service Corporation Tax</u>		
- The exemption for The portion of The gas, water, telephone and electric bills that exceeded \$20 was repealed		6.9
- Telephone companies tax increased from 6% to 8%		8.1
<u>Sales and Use Tax</u>		
- Tax rate increased from 5% to 6.5%, effective 9/1/71 (10 months)		70.5
<u>Self-Insured Business</u>		
- A new tax of 2.5% on death benefits and 2.75% on other benefits was established		0.3
<u>Fees</u>		
- Professional fees were increased		4.6
<u>Tuition</u>		
- Tuition payments are required for attendance at State Colleges and the University of Connecticut. (effective January, 1972)		6.8
<u>Lottery</u>		
- A State lottery game was established		2.5
<b>TOTAL FY 71-72</b>		<b>188.5</b>

**FY 72-73**

<u>Inheritance Tax</u>		
- Estate and Inheritance taxes are due within 9 months of the date of death, rather than 18 or 14 months respectively		14.5 (one time)
<u>Motor Fuels Tax</u>		
- Tax was increased from 8 to 10 cents per gallon (eff 9/1/91) (2 mos)		4.5

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

Sales and Use Tax

- Tax rate increased from 5% to 6.5%, effective 9/1/71 (2 months)	14.0
- Tax rate increased from 6.5% to 7%, effective 7/1/72	30.3
- Utility bill exemption was reduced from \$20 to \$10, eff 7/1/72	20.6
<b>TOTAL FY 72-73</b>	<b>83.9</b>

**FY 73-74**

Insurance Companies Tax

- Domestic companies are subject to the tax of 2%	1.7
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**FY 74-75**

Public Service Corporation Tax

- Public service tax fund was abolished, so 20% of collections which had been diverted, will remain in the General Fund	14.2
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Sales and Use Tax

- Tax rate increased from 6% to 7%, effective 4/1/75 (3 months)	18.5
<b>TOTAL FY 74-75</b>	<b>32.7</b>

**FY 75-76**

Capital Gains and Dividends Tax

- Capital Gains tax rate increased from 6% to 7%	2.5
- Dividends tax imposed at the rate of 7%	29.8

Corporation Business Tax

- Tax rate increased from 8% to 10%, effective 1/1/75 (6 months)	19.8
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Sales and Use Tax

- Tax rate increased from 6% to 7%, effective 4/1/75 (9 months)	55.8
- Rental and leasing of tangible and personal property are taxable	15.0
- Base extended to include tax on business services	26.8
- Monthly tax collection (December 1975 Special Session)	1.3
	(one time)

Accrual Changes (December 1975 Special Session)

- Receipts due by June 30 but collected in July, are accrued:	(one time)
Cigarette tax	4.3
Motor Fuels tax	14.0
Alcoholic Beverage tax	2.1
Federal Revenue Sharing Funds	7.1

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

Transfer of Funds (December 1975 Special Session)

Excess funds from the following were transferred:

- Banking Fund	1.6
- Highway Right-of-Way Revolving Fund	2.3
- Real Estate Guarantee Trust Fund	0.8
- Boating Fund	0.5
- Motor Vehicle fees increased	17.9

**TOTAL FY 75-76            201.6**

**FY 76-77**

Corporation Business Tax

- Tax rate increased from 8% to 10%, effective 1/1/75 (6 months)	13.2
- Estimated payments are required	35.0
	(one time)

Insurance Companies Tax

- Estimated payments are required	4.0
	(one time)

Motor Fuels Tax

- Rate was increased from 10 to 11 cents per gallon	14.6
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Public Service Corporation Tax

- Quarterly payments are required	30.6
	(one time)

Tolls

- Tolls on The Parkway were increased	1.4
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Special Revenue

- A daily lottery game was established	9.0
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**TOTAL FY 76-77            107.8**

**FY 77-78**

Special Revenue

- Tax rates on jai alai and dog racing handles were increased	1.9
- Instant lottery proceeds were directed into The General Fund	9.9

**TOTAL FY 77-78            11.8**

**FY 78-79**

Fines

- A 10% surtax was added to some motor vehicle violations	0.4
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**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

**FY 79-80**

Fines

- The 10% surtax was added to remaining motor vehicle violations 0.2

License, Permits and Fees

- Supreme court filing fees for cases under \$7,500 were increased from \$30 to \$55 0.1

- Home improvement contractors and salesmen must register and pay fee of \$30 0.2

**TOTAL FY 79-80 0.5**

**FY 80-81**

Petroleum Company Tax

- A 2% tax on petroleum company gross receipts was established 49.0

Sales and Use Tax

- Rate increased from 7% to 7.5%, effective 7/1/80 61.6

- Exemption for cigarettes was eliminated, effective 7/1/80 17.6

General

- Delinquent tax interest rate raised from 12% to 15% per annum 0.5

License, Permits and Fees

- The distribution of 25% of court fines to municipalities was eliminated 0.5

- Miscellaneous fee increased 1.2

- Corporate filing fees and uniform commercial code-required fees were increased 1.4

- Assessment practices changed so that The Insurance Dept. is supported by domestic insurance companies

Motor Vehicle Receipts

- Biennial registration established 8.5

(two year)

- Car dealers fees increased from \$8 to \$20 0.4

Sales of Commodities and Services

- Financial support of families of individuals in State humane institutions was increased 0.3

**TOTAL FY 80-81 141.0**

**FY 81-82**

Alcoholic Beverage Tax

- Minimum mark-up provisions were eliminated 1.1

**GENERAL FUND REVENUE INCREASES**  
 (\$ Millions)

Capital Gains and Dividends Tax

- Certain gains or losses from The sale of depreciable personal property are treated as capital gains (effective 1/1/81) (November 1981 Special Session) 1.0

Corporation Business Tax

- Tax rates increased effective 1/1/81 (6 months): 16.2
  - Net Income Base: 9% to 10%
  - Capital Base: .00031 to .0031
  - Minimum Tax: \$50 to \$100
- Tax on net income plus compensation to owners and officers was added (fourth base) and the minimum tax was raised to \$250 25.8
- Tax on dividends was eliminated, all income is subject to apportionment and the calculation of the apportionment ratio will include a double weighting of the sales factor 2.0
- Depreciation deductions related to use of new Accelerated Cost Recovery schedule were limited (Nov. 1981 Special Session) 6.5
- Interest on delinquent corporation taxes was increased from 15% to 20% per annum. (November 1981 Special Session) 0.2
- All taxpayers must make an estimated payment of \$250 or 60%, whichever is greater, in their 6th month and 80% of the total estimated payment in their 12th month (effective 1/1/82) (November 1981 Special Session) 35.3  
(one time)

Estate Income Tax

- New tax of 10% on estate income in excess of \$20,000 is established (November 1981 Special Session) 2.5

Petroleum Companies Tax

- Companies distributing petroleum products are subject to tax on the first sale of the product in Connecticut (effective 5/1/82) 1.0

Public Service Corporation Tax

- The gross receipts tax on telephone and community antenna television companies was increased from 8% to 9% effective 1/1/81 11.4

Unincorporated Business

- New tax of 5% on firms with net income over \$15,000 and gross receipts are over \$50,000 (effective 1/1/81) 30.0
- Businesses not entirely conducted in Connecticut may only deduct 50% of the net income attributable to Connecticut or \$15,000, whichever is greater (effective 1/1/81) (November 1981 Special Session) 1.2

General

- Interest rate on delinquent taxes remains at 1.25% per month 0.5
- The time period after which unclaimed property is turned over to the state was reduced (November 1981 Special Session) 7.0

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

Licenses, Permits and Fees

- Motor carrier registration was increased from \$5 to \$10	1.4
- Filing fee for the registration of securities was raised from \$200 to \$300 and the licensing fee for consumer collection agencies was raised from \$100 to \$200	0.2
- Fines for reckless driving and evading responsibility were increased	0.3
- A \$10 surcharge was added for those convicted for or pleading Nolo Contendere to certain motor vehicle violations	1.4
- Fee for filing in small claims court was raised from \$8 to \$10	0.3
- Sales tax permit fee increased from \$1 to \$20 and an annual renewal is required at a fee of \$10 (1981 Nov Spec Session)	0.6
- Certain legal motion filing fees were increased (1981 Nov Spec Ses)	0.5
- Insurance licenses issued for 2 years rather than 1 (effective 5/1/82)	0.1

Special Revenue

- Jai Alai and dog racing are permitted on Sundays	1.8
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Transfer Other Funds

- Tolls were increased	15.8
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**TOTAL FY 81-82            164.1**

**FY 82-83**

Capital Gains and Dividends Tax

- Estimated payment of dividends tax of 50% is required in the sixth month (November 1981 Special Session)	50.0
	(one time)

Corporation Business Tax

- Tax rates increased effective 1/1/81 (6 months)	10.8
Net Income Base: 9% to 10%	
Capital Base: .00031 to .0031	
Minimum Tax: \$50 to \$100	
- All taxpayers must make an estimated payment of \$250 or 60%, whichever is greater, in their 6th month and 80% of the total estimated payment in their 12th month (effective 1/1/82) (November 1981 Special Session)	33.7
	(one time)
- Certain gains or losses from The sale of depreciable personal property are treated as capital gains (Nov Special Session)	1.0

Motor Fuels Tax

- Tax rate increased to 14 cents from 11 cents per gallon.	10.0
- Tax increase was also applied to gasoline in inventory (effective 4/1/83)	0.5
	(one time)

Petroleum Companies Tax

- Companies distributing petroleum products are subject to tax on the first sale of the product in Connecticut	8.0
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**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

<u>Sales and Use Tax</u>	
- Corporate officers are personally liable for payment of taxes due	0.5
- Exemption for seeds and fertilizer not used in The agricultural production process was repealed as of 4/1/83.	1.0
- Exemption for meals costing less than \$1 repealed effective 4/1/83	3.0
<u>Licenses, Permits and Fees</u>	
- Professional engineer and land surveyor registration fees were increased	0.3
- Registration fees for motorcycles increased from \$8 to \$10	0.2
- The registration of liquor brands by out-of-state shippers was increased from \$25 to \$100	0.2
- Architect registration fees increased from \$35 to \$75	0.1
- Sales tax permit fee increased from \$1 to \$20 and an annual renewal is required at a fee of \$10 (November 1981 Special Session)	0.8
- Filing fees for certain legal motions were increased (November 1981 Special Session)	0.8
<u>Commodities and Services</u>	
- The sale of Laurel Heights Hospital was authorized (November 1981 Special Session)	5.0
- The Department of Agriculture may lease State lands for agricultural purposes	0.2
<u>Miscellaneous</u>	
- The Department of income Maintenance can take assignment of the assets of an estate up to the amount the state has paid on the individual's behalf	0.2
<u>Special Revenue</u>	
- The tax on feature bets at OTB was increased from 17% to 19% and the tax on dog racing was increased from 8% to 8.25%	1.3
<b>TOTAL FY 82-83</b>	<b>127.6</b>
 <b>FY 83-84</b>	
<u>Alcoholic Beverage Tax</u>	
- Rates were increased by 20%, effective 8/1/83 (1983 June Spec Sess)	4.8
<u>Capital Gains, Dividends &amp; Interest Tax</u>	
- A graduated Interest-income tax was established for taxpayers with more than \$50,000 AGI. The dividends threshold was also increased to \$50,000 AGI and tax rates were changed to coincide with the tax on interest income (June 1983 Special Session)	82.0
- Individuals whose Estimated dividends and Interest tax liability exceeds \$200 must make an estimated payment in the sixth month of their income year equal to 50% of estimated tax liability (June 1983 Special Session)	45.0 (one time)

**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

<u>Cigarette Tax</u>	
- The rate was increased from 21 to 26 cents per pack of twenty. (June 1983 Special Session)	15.6
- The increase also applied to unstamped cigarettes in inventory (June 1983 Special Session)	0.8 (one time)
<u>Corporation Business Tax</u>	
- Tax rate increased from 10 to 11.5% (June 1983 Special Session)	30.0
<u>Inheritance &amp; Estate Tax</u>	
- A surtax of 10% was added to the tax on estates established on or after July 1, 1983 (June 1983 Special Session)	3.0
<u>Motor Fuels Tax</u>	
- Tax rate increased from 11 to 14 cents per gallon (effective 4/1/83)	31.0
<u>Real Estate Conveyance Tax</u>	
- A new State tax on Real Estate conveyances was established (June 1983 Special Session)	37.5
<u>Sales and Use Tax</u>	
- Exemption for seeds and fertilizer not used in the agricultural production process was repealed as of 4/1/83.	2.0
- Exemption for meals costing less than \$1 repealed 4/1/83	9.0
- The tax on business services was increased from 3.5% to 7.5%, effective 8/1/83 (June 1983 Special Session) (11 months)	33.0
<u>License, Permits and Fees</u>	
- The Alcohol Education & Treatment Fund was eliminated 7/1/83	0.8
- Various Motor Vehicle fees were increased	4.3
- Initial license application filing fee for insurance agents, brokers and public adjusters was raised to \$20 from \$5. A filing fee of \$20 was established for casualty adjusters, damage appraisers, insurance consultants and other insurance-related occupations.	0.4
- The report that stock corporations must file with The Secretary of the State is changed from annually to biennially and filing fees were increased.	1.4
- The fee on Fines for Certain Motor Vehicle violations and infractions was increased (effective 10/1/83)	0.2
<u>Fines</u>	
- Fees received by DEP to cover costs of reviewing applications for monitoring compliance with various state and federal permits was extended	0.1
- Various court fees were increased	5.0

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

Special Revenue

- Tax structure on greyhound racing was changed as follows: 0.3
  - (1) Takeout increased from 18.5% to 19%
  - (2) Tax rate increased from 8.25% to 8.5%
  - (3) Increased amount to purses from .25% to .5%
- Takeout rate for OTB on in-State racing events must be The 1.0  
rate applicable to such racing event rather than OTB rate
- Sunday off-track betting on harness or thoroughbred racing 0.8  
events at facilities equipped to receive live telecasts

**TOTAL FY 83-84      308.0**

**FY 84-85**

Inheritance & Estate Tax

- A surtax of 10% was added to the tax on estates established 9.0  
on or after July 1, 1983 (June 1983 Special Session)

Sales and Use Tax

- Tax rate on business services from 3.5% to 7.5%, eff 8/1/83 (1 month) 3.0

Miscellaneous

- Transportation Fund and Tuition Fund revenues were included in 0.3  
formula for determining FY 85 assessments to cover Insurance  
Department expenses.

Fines

- Various court fees were increased 6.7

**TOTAL FY 84-85      19.0**

**FY 85-86**

Corporation Business Tax

- Increased cash flow from change in timing of Estimated payment 0.4  
(effective 10/1/84)
- Firms are limited to 88% deduction of federal depreciation 20.0  
expense for 1985 income year. Full deduction is allowed in  
(one time)  
1986 income year and thereafter.

Public Service Corporation Tax

- The 9% tax on sales of interstate telecommunications service 20.0  
was extended to 12/31/85

License, Permits and Fees

- Inspection fee for motor vehicles over 10 yrs old increased 0.6  
from \$2 to \$10 (effective 10/1/84)

**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

- A fee of \$20 was established for the provision of expedited services by the Secretary of the State's Office (effective 7/1/85) 0.1
- Application fee - Independent social worker 0.1
- Certificate of operations fee for elevators, escalators and tramways was increased (effective 10/1/85) 0.4

Special Revenue

- Wagering on make-up performances at OTB and Teletrack was allowed when requested by facility 0.1

Miscellaneous

- Increase in the Department of Public Utility Control's appropriation, which is covered by industry assessments 0.5
- Investment income earnings of The Budget Reserve Fund were transferred to the General Fund 9.0

**TOTAL FY 85-86 51.2**

**FY 86-87**

Corporation Business Tax

- Firms are limited to 88% deduction of federal depreciation expense for 1985 income year. Full deduction is allowed in 1986 income year and thereafter. (one time) 9.0
- Maximum tax on the capital base is increased from \$100,000 to \$500,000 (effective 1/1/86) 0.5

Insurance Companies Tax

- Foreign Insurance Companies were prevented from deducting their assessments to Workers' Compensation Funds from their Premiums Tax Liability (effective 10/1/85) 4.0

Public Service Corporation Tax

- Telecommunication services which are not rate regulated are subject to 6.5% tax (effective 7/1/86) 15.0
- The existing tax on long-distance telecommunications services was extended to 6/30/86 10.0

License, Permits and Fees

- A fee of \$20 was established for the provision of expedited services by the Secretary of the State's Office (effective 7/1/85) 0.5
- Certificate of operations fee for elevators, escalators and tramways was increased (effective 10/1/85) 0.5

**TOTAL FY 86-87 39.5**

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

**FY 87-88**

Sales and Use Tax

- Non-Alcoholic beverages included in definition of meal for purposes of meals under \$2 exemption, effective 7/1/87 0.4
- Established exemption for business services provided to A company that is 100% owned or between companies 100% owned by another company. This made it clear that tax is due on services provided to or by companies that are not 100% owned. (July 1987 Special Sess) 30.0

License, Permits and Fees

- Boiler inspection fees were increased 10/1/86 0.1

Special Revenue

- A 5% tax on gross receipts from bingo was established and the sale of sealed tickets was legalized 1.6
- Changes regarding The use and payment of proceeds from dog racing 1.5

**TOTAL FY 87-88 33.6**

**FY 88-89**

Alcoholic Beverage Tax

- The excise tax on beer and wine was increased by 100% and liquor by 50% (effective 4/1/89). (1989 Regular Session) 5.8
- Beer and wine floor stock (1989 Regular Session) 2.1  
(one time)

Capital Gains, Interest and Dividends Tax

- An estimated payment of 100% of the amount due is required by the 15th day of sixth month on all capital gains realized in the first five months of the income year. (1989 Regular Session) 25.0
- The long-term exclusion for gains realized on or after 2/9/89 was repealed and the maximum tax on capital gains income was limited to 5% of adjusted gross income. (1989 Regular Session) 25.0
- The tax rates on interest and dividends were increased. (1989 Regular Session) 21.0

Cigarette Tax

- The tax on cigarettes was increased from 13 to 20 mills (or 26 to 40 cents per pack of 20), effective 4/1/89. (1989 Regular Session) 9.0
- Cigarette floor stock (1989 Regular Session) 2.5  
(one time)
- The correctional institution exemption was eliminated. (1989 Regular Session) 0.4

**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

Corporation Business Tax

- Revenue is no longer earmarked for The property tax Relief Fund 26.0
- A 15% surtax was added. This is calculated before any credit is applied against the Corporation Business Tax. The minimum tax was increased from \$100 to \$250 (1989 Regular Session) 35.0

Insurance Premiums Tax

- Changed The timing and percentage of Estimated payments due effective 1/1/89. (1989 Regular Session) 16.0  
(one time)

License, Permits and Fees

- Various new or revised fees 0.3
- Fee change for appeals process 0.5

Special Revenue

- A 5% tax on gross receipts from bingo was established and the sale of sealed tickets was legalized 1.9
- The state's off-track betting vendor was authorized to accept wagering on any type of racing event (1987 Regular Session) 1.5

**TOTAL FY 88-89 172.0**

**FY 89-90**

Alcoholic Beverage Tax

- Increased the excise tax on beer and wine 100% and liquor by 50%. 14.5

Capital Gains, Interest and Dividends Tax

- An estimated payment of 100% of the amount due is required by the 15th day of sixth month on all capital gains realized in the first five months of the income year. 5.0  
(one time)
- The long-term exclusion for gains realized on or after 2/9/89 was repealed and the maximum tax on capital gains income was limited to 5% of adjusted gross income. 73.0
- The tax rates on Interest and dividends were increased. 36.0
- Gains from The sale of Real property of nonresidents is taxable effective 1/1/90 (1990 Regular Session) 4.0

Cigarette Tax

- The tax on cigarettes was increased from 13 to 20 mills (or 26 to 40 cents per pack of 20). 31.0
- The correctional institution exemption was eliminated. 0.8
- A 20% excise tax on non-cigarette tobacco products was established. 2.0

Controlling Interest Transfer Tax

- Placed a tax of 1.0% on the value of real property when the controlling interest was transferred through the sale of stock. 0.5

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

Corporation Business Tax

- A 15% surtax was added. This is calculated before any credit is applied against the Corporation Business Tax. The minimum tax was increased from \$100 to \$250. 62.0
- The deduction for income taxes paid to other states was eliminated effective 1/1/89. 20.0
- The surtax was increased from 15% to 20% effective 1/1/89. 45.0
- The first \$25,000 of tax savings for corporations filing a combined return was eliminated effective 1/1/90. 15.0
- Tax payments collected by 8/15 are accrued to prior year 35.6  
(one time)

Occupational Tax

- The annual tax paid by attorneys was increased from \$150 to \$450. 3.0

Petroleum Company Tax

- The rate is increased from 2 to 3%. 0.0  
(Note: The \$14.2 million from this change was used to set up the Underground Storage Tank Clean-Up Fund in FY 90. In future years when the fund is above its minimum balance, the revenue reverts to the General Fund.)

Real Estate Conveyance Tax

- Increased The tax rate on residential and vacant land sales. The old tax rate was .45%. 4.5
- The portion of the purchase price below \$800,000 is taxed at .5% 4.0
- The portion over \$800,000 is taxed at 1.0% 17.0
- Increased nonresidential tax rate from .45% to 1.0%.

Sales and Use Tax

- Tax rate increased from 7.5% to 8.0%, effective 7/1/90 161.0
- The exemption on meals under \$2.00 is repealed. 20.0
- Imposed tax on natural gas, electricity and oil provided to businesses. Utilities used in manufacturing and agricultural production were excluded. An exemption was provided for the first \$150 per month of electrical usage. 71.0
- The Base of taxable enumerated services was expanded. 75.0
- Imposed tax on telecommunications services, eff 1/1/90 (6 months) 54.0
- Imposed tax on community antenna television companies, eff 1/1/90 11.0

License, Permits and Fees

- fees established for Real Estate or residential property Appraiser (1988 Regular Session) 0.6
- Fee change for appeals process (1988 Regular Session) 0.7
- Increased license fees for pistols and revolvers 0.1
- Established fees relating to hazardous waste storage 0.2
- Revised or established new court fees in Certain areas 7.7
- Increased fees in Various State agencies 20.0

**GENERAL FUND REVENUE INCREASES  
(\$ Millions)**

Fines, Escheats and Rents  
- Shortened holding period for Certain abandoned bank accounts 10.0

**TOTAL FY 89-90 804.2**

**FY 90-91**

Capital Gains, Interest and Dividends Tax  
- Gains from The sale of Real property of nonresidents is taxable effective 1/1/90 (1990 Regular Session) 6.5

Corporation Business Tax  
- The first \$25,000 of tax savings for corporations filing a combined return was eliminated effective 1/1/90 (1989 Reg. Session) 35.0  
- Second estimated payment increased from 60% to 70% eff 1/1/91 45.0  
(one time)

Inheritance Tax  
- Tax payment is due within 6 months of date of death rather than 9 months after death, effective 7/1/90 30.0  
(one time)

Insurance Premiums Tax  
- Surplus lines Insurance are collected on A Quarterly rather than A semiannual basis, effective 10/1/90 0.7  
(one time)

Sales and Use Tax  
- The interest rate on delinquent taxes was increased from 10 to 15% 2.0  
- The penalty on delinquent taxes was increased from 15 to 20% 2.0  
- Imposed tax on telecommunications services, eff 1/1/90 (6 months) 73.4  
- Imposed tax on community antenna television companies, eff 1/1/90 (1989 Regular Session) 14.0

General  
- A tax amnesty program is provided between 9/1/90 and 11/30/90 for any tax due prior to 3/31/90 10.0  
(one time)

Licenses, Permits and Fees  
- Fees for filing certain corporate documents are increased 7/1/90 1.0  
- A \$10 late fee is established for emissions inspections performed more than 30 days after expiration date effective 10/1/90 2.1

**TOTAL FY 90-91 221.7**

**FY 91-92**

Cigarette Tax  
- The rate is increased from 40 cents per pack to 45 cents, effective 10/1/91 (1991 June Special Session)(9 months) 8.5  
- Tax on floor stock as of 10/1/91 0.5  
(one time)

**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

Corporation Business Tax

- The maximum for the capital base is increased from \$0.5 million to \$1 million, effective 1/1/92 (1991 June Special Session) 16.0  
(one time)
- Thirty percent of dividends received from companies with ownership less than 20% is included in the income base (1991 June Spec Sess) 31.0  
(one time)

Gift Tax

- The tax is imposed on certain gifts valued over \$10,000 at rates from 1-6% effective 9/1/91 (1991 June Special Session) 2.5

Inheritance Tax

- Tax payment is due within 6 months of date of death rather than 9 months, effective 7/1/90 8.0  
(one time)

Marijuana Tax

- The tax is imposed on marijuana and other controlled substances effective 10/1/91. 0.1

Personal Income Tax

- The tax is imposed on Connecticut Adjusted Gross Income at 1.5% for the 1991 income year and 4.5% thereafter. A low income credit is provided and the standard deduction is phased out. Withholding begins 9/1/91. (1991 June Special Session) 1,744.7

Petroleum Company Tax

- The rate is increased from 3 to 5% effective 10/1/91 and a use tax is imposed (1991 June Special Session) 28.0

Sales and Use Tax

- Raised rate on hotel rooms from 8 to 12%, eff 10/1/91 (9 months) 8.3
- Rate on boats is lesser of Connecticut or destination state, effective 10/1/91 (9 months) 0.6
- Additions to tax base at 6%, effective 10/1/91 (9 months) 95.9

Licenses, Permits and Fees

- Implementation of revenue-related Thomas Commission recommendations effective 9/1/91 (1991 June Special Session) 0.2
- Fee established for issuing certificates of evidence of securities deposit, effective 10/1/91 0.1
- Eliminated exemption for Real Estate brokers and salesmen with appraiser's license effective 7/1/91 0.3
- Various dairy-related fees were increased 0.1
- Registration fee of \$100 per brand of motor fuel was established 0.1

**TOTAL FY 91-92 1,944.9**

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

**FY 92-93**

Cigarette Tax

- The rate is increased from 40 cents per pack to 45 cents, effective 10/1/91 (1991 June Special Session)(3 months) 3.5

Corporation Business Tax

- The maximum for the capital base is increased from \$0.5 million to \$1 million, effective 1/1/92 (1991 June Special Session) 12.0

- Thirty percent of dividends RECEIVED from Companies with ownership less than 20% is included in the income base (1991 June Spec Sess) 18.0

- Unrelated business income of nonprofit corporations is taxable, effective 1/1/92 3.0  
(one time)

Gift Tax

- The tax is imposed on certain gifts valued over \$10,000 at rates from 1-6% effective 9/1/91 (1991 June Special Session) 5.5

Medical Services Provider Tax

- A tax of 1.75% is imposed on nursing home facility net revenues between 4/1/92 and 3/31/93 (1992 May Special Session). 23.0  
(one time)

Personal Income Tax

- The tax is imposed on Connecticut Adjusted Gross Income at 4.5%. A low income credit is provided and the standard deduction is phased out. (1991 June Special Session) 448.0

- Expenses connected with income which is exempt from Federal taxation but taxable in state are deductible from income. Expenses connected with income which is not taxable in state are not deductible from income. (effective with 1992 income year) (1992 May Special Session) 1.0

Petroleum Company Tax

- The rate is increased from 3 to 5% effective 10/1/91 and a use tax is imposed (1991 June Special Session) 9.0

Sales and Use Tax

- Raised rate on hotel rooms from 8 to 12%, eff 10/1/91 (3 months) 3.7

- Rate on boats is lesser of Connecticut or destination state, effective 10/1/91 (3 months) 0.4

- Additions to tax base at 6%, effective 10/1/91 (3 months) 38.3

- Expanded definition of amusements & recreation, eff 7/1/92 1.5

General

- Taxpayers with liabilities over \$500,000 are required to transfer payments electronically effective 1/1/93. The revenue increase is due to increased investment income. (1992 May Special Session) 0.3

**GENERAL FUND REVENUE INCREASES  
(\$ Millions)**

Licenses, Permits and Fees

- Fee established for issuing certificates of evidence of securities deposit, effective 10/1/91 (1991 Regular Session) 0.1
- Various health-related professions fees are established or increased, effective 7/1/92. (1992 May Special Session) 1.5
- Various fees are established or changed effective 7/1/92 (1992 May Special Session) 15.2

**TOTAL FY 92-93 584.0**

**FY 93-94**

Cigarette Tax

- The rate is increased from 45 cents per pack to 47 cents, eff 7/1/93 3.6
- Tax on floor stock as of 7/1/93 0.2  
(one time)

Corporation Business Tax

- Unrelated business income of nonprofit corporations is taxable, effective 1/1/92 (1992 Regular Session) 2.0

Hospital Gross Receipts Tax

- An 11% tax is imposed on hospital gross earnings, effective 4/1/94. 51.0

Motor Vehicle Tire Tax

- A \$2 tax is levied on all tires sold in the state, eff 7/1/93. 5.5

Personal Income Tax

- Tax payers are required to pay The higher of their liability under the state Personal Income Tax or 23% of their federal Alternative Minimum Tax liability, effective 1/1/93. 4.6

Sales and Use Tax

- All freight and delivery charges must be included in The sales price for purposes of calculating tax liability, eff 7/1/93 1.0
- Applied 12% Room Occupancy Tax to campgrounds, eff 7/1/93 (passed 1992 Regular Session, repealed 1993 Regular Session, effective 7/1/93) 0.1
- Patient care services provided by hospitals 26.0

Licenses, Permits, Fees

- \$100 new application fee and \$50 renewal fee is applied for all X-ray technicians, effective 10/1/93. 1.0
- The massage therapist license Application fee is increased from \$100 to \$300 effective 7/1/93 (1992 Regular Session) 0.1

**GENERAL FUND REVENUE INCREASES**  
(\$ Millions)

General

- Taxpayers with liabilities over \$500,000 are required to transfer payments electronically effective 1/1/93. The revenue increase is due to increased investment income. (1992 May Special Session) 0.3
- The abandonment period for unclaimed stocks and dividends is reduced from 7 to 5 years, effective upon passage. 2.0
- Hospitals are charged an Assessment equal to The cost of operating the Commission on Hospitals and Health Care, effective 7/1/93. 2.5

**TOTAL FY 93-94 99.9**

**FY 94-95**

Cigarette Tax

- The rate is increased from 47 cents per pack to 50 cents, eff 7/1/94 5.2
- Tax on floor stock as of 7/1/94 0.3  
(one time)

Hospital Gross Receipts Tax

- An 11% tax is imposed on hospital gross earnings, effective 4/1/94. 152.3

Insurance Premiums Tax

- The tax is imposed on health maintenance organizations, eff 1/1/95. 13.3

Sales and Use Tax

- Patient care services provided by hospitals 78.0

General

- A two year pilot program is established for the sales of product advertising on lottery tickets, play slips, and other lottery media. 0.5
- Hospitals are charged an Assessment equal to The cost of operating the Commission on Hospitals and Health Care, effective 7/1/93. 0.8

Licenses, Permits, Fees

- \$100 new application fee and \$50 renewal fee is applied for all X-ray technicians, effective 10/1/93. 0.4
- Raise permit fee to sell or carry a pistol from \$25 to \$35, eff 10/1/93. 0.1

**TOTAL FY 94-95 250.9**

**FY 95-96**

Corporation Business Tax

- The Clean Air Act traffic management credit scheduled to begin with the 1995 income year is delayed until the 1997 income year. 0.5  
(one time)
- The credit for capital goods expenditures by small and medium sized firms scheduled to begin in the 1995 income year is delayed until the 1997 income year. 1.0  
(one time)

**GENERAL FUND REVENUE INCREASES**  
 (\$ Millions)

<u>Insurance Premiums Tax</u>		
- The tax is imposed on health maintenance organizations, eff 1/1/95.		8.8
<u>Public Service Companies Tax</u>		
- The repeal of the tax on private water companies is delayed from 7/1/96 to 7/1/97.		8.0 (one time)
<u>General</u>		
- A pilot program is established for the sales of product advertising on lottery tickets, play slips, and other lottery media.		1.5
- The state's participation in multi-state lottery games (Powerball).		10.0
- Tax amnesty program between 9/1/95 and 11/30/95.		31.0 (One Time)
<u>License, Permits and Fees</u>		
- Various fee increases eff 10/1/95		0.7
- \$100 fee established for out-of-state insurance adjusters, eff 1/1/96		3.6
	<b>TOTAL FY 95-96</b>	<b>65.1</b>

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

The revenue estimates below indicate the amount of additional revenue loss associated with the tax changes in each fiscal year.

**FY 71-72**

Sales and Use Tax

- The full trade-in value for cars is exempt, rather than first \$500 (6.5)

**FY 72-73**

No significant decreases

**FY 73-74**

Capital Gains & Dividends Tax

- Tax on dividends was repealed (29.0)

- A \$100 Capital Gains Tax exemption is provided for individuals who are blind or over age 65 (0.4)

Corporation Tax

- The tax alternative on asset value is reduced from 4 mills to .25 mills (5.0)

- Full use of federal loss carry forward provisions are allowed (3.0)

Motor Fuels Tax

- Gasoline for school buses and other municipal vehicles is exempt (1.0)

Sales and Use Tax

- Sales tax lowered from 7% to 6.5%, effective 7/1/73 (34.0)

- Sales tax reduced from 6.5% to 6%, effective 5/1/74 (2 months) (6.0)

- Exemptions provided for:

    Production materials (4.0)

    Motor vehicles sold out-of-state (0.3)

    Sales by non-profit organizations less than \$2 (0.1)

    Full trade-in value of boats and auto-dealer trade-ins (3.8)

    Full exemption for public utility bills is allowed, effective 3/1/74 (4 months) (1974 Regular Session) (7.0)

Tuition

- Tuition is waived for dependents of POW's or MIA's (0.6)

**TOTAL FY 73-74 (94.2)**

**FY 74-75**

Capital Gains & Dividends Tax

- A one-time exemption is allowed for the sale of a principle residence by persons over 65 (1.0)

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

Motor Fuels Tax

- One cent of the Motor fuels tax is diverted to the Transportation Fund (14.0)

Sales and Use Tax

- Sales tax reduced from 6.5% to 6%, effective 5/1/74 (10 months) (31.9)  
- Full exemption for public utility bills is allowed, effective 3/1/74 (8 mos) (14.0)

**TOTAL FY 74-75 (60.9)**

**FY 75-76**

Sales and Use Tax

- Exemptions are provided for: (0.2)  
    Ambulance-type vehicles  
    Tangible personal property for low and moderate income housing

**FY 76-77**

Sales and Use Tax

- Tax on business services is reduced from 7% to 3.5% (13.5)  
- Rate for machinery used in a production process is reduced to 3.5% (10.5)  
- Tax on real property renovation work is eliminated (3.5)  
- Exemption is provided for life preserving medical equipment (1.0)

**TOTAL FY 76-77 (24.0)**

**FY 77-78**

Sales and Use Tax

- Tax on manufacturing and farm machinery is reduced to 2.5% (3.6)  
- Exemption is provided for printed material sold out-of-state (0.5)

**TOTAL FY 77-78 (4.1)**

**FY 78-79**

Cabaret Tax

- Cabaret tax is reduced from 10% to 5% (0.8)

Public Service Corporations Tax

- Exemption is provided for railroads whose net operating income is less than 12% of their gross earnings. (0.1)

Sales and Use Tax

- Tax on manufacturing machinery is eliminated (8.2)  
- Municipalities may receive 4.5% of the tax on lodgings for visitors and convention centers or continue to receive amusements tax receipts (0.5)

**TOTAL FY 78-79 (9.6)**

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

**FY 79-80**

Corporation Tax

- Credits are allowed for cooperative work education programs (0.2)
- Credits are allowed for apprenticeship programs (0.3)

Motor Fuels Tax

- The tax on gasohol is reduced to 10 cents per gallon (0.1)

Sales and Use Tax

- Exemptions are provided for:
- Sales to senior centers (0.1)
- Motor vehicle out-of-state driving services (0.1)
- Solar energy systems (0.1)

**TOTAL FY 79-80 (0.9)**

**FY 80-81**

No decreases

**FY 81-82**

Corporation Tax

- Credit is provided for establishing A day care facility (0.1)

Sales and Use Tax

- Municipalities may establish a convention and visitor's commision and receive a portion of the sales tax collections on lodging equivalent to 4.5% of the tax (0.1)

License, Permits and Fees

- Separate tuition funds are established at UConn and the Health Center respectively (7.3)
- Active duty national guardsmen are allowed A tuition waver if they attend certain State institutions of higher education (0.2)

**TOTAL FY 81-82 (7.7)**

**FY 82-83**

Corporation Tax

- Credits are provided for: energy Conservation, Employment Training, Day Care Centers and approved municipal projects (1.0)
- Fourth base is repealed effective with income years beginning on or after 1/1/83 (November 1981 Special Session) (4.0)  
(estimated pmt.)

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

<u>Sales and Use Tax</u>		
- Exemption is provided for materials sold to radio and television when used for broadcasting to the public		(0.4)
	<b>TOTAL FY 82-83</b>	<b>(5.4)</b>
 <b>FY 83-84</b>		
<u>Corporation Tax</u>		
- Fourth base is repealed effective with income years beginning on or after 1/1/83 (November 1981 Special Session)		(15.0)
<u>Unincorporated Business Tax</u>		
- Tax is repealed effective with income years beginning on or after 1/1/83 (November 1981 Special Session)		(33.0)
<u>Special Revenue</u>		
- Municipal portion of gross wage from OTB is increased to 4/10 of 1% from .25%		(0.4)
	<b>TOTAL FY 83-84</b>	<b>(48.4)</b>
 <b>FY 84-85</b>		
<u>Capital Gains, Dividends and Interest Tax</u>		
- Sub-S Corporations may deduct the amount of interest income included in net income from interest income subject to State's interest tax (effective for tax years beginning 1/1/85)		(0.5)
- Exclude Social Security and Railroad Retirement from AGI for Dividends and Interest Tax calculation (1985 Regular Session)		(1.0)
- Interest and Dividend Tax rate reductions (1985 Regular Session)		(7.0)
- Taxpayers age 65 or over with AGI less than \$10,000, exclusive of Capital Gains, are exempt from the Capital Gains Tax (1985 Regular Session)		(0.5)
<u>Corporation Tax</u>		
- Tax Credits for day care expenditures are increased (1983 Regular Session)		(0.1)
- Tax Credits for Neighborhood Assistance Program are increased		(0.5)
- Minimum Tax is reduced from \$250 to \$100, effective with income years beginning 1/1/85 (1985 Regular Session)		(2.0)
		(estimated pmt.)
<u>Estate Income Tax</u>		
- Requirement that A Fiduciary file an estimated estate income tax is eliminated		(0.3)
		(one time)

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

<u>Motor Fuels Tax</u>	
- All revenue is transferred to the Transportation Fund	(195.0)
- Fuel purchased exclusively for use in farming is exempt	(0.2)
 <u>Public Service Corporations Tax</u>	
- The 5% tax applicable to water companies may only be levied on water companies as defined by DPUC regulation	(0.1)
 <u>Sales and Use Tax</u>	
- Exemption for clothing under \$50 (effective 4/1/85) (1985 Regular Session)	(17.0)
 <u>License, Permits and Fees</u>	
- Tuition funds received by several state institutions of higher education will be deposited to their respective accounts rather than the General Fund	(22.6)
- Motor vehicle- and transportation-related license, permits and fees were transferred to the Transportation Fund from the General Fund over a 2 year period (effective 10/1/84)	(4.8)
- All Motor vehicle-related registrations and licenses were transferred to the Transportation Fund	(80.0)
<b>TOTAL FY 84-85</b>	<b>(331.6)</b>
 <b>FY 85-86</b>	
<u>Admissions, Dues, and Cabaret Tax</u>	
- Annual dues or initiation fees less than \$100 are exempt	(0.1)
 <u>Capital Gains, Dividends and Interest Tax</u>	
- Sub-S Corporations may deduct the amount of interest income included in net income from the interest income subject to State's interest tax (effective for income years beginning 1/1/85) (1984 Regular Session)	(1.1)
- Interest and Dividend Tax rate reductions	(18.1)
- Social Security and Railroad Retirement are excluded from AGI for Dividends and Interest Tax calculation	(3.4)
- Savings account interest forfeited due to premature withdrawal is deductible from the amount of taxable interest	(0.1)
- Reduce interest and dividend tax rate (1986 Regular Session)	(8.2)
 <u>Corporation Tax</u>	
- Minimum Tax is reduced from \$250 to \$100	(2.0)
- Full depreciation expenses allowed for 1986 income yrs & thereafter	(20.0)
- Annual Credits for the Neighborhood Assistance Program were increased.	(0.5)

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

Inheritance Tax

- Succession tax exemption increases: (2.2)
- Spouse - \$100,000 to \$300,000
- Children - \$20,000 to \$50,000
- Increase from \$50,000 to \$100,000 the initial amount a surviving spouse receives from an estate when there is no will (0.1)

Public Service Tax

- tax rate on residential Sales of gas and electricity was reduced from 5% to 4% (11.7)

Petroleum Companies Tax

- Exempt Home Heating Oil from 2% tax (14.0)
- Transfer to Emergency Spill Response Fund (1.5)

Sales and Use Tax

- Exemptions: (45.0)
  - Clothing under \$50 effective 4/1/85 (9.0)
  - Clothing under \$75 effective 10/1/85 (8.0)
  - Non-prescription drugs effective 4/1/86 (2.0)
  - Seeds and fertilizer (3.1)
  - Other Sales tax reductions

Special Revenue

- A special Fund is established to pay for Greyhound urine analysis (0.3)

License, Permits and Fees

- Motor vehicle- and transportation-related license, permits and fees will be transferred to the Transportation Fund from the General Fund effective 10/1/84. (1984 Regular Session) (38.3)

**TOTAL FY 85-86 (188.7)**

**FY 86-87**

Capital Gains, Dividends & Interest Tax

- Reduce interest and dividend tax rate (20.8)

Inheritance Tax

- Succession Tax Exemption increases: (1985 Regular Session)
  - Spouse - \$100,000 to \$300,000 (6.2)
  - Children - \$20,000 to \$50,000
  - Increase from \$50,000 to \$100,000 the initial amount a surviving spouse receives from an estate when there is no will (1985 Regular Session) (0.2)
- Three year phase out of succession tax on spouses (1986 Regular Session) (1.2)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

Public Service Tax

- Residential gas and electricity rate reduced to 4% (1985 Reg Sess) (13.5)
- Two-ninths of telephone tax is paid directly to towns (23.6)

Real Estate Conveyance Tax

- Reduce real estate conveyance tax from .5% to .45% (eff 1/1/87) (3.3)

Sales and Use Tax

- Exemptions:
  - Clothing under \$75 effective 10/1/85 (1985 Regular Session) (5.0)
  - Seeds and fertilizer effective 4/1/86 (1985 Regular Session) (2.0)
  - Other Sales Tax reductions (1985 Regular Session) (0.7)
  - Meals under \$2 (20.0)
  - Cloth for home sewing of clothing (0.5)
  - Adult diapers (0.9)
  - Diabetic testing equipment (2.4)
  - First \$2,500 of funeral expenses (2.0)
  - Rate reduction from 7.5 to 5% on repair and replacement parts (2.0)
  - Sales Tax refund - \$7,500 maximum per firm (1.0)
- Tax eliminated on:
  - Any items purchased with federal food stamps (0.1)
  - Industrial, commercial testing and research services (1.6)
  - Exemption on services related to development/Production of new products or systems by joint venture firms (1.0)
  - Transfer of from General Fund to transportation Fund of 50% of Sales Tax collected on aviation fuel at Bradley Airport (0.4)

Special Revenue

- Municipal share of revenue from OTB is increased to 1% from 4/10 of one per cent, effective 1/1/87. (0.6)

Sales of Commodities and Services

- Toll moneys from the Merritt and Wilbur Cross Parkways are earmarked for a special fund effective 4/1/87 (1987 Regular Session) (2.6)

**TOTAL FY 86-87 (111.6)**

**FY 87-88**

Capital Gains, Dividends & Interest Tax

- 60% of long-term gains are excluded from the tax (141.0)

Corporation Tax

- Tax credit of 50% of cost to provide child day care subsidies to employees for certain companies (1986 Regular Session) (0.3)
- Taxpayers with an estimated liability of less than \$1,000 do not have to file estimated tax payments (1.0)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

<u>Inheritance Tax</u>	
- Three year phase out of succession tax on spouses (1986 Regular Session)	(6.2)
<u>Petroleum Companies Tax</u>	
- Propane gas sold for residential heating use is exempt	(0.1)
<u>Public Service Corporations Tax</u>	
- Competition is allowed in the provision of resale, private line and coin operated telephone services	(1.1)
- The two-ninths of the telephone tax earmarked in FY 86 for direct payment to towns is increased to three-ninths	(12.5)
<u>Real Estate Conveyance Tax</u>	
- Reduce real estate conveyance tax from .5% to .45% (eff 1/1/87) (1986 Regular Session)	(3.4)
<u>Sales and Use Tax</u>	
- Exemptions:	
Aviation Fuel used in experimental testing	(0.4)
Sales of eye medication	(0.1)
Collection agency business services	(1.0)
Exemption increased for items costing less than \$15 to less than \$100 for sales at non-profit nursing homes, convalescent homes or adult care centers	(0.1)
<u>Special Revenue</u>	
- Municipal share of revenue from OTB is increased to 1% from 4/10 of one per cent, effective 1/1/87. (1986 Regular Session)	(0.6)
- The tax rate on dog racing is reduced to 7.25% from 8.5%	(1.5)
<u>Sales of Commodities and Services</u>	
- Tolls on Merritt and Wilbur Cross Parkways transferred to special fund for toll plaza removal effective 7/1/87 (1986 Regular Session)	(10.0)
<b>TOTAL FY 87-88</b>	<b>(179.3)</b>

**FY 88-89**

<u>Inheritance Tax</u>	
- Three year phase out of succession tax on spouses (1986 Regular Session)	(22.6)
- Pension plan payments of self-employed individuals are excluded from the gross taxable estate	(1.0)
<u>Sales and Use Tax</u>	
- Exemption for Metro-North Commuter Railroad Company and the Metropolitan Transit Authority	(0.3)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

- Eliminate sunset provision for the exemption for business services provided between affiliated companies. (60.0)

**TOTAL FY 88-89 (83.9)**

**FY 89-90**

Capital Gains, Dividends & Interest Tax

- Exemption for capital gains that result from the trading or holding of dealer equity options (0.2)

Inheritance Tax

- Three year phase out of Succession tax on spouses (1986 Reg. Ses.) (5.0)

**TOTAL FY 89-90 (5.2)**

**FY 90-91**

Corporation Tax

- Liability calculated on the capital base is limited to A \$50,000 maximum for regulated investment companies or real estate investment trusts beginning 1/1/91. Liability for these companies is limited to \$500,000 for 1986 to 1990 income years. (2.0)  
(one year)

Public Service Corporations Tax

- Tax rate on community antenna television companies is reduced from 9% to 5% (11.0)  
 - The tax on telecommunications services is repealed effective 1/1/90 (112.4)

Sales and Use Tax

- The definition of consulting services is narrowed effective 7/1/90 (0.3)  
 - Consignment fees from Sales of works of art or clothing are exempt from taxable enumerated services effective 7/1/90 (0.4)  
 - Molds, dies, patterns and sand handling equipment used in metal casting sold after 4/1/85 are exempt effective 7/1/90 (0.2)

**TOTAL FY 90-91 (124.3)**

**FY 91-92**

Capital Gains, Interest and Dividends Tax

- Tax rates are reduced to approximately 2/3 of prior rates for the 1991 income year and eliminated thereafter (318.2)

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

Corporation Tax

- Liability calculated on the capital base is limited to A  
\$50,000 maximum for regulated investment companies or real  
estate investment trusts beginning 1/1/91. Liability for these  
companies is limited to \$500,000 for 1986 to 1990 income years. (1.7)
- The 20% surtax is reduced to 10% beginning 1/1/92. (32.0)

Sales and Use Tax

- The rate is reduced from 8% to 6% effective 10/1/91 (450.6)
- Various goods and services are exempted eff 10/1/91 (PA 91-3)(at 6%) (14.3)
- Taxpayers may use cash-basis accounting for state if using it for  
federal purposes (estimate at 6%) (7.5)  
(one time)

**TOTAL FY 91-92 (824.3)**

**FY 92-93**

Capital Gains, Interest and Dividends Tax

- Tax rates are reduced to approximately 2/3 of prior rates for the  
1991 income year and eliminated thereafter (223.3)

Corporation Tax

- The surtax is removed effective 1/1/93. (59.0)

Personal Income Tax

- Intervivos trusts are taxed based on the number of  
beneficiaries living in state (effective 1/1/93) (1.0)  
(one time)
- Estimated payments on nonwithheld income are required if tax  
liability is expected to exceed \$200 (effective 1/1/93) (2.0)  
(one time)

Sales and Use Tax

- The rate is reduced from 8% to 6% (1991 June Special Session,  
effective 10/1/92) (195.0)
- Various goods and services are exempted eff 10/1/91 (PA 91-3)(at 6%) (5.2)
- Various goods and services are exempted eff 7/1/92 (PA 92-17&133) (6.9)
- Out-of-state boat purchasers must sign A residency affidavit (0.5)
- Computer and data processing services are exempt in certain  
cases effective 1/1/93 (3.0)
- The manufacturing exemption is broadened (6.0)
- Aviation gasoline is exempt from the tax at 2.5% (0.8)
- Golf services at municipal courses are exempt prior to 1/1/93 (1.0)  
(one time)

**TOTAL FY 92-93 (280.4)**

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

**FY 93-94**

Admissions Tax

- Exemptions for Beehive Stadium, the William O'Neal Center, The New Britain Veterans Memorial Stadium, and the Tennis Center of Connecticut, effective 1/1/94 (0.3)
- The Tennis Center of Connecticut exemption is made effective 7/1/93 (0.2)  
(one time)

Alcoholic Beverage Tax

- The tax rate for small wineries (production of up to 55,000 gallons annually) is reduced from \$.60 to \$.15 per gallon, effective 7/1/93. (0.1)

Corporation Tax

- The surtax is removed effective 1/1/93. (59.0)
- A research and development credit is established (effective 1/1/93) (3.5)
- Mutual funds and real estate investment trusts (REITs) are exempt from the tax, effective with the 1993 income year. (0.9)
- The interest rate is reduced from 20% to 15%, effective with the 1994 income year. (0.5)

Oil Companies Gross Receipts Tax

- Kerosene Fuel used for home heating is exempt, effective 10/1/93. (0.2)

Personal Income Tax

- Taxpayers are not subject to penalties or interest resulting from underpayment of estimated tax due for the 1992 income year. (2.0)  
(one time)
- Estimated payments are conformed to the federal IRS code, effective 1/1/93. (5.0)  
(one time)
- The percentage of social security benefits which is included in state adjusted gross income is limited to the percentage that was taxable under the 1993 federal income tax rules. The change is effective with the 1994 income year. (4.0)

Public Service Corporations Gross Receipts Tax

- The 5% tax on electricity and natural gas to manufacturers in SIC 2000-3999 is reduced to 4%, effective 1/1/94 (2.7)

Sales and Use Tax

- The manufacturing exemption is broadened (1992 Regular Session, effective 7/1/92) (4.0)
- Licensed massage therapist services are exempt (1992 Regular Session exemption is effective 7/1/92 but the licensing program is not in operation until 7/1/93) (0.2)
- Computer and data processing services are exempt in certain case (1992 Regular Session, effective 1/1/93) (5.0)
- Aviation repair parts and services are exempt, (1992 Regular Session, effective 7/1/93) (9.8)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

- Equipment, tools, and materials used exclusively to manufacture optical lenses, effective 7/1/93.	(0.2)
- Various goods and services are exempt, effective 1/1/94	(4.6)
- Sales to nonprofit elderly, rest and nursing homes eff 1/1/94	(0.1)
- Repealed 12% Room Occupancy Tax on campgrounds, effective 7/1/93	(0.1)
- Sample drugs available by prescription, given to doctors for no consideration, eff 1/1/90	(1.0)
<u>Licenses, Permits, Fees</u>	
- The \$500 fee for ambulatory facilities operated by municipal health departments, health districts, license nonprofit nursing or community health agencies and well child clinics is eliminated, the fee per infirmary is reduced from \$500 to \$75 and a \$25 per bed fee is created, effective 7/1/93.	(0.1)
<u>Special Revenue</u>	
- Off-track betting system privatization with a 3.5% tax imposed on the private provider based on the total amount wagered, effective 7/1/93.	(6.6)
- Tax rate on Jai Alai is reduced from a 6.75% flat rate to a sliding scale from 2% - 4%. The tax rate on dog racing is reduced from 5% - 8.5% to 2% - 4%, effective 7/1/93.	(8.4)
<b>TOTAL FY 93-94</b>	<b>(118.5)</b>

**FY 94-95**

Admissions Tax

- Carnival and amusement rides are exempted from the tax, effective effective 7/1/94.	(0.1)
- Exemptions for Beehive Stadium, the William O'Neal Center, The New Britain Veterans Memorial Stadium, and the Tennis Center of Connecticut, effective 1/1/94	(0.4)

Corporation Tax

- The corporate income tax rate is reduce from 11.5% to 11.25%, beginning with the 1995 income year.	(6.6)
- A credit is provided which is equal of the cost of: (1) the construction new filling stations or improvements to existing stations which provide compressed natural gas, liquefied petroleum gas or liquefied gas, and (2) the conversion of motor vehicles so they can use these fuels or electricity. The credit is effective for the 1994 through 1998 income years.	(0.7)
- The manufacturing exemption is broadened (1992 Regular Session)	(13.0)
- The interest rate is reduced from 20% to 15%, effective with the 1994 income year.	(2.0)
- The date when companies may claim a tax credit equal to 5% of their incremental employee training expenses is changed from 1/1/95 to 1/1/94.	(0.8) (one time)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

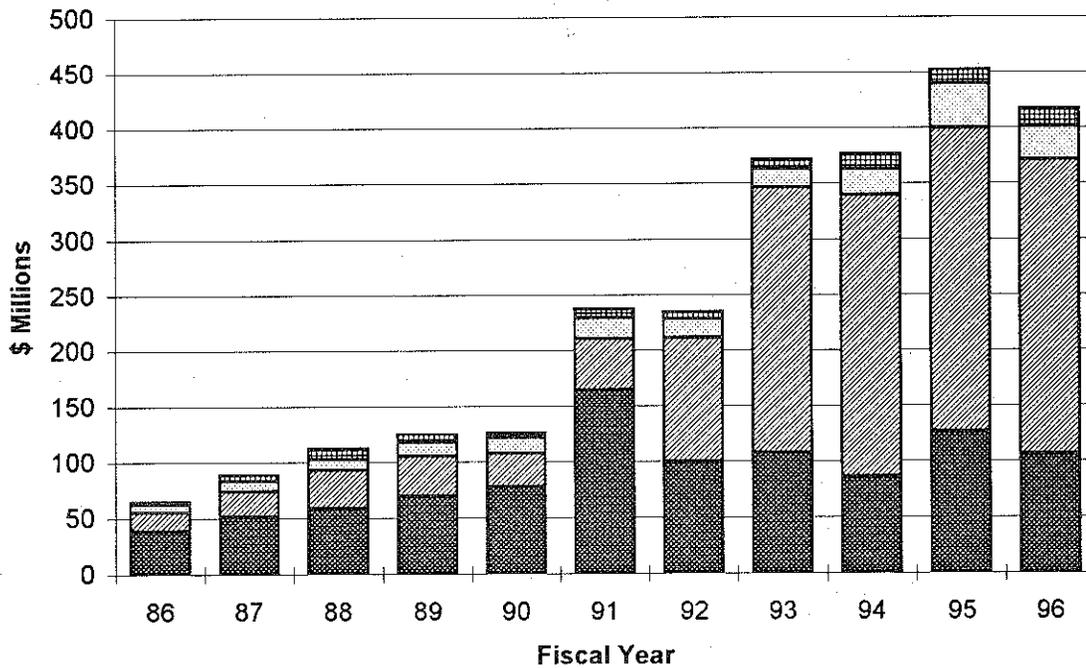
- Unpaid loss reserve adjustment required by the federal code for non-life insurance companies shall not be deducted from gross income effective with the 1994 income year.	(0.5)
<u>Insurance Premiums Tax</u>	
- Rate is reduced from 2% to 1.75%, effective 1/1/95.	(4.0)
<u>Public Service Corporations Gross Receipts Tax</u>	
- The 5% tax on electricity and natural gas to manufacturers in SIC 2000-3999 is reduced to 4%, effective 1/1/94	(5.4)
<u>Personal Income Tax</u>	
- The structure for the credit is changed, effective with the 1995 income year.	(4.0)
- The percentage of social security benefits which is included in state adjusted gross income is limited to the percentage that was taxable under the 1993 federal income tax rules. The change is effective with the 1994 income year.	(6.0)
<u>Sales and Use Tax</u>	
- Various goods and services are exempted, eff 1/1/94 and 1/1/95.	(1.7)
<b>TOTAL FY 94-95</b>	<b>(45.2)</b>
<b>FY 95-96</b>	
<u>Corporation Tax</u>	
- The credit for apprenticeship wages is increases from \$2.50/hr to \$4.00/hr and the maximum credit allowed is increased from \$3,000 \$4,800 per year effective with the 1994 income year.	(0.1)
- The interest rate on underpayments is reduced 15% to 12%. The interest rate paid by the state refunds of overpayments is reduced from 9% to 8%. The rate changes are applicable to taxes due on or after 7/1/95.	(0.6)
- The creation of the Clean Air Act traffic management credit for expenses associated with Clean Air Act attainment standards. Firms may claim up to \$250 per employee. All companies combined are limited to \$1.5 million per year.(Delayed from 1995 to 1997 income year)	0.0
- The creation of a new form of business called a limited liability company (LLC), which took effect 7/1/93. An LLC combines the limited liability characteristics of a corporations with the tax status of partnerships, which allows income to be passed through and taxed at the member level.	(3.0)
- The corporate income tax rate is reduce from 11.25% to 11% by PA 93-74 and reduced from 11% to 10.75% by PA 95-160 beginning with the 1996 income year.	(20.3)
- The interest rate is reduced from 20% to 15%, effective with the 1994 income year.	(2.5)

**GENERAL FUND REVENUE DECREASES**  
(\$ Millions)

- Employer assisted housing credit up to \$100,000 effective with the 1994 income year	(1.0)
- The date when companies may claim a tax credit equal to 5% of their incremental employee training expenses is changed from 1/1/95 to 1/1/94.	(1.6) (one time)
- Capital goods credit for small to medium sized companies (Delayed from the 1995 to 1997 income year)	0.0
 <u>Insurance Premiums Tax</u>	
- Rate is reduced from 2% to 1.75%, effective 1/1/95.	(3.0)
 <u>Personal Income Tax</u>	
- The structure for the credit is changed, effective with the 1995 income year.	(5.5)
- The percentage of social security benefits which is included in state adjusted gross income is limited to the percentage that was taxable under the 1993 federal income tax rules. The change is effective with the 1994 income year.	(6.0)
- The rate is reduced from 4.5% to 3.0% for the first \$9,000 of taxable income for Joint filers, \$7,000 for Head of Household filers, and \$4,500 for Single filers.	(6.0)
 <u>Public Service Corporations Gross Receipts Tax</u>	
- The 5% tax on electricity and natural gas to manufacturers in SIC 2000-3999 is reduced to 4%, effective 1/1/94	(5.6)
 <u>Sales and Use Tax</u>	
- The manufacturing exemption is broadened	(52.0)
- Interest rate for underpayments is reduced from 20% to 12%, effective for taxes due on or after 7/1/95.	(1.1)
- Repair services to hearing aid are exempted effective.	(0.2)
- Sales on computer and data processing services and equipment under certain conditions.	(0.3)
- Exemption for the trade-in allowance on remanufactured core components for trucks with a gross vehicle rating of more than 26,000 pounds.	(0.1)
- Oxygen, blood, or blood plasma for medical use in animals is exempted.	(0.1)
 <u>General</u>	
- PA 94-4 MSS reduced the interest rate on underpayments from 15% to 12% for Sales and Use and Corporate Taxes. PA 95-26 and PA 95-359 reduce the interest rate for all other taxes to 12% annually. The interest rate paid by the state refunds of overpayments is reduced from 9% to 8%. The rate changes are applicable to taxes due on or after 7/1/95.	(0.1)

**TOTAL FY 95-96 (109.1)**

## Refund of Taxes FY 82 - FY 96



■ Corporate Tax    ▨ Personal Income Tax    □ Other    ▩ Sales Tax

### Refund of Taxes (\$ Millions)

Fiscal Year	Sales Tax	Corp. Tax	Personal Income Tax*	Other**	Total
1986	2.8	38.4	16.6	6.9	64.7
1987	5.7	51.3	22.5	9.2	88.7
1988	10.2	58.6	34.2	9.3	112.3
1989	7.2	69.1	35.9	12.6	124.8
1990	4.5	77.1	30.3	14.3	126.2
1991	8.4	164.4	45.9	18.7	237.4
1992	7.0	99.7	111.0	17.2	234.9
1993	9.0	107.4	238.8	16.3	371.5
1994	14.4	85.8	253.3	22.6	376.1
1995	13.1	126.8	272.7	39.7	452.3
1996	16.5	105.7	265.0	29.7	416.9

\*Prior years to FY 92 is only Capital Gains, Interest & Dividends.

\*\*Includes Transportation and Other Funds.

**PENALTY AND INTEREST REVENUE FROM ALL STATE TAXES**  
(\$ Millions)

Fiscal Year	Total Interest	Total Penalty	Total All Taxes Penalty & Interest
1984	\$25.9	\$11.7	\$37.6
1985	37.7	15.2	52.9
1986	48.6	16.1	64.7
1987	43.3	17.5	60.8
1988	41.3	11.5	52.8
1989	58.7	14.7	73.4
1990	75.0	8.9	83.9
1991	79.7	16.4	96.1
1992	70.7	15.2	85.9
1993	73.6	14.7	88.3
1994	75.9	17.5	93.4
1995	80.4	20.2	100.6
1996	50.2	13.8	64.0

Note: For most taxes, excluding Sales and Use and Income Taxes, the penalty for late payment of the tax is \$50 or 10% of the tax due, whichever is greater. The penalty for late payment of Sales and Use Tax owed is 15% of the amount due, or \$50, whichever is greater. The penalty for late payment of Income Tax is 10% of the balance due. Interest is also charged on a monthly basis, and, effective for taxes owed on or after 7/1/95, is 1% per month or 12% annually. Prior to 7/1/95 the interest rate varies by tax type

**PENALTY AND INTEREST REVENUE BY MAJOR TAX SOURCE**  
(\$ Millions)

Fiscal Year	Corporation Tax		Sales and Use Tax		Capital Gains, Dividends & Interest		Personal Income Tax	
	Interest	Penalty	Interest	Penalty	Interest	Penalty	Interest	Penalty
1984	\$11.2	\$1.2	\$6.3	\$3.8	\$0.8	\$6.5	NA	NA
1985	21.4	1.7	9.4	5.0	2.5	7.2	NA	NA
1986	22.2	2.1	17.6	5.1	3.1	7.8	NA	NA
1987	21.2	2.4	15.7	5.9	3.2	7.9	NA	NA
1988	18.1	0.8	21.3	4.8	1.9	6.9	NA	NA
1989	34.6	1.1	20.3	12.2	1.6	0.7	NA	NA
1990	32.5	0.5	35.3	6.6	1.8	0.4	NA	NA
1991[1]	33.9	1.0	28.8	8.3	3.4	3.0	NA	NA
1992	41.7	1.5	21.3	7.2	2.0	4.2	0.4	1.2
1993	36.2	2.7	30.2	5.9	NA	NA	1.9	3.5
1994	34.7	2.6	30.2	6.7	NA	NA	4.1	5.0
1995	30.8	1.4	33.3	11.9	NA	NA	6.1	4.1
1996	24.5	0.6	16.3	6.8	NA	NA	6.1	3.3

[1] PA 91-3(JSS) imposed a tax on the income of individuals, trusts, and estates derived from in-state sources beginning in the 1991 income year. After 1/1/92 the capital gains tax was eliminated, and all income derived from capital is taxable under the personal income tax.

Source: The Department of Revenue Services

## DATES OF ADOPTION OF MAJOR STATE TAXES BY STATE

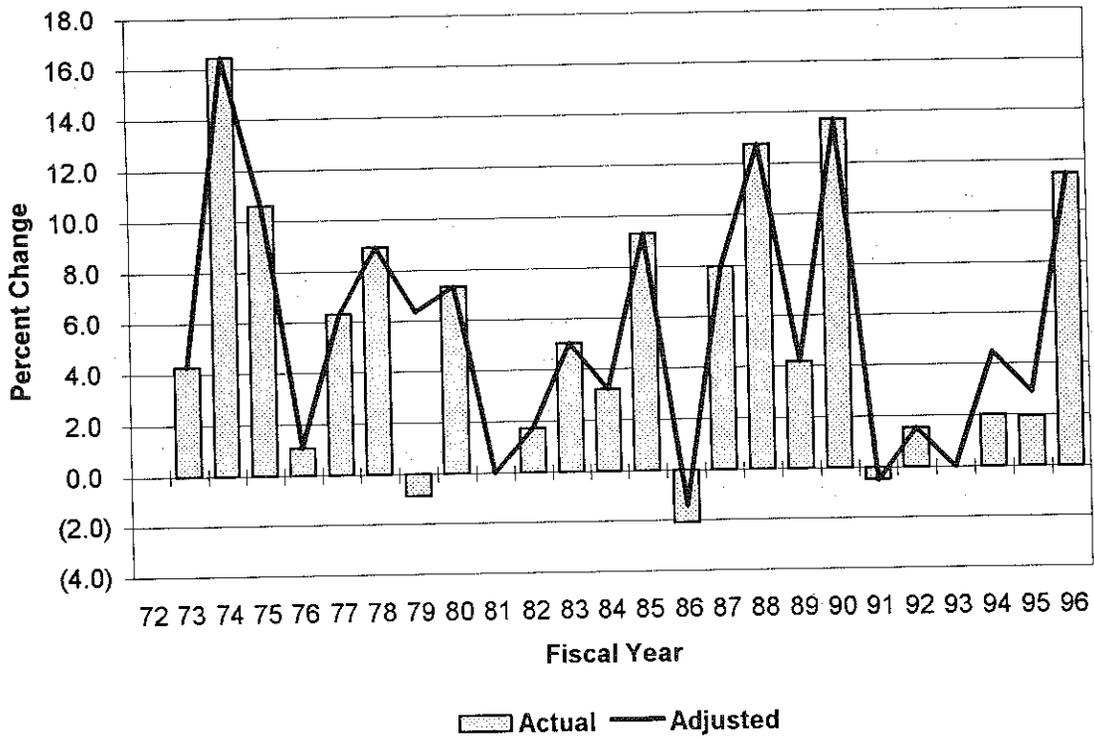
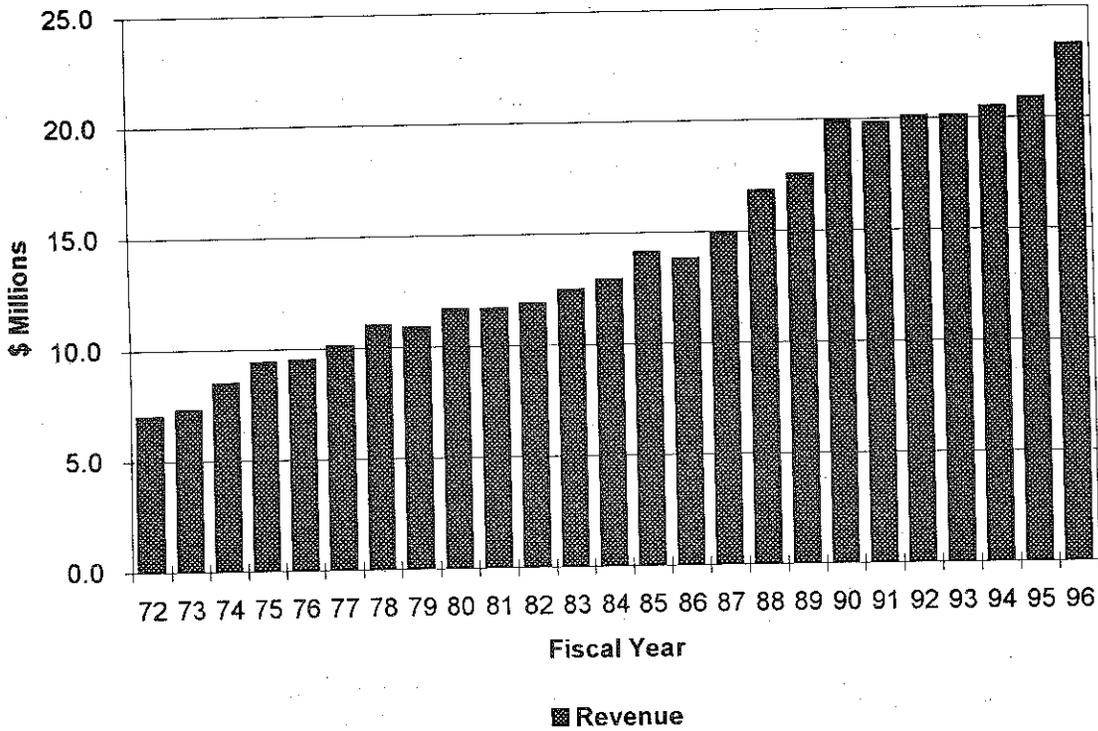
State	Individual Income	Corporate Income	General Sales	Gasoline	Cigarettes	Distilled Spirits
Alabama	1933	1933	1936	1923	1935	-
Alaska	1949 [b]	1949	-	1946	1949	1945
Arizona	1933	1933	1933	1921	1933	-
Arkansas	1929	1929	1935	1921	1929	1935
California	1935	1929	1933	1923	1959	1935
Colorado	1937	1937	1935	1919	1964	1933
Connecticut	1969 [c]	1915	1947	1921	1935	1937
Delaware	1917	1957	-	1923	1943	1933
Florida	-	1971	1949	1921	1943	1935
Georgia	1929	1929	1951	1921	1937	1937
Hawaii	1901	1901	1935	1932	1939	1939
Idaho	1931	1931	1965	1923	1945	-
Illinois	1969	1969	1933	1927	1941	1934
Indiana	1963	1963	1933	1923	1947	1933
Iowa	1934	1934	1933	1925	1921	-
Kansas	1933	1933	1937	1925	1927	1948
Kentucky	1936	1936	1960	1920	1936	1934
Louisiana	1934	1934	1938	1921	1932	1934
Maine	1969	1969	1951	1923	1941	-
Maryland	1937	1937	1947	1922	1958	1933
Massachusetts	1916	1919	1966	1929	1939	1933
Michigan	1967	1967	1933	1925	1947	-
Minnesota	1933	1933	1967	1925	1947	1934
Mississippi	1912	1921	1932	1922	1932	1966
Missouri	1917	1917	1934	1925	1955	1934
Montana	1933	1917	-	1921	1947	-
Nebraska	1967	1967	1967	1925	1947	1935
Nevada	-	-	1955	1923	1947	1935
New Hampshire	1923 [b]	1970	-	1923	1939	-
New Jersey	1976	1958	1966	1927	1948	1933
New Mexico	1933	1933	1933	1919	1943	1934
New York	1919	1917	1965	1929	1939	1933
North Carolina	1921	1921	1933	1921	1969	-
North Dakota	1919	1919	1935	1919	1927	1936
Ohio	1971	1971	1934	1925	1931	-
Oklahoma	1915	1931	1933	1923	1933	1959
Oregon	1930	1929	-	1919	1965	-
Pennsylvania	1971	1935	1953	1921	1937	-
Rhode Island	1971	1947	1947	1925	1939	1933
South Carolina	1922	1922	1951	1922	1923	1935
South Dakota	-	-	1933	1922	1923	1935
Tennessee	1931 [b]	1923	1947	1923	1925	1939
Texas	-	-	1961	1923	1931	1935
Utah	1931	1931	1933	1923	1923	-
Vermont	1931	1931	1969	1923	1937	-
Virginia	1916	1915	1966	1923	1960	-
Washington	-	-	1933	1921	1935	-
West Virginia	1961	1967	1933	1923	1947	-
Wisconsin	1911	1911	1961	1925	1939	1934
Wyoming	-	-	1935	1923	1951	-

[a] Excludes excises by the states that own and operate liquor stores, and by North Carolina where county stores operate under state supervision.

[b] Taxes are limited: New Hampshire and Tennessee (interest and dividends). Alaska abolished its individual income tax in 1980.

[c] Connecticut established a capital gains tax in FY 1969, a dividends tax in FY 1972, an interest tax in FY 1984 and an earned income tax in FY 1992.

# Admissions, Dues and Cabaret Collections and Growth Rates FY 72 - FY 96



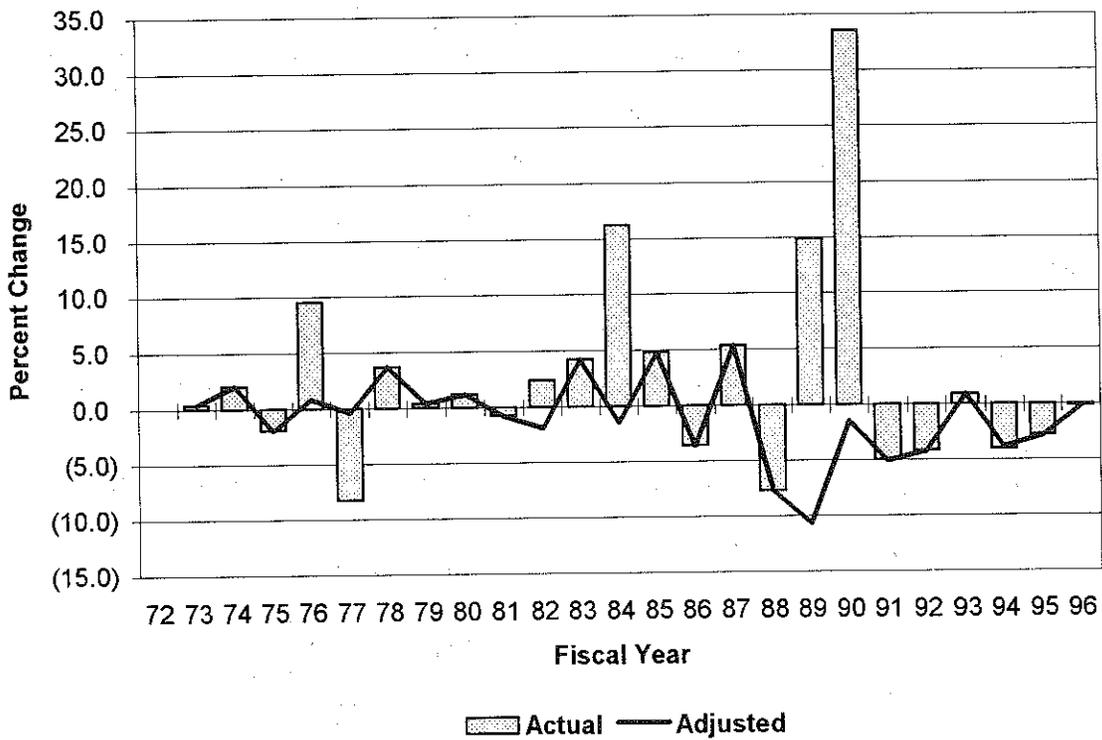
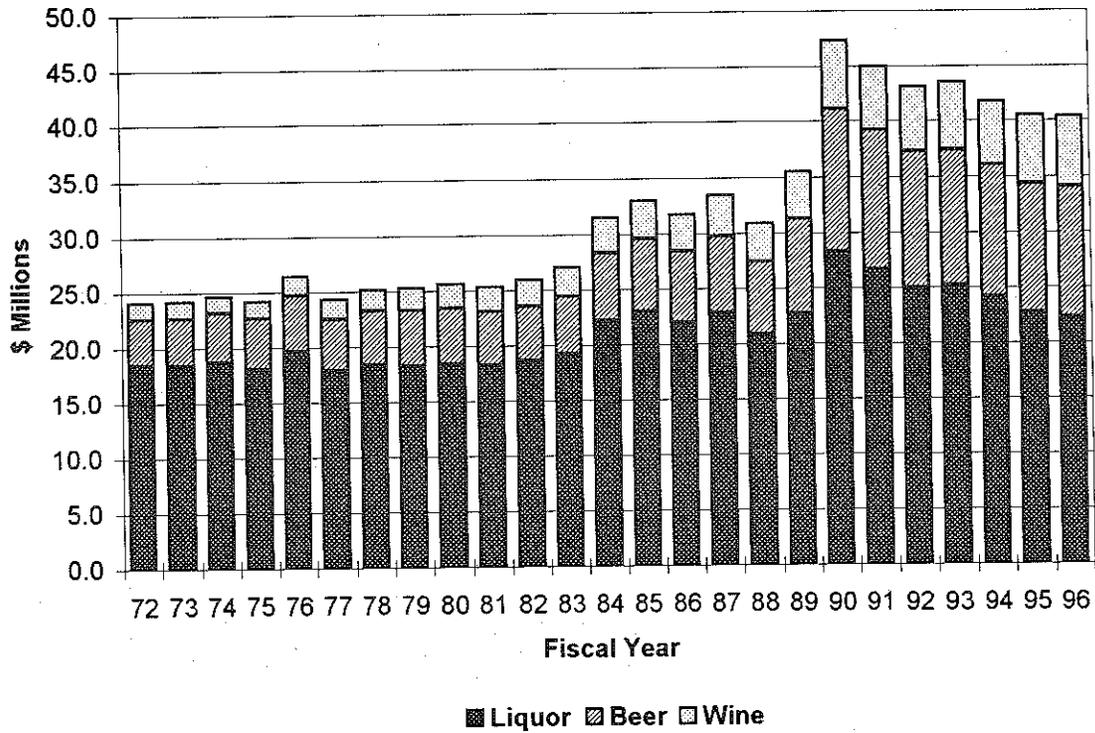
**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

### ADMISSIONS, DUES AND CABARET TAX

Fiscal Year	Revenues (\$000)	Rate	Base Change
1972	7,038	10%	
1973	7,302	10%	Cabaret tax is not imposed on places providing the music of a single instrumental performer.
1974	8,548	10%	Exemption: for charges paid by members of a senior citizens center as long as the charge to a single event is paid for groups of at least ten persons
1975	9,384	10%	
1976	9,538	10%	
1977	10,139	10%	
1978	11,028	10%	The exemption allowed single instrumental performers is extended to all single performers
1979	10,902	10%, 5%	Cabaret tax reduced to 5% from 10%
1980	11,685	10%, 5%	
1981	11,705	10%, 5%	
1982	11,935	10%, 5%	
1983	12,460	10%, 5%	
1984	12,941	10%, 5%	
1985	14,144	10%, 5%	
1986	13,829	10%, 5%	Annual dues or initiation fees which are less than \$100 are exempt from the dues tax
1987	14,948	10%, 5%	
1988	16,813	10%, 5%	
1989	17,543	10%, 5%	1) Live performances held at non-profit theaters or or playhouses are exempt from Admissions Tax 2) Admissions Tax exemption increased from \$1 to \$2
1990	19,850	10%, 5%	
1991	19,779	10%, 5%	
1992	20,119	10%, 5%	
1993	20,118	10%, 5%	PA 93-3 and PA 93-74 create exemptions for Beehive Stadium, the Wm. O'Neill Center, the Tennis Foundation of CT, and the New Britain Memorial Stadium from the admissions tax.
1994	20,486	10%, 5%	PA 94-4 (May S. S.) exempts carnival or amusement ride charges from the admissions tax beginning 7/1/94.
1995	20,875	10%, 5%	
1996	23,334	10%, 5%	
1997	21,700	10%, 5%	

Budget Act

# Alcoholic Beverage Tax Revenues Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## ALCOHOLIC BEVERAGE TAX

Fiscal Year	Revenues (000)	Base Change
1972	24,109	
1973	24,212	
1974	24,703	
1975	24,248	
1976	26,475	
1977	24,335	
1978	25,216	
1979	25,309	
1980	25,634	The amount of alcoholic beverages that an individual may bring into the state without owing tax is increased from 1 to 4 gallons.
1981	25,397	5 year moratorium on new package store permits (Eff. 6/8/81).
1982	25,969	Eliminated minimum mark-up on beer and alcohol (1/1/82)
1983	27,076	<ol style="list-style-type: none"> <li>1) Eliminated minimum mark-up on wine (1/1/83.)</li> <li>2) Sunday liquor sales authorized for cafes.</li> <li>3) Package, drug &amp; grocery stores may sell liquor on Election Day and Independence Day if also a Saturday (10/1/82).</li> <li>4) Legal drinking age is raised from 18 to 19 (7/1/82).</li> </ol>
1984	31,501	<ol style="list-style-type: none"> <li>1) The legal drinking age is raised 19 to 20 (10/1/83).</li> <li>2) Eliminated the revolving fund established to pay for alcohol education and treatment program. All fund monies and future revenue collections will be deposited into the General Fund.</li> <li>3) Established two classes of liquor permits at Bradley International Airport. Night club permit cost is \$3000 for a restaurant and \$1,200 for a bar.</li> <li>4) All rates increase by 20%:               <ul style="list-style-type: none"> <li>(8/1/83) Beer - \$3.00/bbl</li> <li>Distilled liquor - \$3.00/gal</li> <li>Wine - \$.30/gal</li> <li>Sparkling wine - \$.75/gal</li> </ul> </li> </ol>
1985	32,997	
1986	31,785	<ol style="list-style-type: none"> <li>1) Ended 5 year moratorium on new package store permits (7/1/86)</li> <li>2) The legal drinking age is raised from 20 to 21 (9/1/85).</li> <li>3) Eliminated night club liquor permits.</li> </ol>
1987	33,450	
1988	30,919	Reduction in tax rate from \$3/gal to \$1.35/gal on wine (7/1/87)
1989	35,492	<p>All rates increased:</p> <ul style="list-style-type: none"> <li>(4/1/89) Beer - \$6.00/bbl</li> <li>Distilled liquor - \$4.50/gal</li> <li>Wine - \$.60/gal</li> <li>Sparkling wine - \$1.50/gal</li> <li>Wine cooler - \$2.05/gal</li> </ul>

## ALCOHOLIC BEVERAGE TAX

Fiscal Year	Revenues (000)	Base Change
1990	47,359	
1991	45,002	
1992	43,120	
1993	43,486	
1994	41,746	Separate tax levied on small wineries (under 55,000 gal/yr) established.
1995	40,497	
1996	40,400	
1997	41,400	PA 96-220
	Budget Act	<ol style="list-style-type: none"> <li>1) Allows farm wineries to sell wine by the glass and bottle for on premise consumption.</li> <li>2) Allows hard cider permit holders to make, store, bottle, distribute, and sell at wholesale and retail apple wine with upto 15% alcohol.</li> <li>3) The sunset date that allowed brew pubs which held a permit on 1/1/94 to sell beer for off-premise consumption until 10/1/96 is eliminated.</li> <li>4) Allows the purchase for consumer aged 21 or over to brew beer for personal or family use.</li> </ol>

### ALCOHOLIC BEVERAGE TAX RATES

Fiscal Year	Malt Beverages		Wine Under 21% Alcohol	Wine Over 21% Alcohol & Sparkling Wines	Small Wineries	Distilled Liquor	Alcohol	Liquor Based Coolers
	(\$/bbl)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)
1972	2.5	0.0833	0.25	0.625		2.50	2.50	
1973	2.5	0.0833	0.25	0.625		2.50	2.50	
1974	2.5	0.0833	0.25	0.625		2.50	2.50	
1975	2.5	0.0833	0.25	0.625		2.50	2.50	
1976	2.5	0.0833	0.25	0.625		2.50	2.50	
1977	2.5	0.0833	0.25	0.625		2.50	2.50	
1978	2.5	0.0833	0.25	0.625		2.50	2.50	
1979	2.5	0.0833	0.25	0.625		2.50	2.50	
1980	2.5	0.0833	0.25	0.625		2.50	2.50	
1981	2.5	0.0833	0.25	0.625		2.50	2.50	
1982	2.5	0.0833	0.25	0.625		2.50	2.50	
1983	2.5	0.0835	0.25	0.625		2.50	2.50	
1984	3.0	0.1000	0.30	0.750		3.00	3.00	
1985	3.0	0.1000	0.30	0.750		3.00	3.00	
1986	3.0	0.1000	0.30	0.750		3.00	3.00	
1987	3.0	0.1000	0.30	0.750		3.00	3.00	
1988	3.0	0.1000	0.30	0.750		3.00	3.00	1.35 [1]
1989	3.0	0.1000	0.30	0.750		3.00	3.00	1.35
1990	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1991	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1992	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1993	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1994	6.0	0.2000	0.60	1.500	0.15 [2]	4.50	4.50	2.05
1995	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
1996	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05

[1] Prior to PA 87-574, liquor based coolers were taxed as distilled liquor.

[2] Prior to PA 93-74, small wineries (under 55,000 gal/yr) were taxed as wine under 21% alcohol.

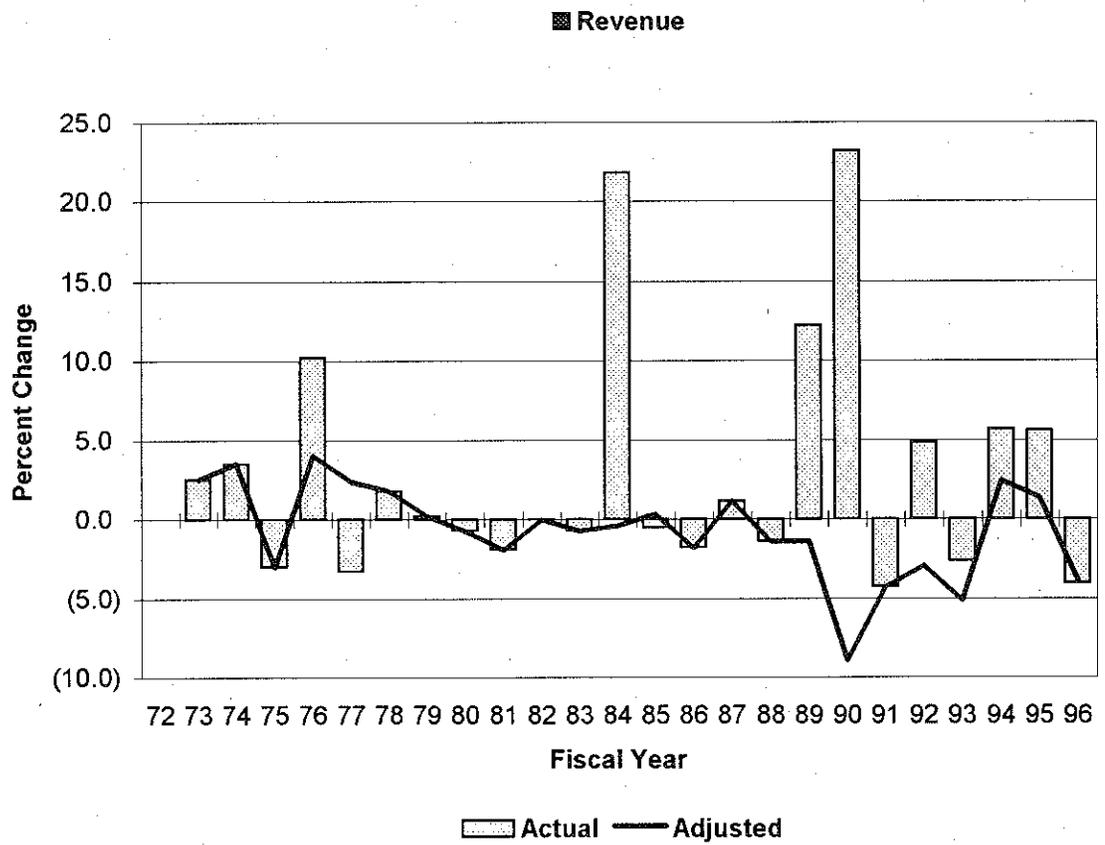
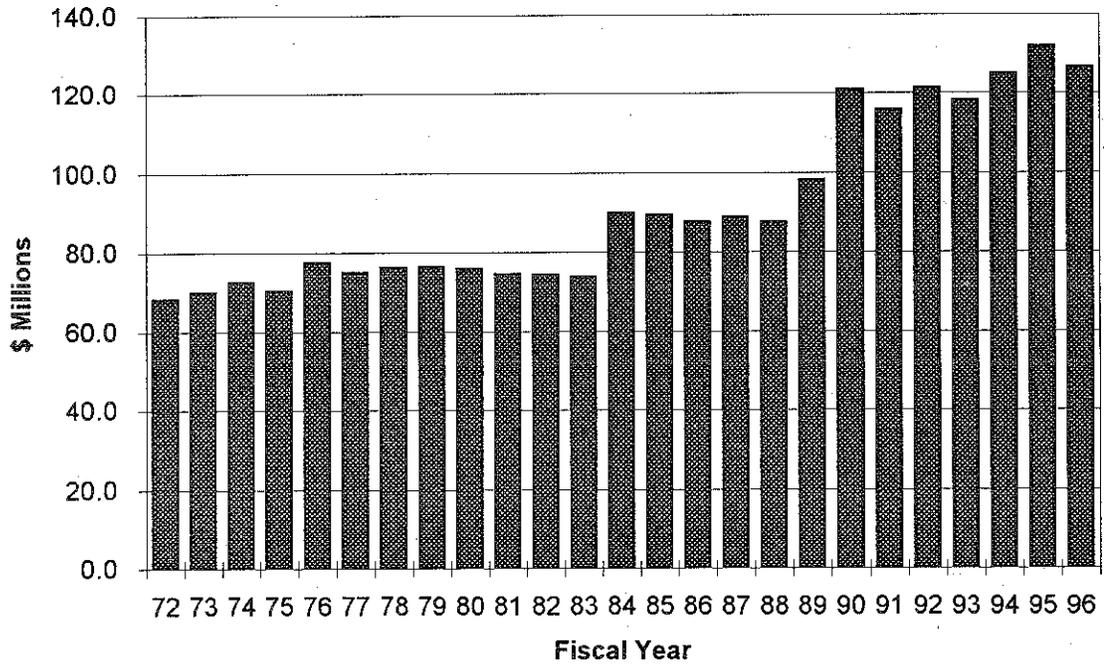
Source: The Annual Report of the State Comptroller and Comparative Statement of Alcoholic Beverage Sales, Department of Revenue Services.

## ALCOHOLIC BEVERAGE TAX REVENUE

Fiscal Year	Total Revenue (000)	Malt Beverages		Wine	Wine Over	Distilled Liquor (000)	Alcohol (000)	Liquor Based Coolers (000)	Small Wineries (000)
		bbl (000)	gal (000)	Under 21% Alcohol (000)	21% Alcohol & Sparkling Wines (000)				
1972	\$24,109	\$555	\$3,601	\$1,230	\$262	\$18,441	\$20		
1973	24,212	615	3,661	1,289	238	18,390	19		
1974	24,703	653	3,821	1,306	216	18,687	20		
1975	24,248	678	3,952	1,351	200	18,046	21		
1976	26,475	744	4,291	1,533	211	19,672	24		
1977	24,335	699	3,961	1,550	206	17,896	23		
1978	25,216	691	4,168	1,696	224	18,411	26		
1979	25,309	706	4,354	1,781	226	18,212	30		
1980	25,634	782	4,270	1,924	234	18,384	40		
1981	25,397	905	4,006	2,003	252	18,184	47		
1982	25,969	879	4,053	2,096	286	18,619	37		
1983	27,076	884	4,282	2,274	353	19,250	33		
1984	31,501	952	5,160	2,651	488	22,214	36		
1985	32,997	958	5,596	2,847	556	23,002	37		
1986	31,785	896	5,563	2,761	560	21,936	68		
1987	33,450	933	5,953	3,079	599	22,738	147		
1988	30,919	861	5,717	2,894	576	20,655	134	\$82	
1989	35,492	1,168	7,379	3,530	673	22,489	158	94	
1990	47,359	1,739	11,108	5,306	926	27,772	180	326	
1991	45,002	1,796	10,747	4,947	854	25,936	153	569	
1992	43,120	1,827	10,427	5,016	795	24,413	135	507	
1993	43,485	1,853	10,358	5,299	795	24,556	151	473	
1994	41,747	1,738	10,214	4,924	707	23,423	263	471	\$7
1995	40,497	1,590	10,049	5,429	679	22,390	210	140	10
1996	40,400	1,551	10,212	5,626	691	21,960	190	160	10

Source: The Annual Report of the State Comptroller and Comparative Statement of Alcoholic Beverage Sales, Department of Revenue Services.

# Cigarette Tax Collections and Growth Rates FY 72 - FY 96



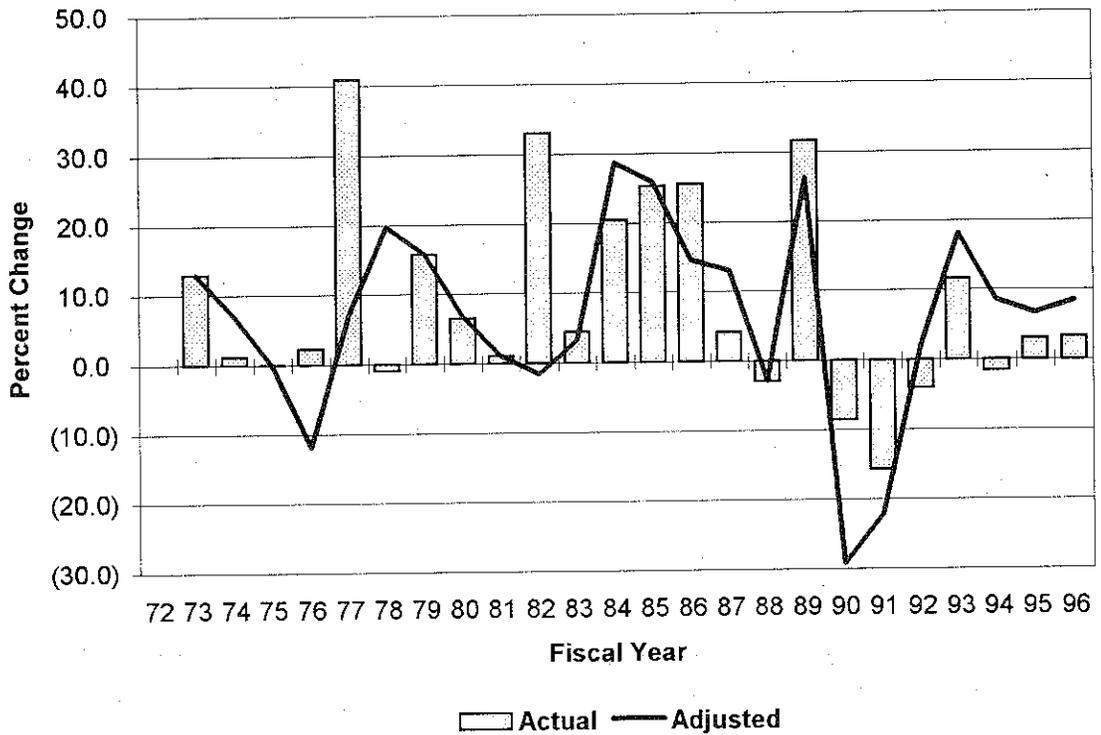
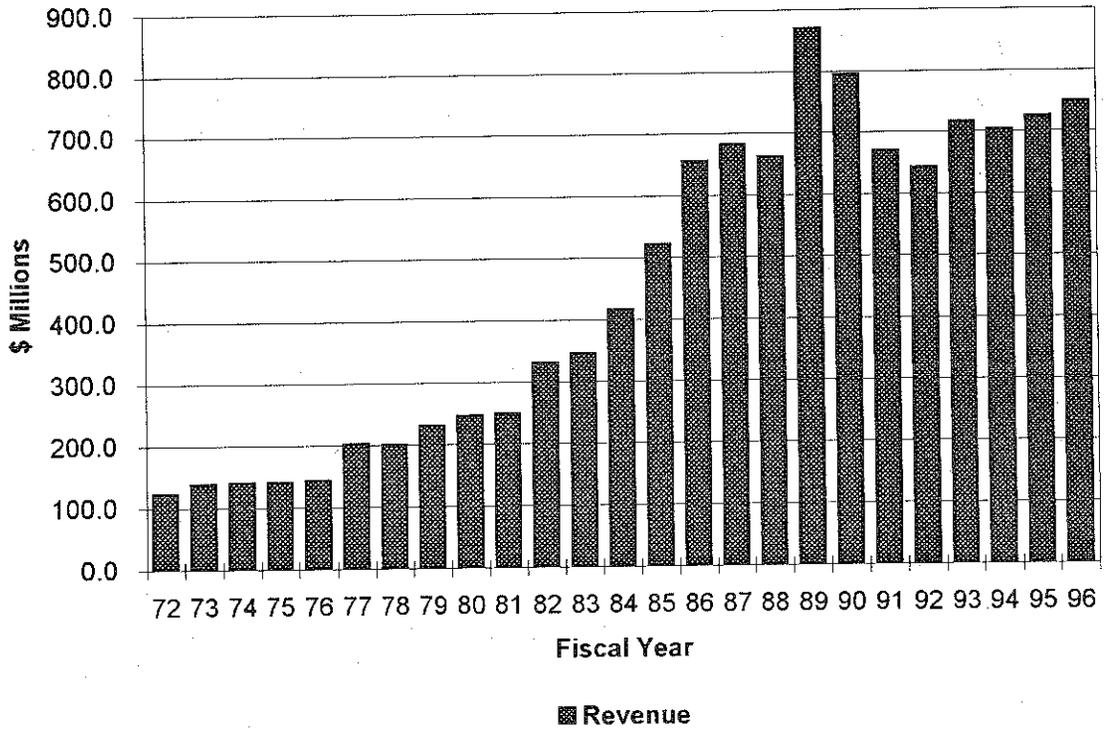
**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

## CIGARETTE TAX

Fiscal Year	Revenues (\$000)	Tax Rate (\$/pack)	Base Change
1972	68,223	0.21	
1973	69,939	0.21	
1974	72,400	0.21	
1975	70,219	0.21	
1976	77,364	0.21	
1977	74,820	0.21	
1978	76,176	0.21	
1979	76,347	0.21	
1980	75,793	0.21	
1981	74,319	0.21	Cigarettes subject to sales tax (tobacco products has been subject to the Sales and Use Tax).
1982	74,295	0.21	
1983	73,753	0.21	
1984	89,831	0.26	Effective 8/1/83
1985	89,334	0.26	
1986	87,715	0.26	If the federal excise tax on cigarettes is ever reduced, the state excise tax will increase by the amount of the federal excise tax reduction.
1987	88,738	0.26	
1988	87,464	0.26	
1989	98,143	0.26	
1990 [1]	120,888	0.40	PA 89-16 (effective 4/1/89): (a) Tax rate increased from 26 to 40 cents per pack. (b) Exemption for cigarettes sold at correctional institutions is eliminated.  PA 89-251 Imposes 20% Tobacco Products Tax on non-cigarette tobacco items.
1991	115,676	0.4	
1992	121,266	0.45	PA 91-3 (JSS) increased rate, effective 10/1/91.
1993	118,110	0.45	
1994	124,793	0.47	PA 93-74 increased rate, effective 7/1/93.
1995	131,762	0.50	PA 93-74 increased rate, effective 7/1/94.
1996	126,384	0.50	
1997	124,200	0.50	
	Budget Act		

[1] FY 90 and all subsequent years include revenue from the 20% excise tax on non-cigarette tobacco products.

# Corporation Tax Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## CORPORATION TAX

Fiscal Year	Revenues (\$000)	Rate	Base Changes
1972	122,660	8.0	
1973	138,648	8.0	
1974	140,197	8.0	
1975	140,048	8.0	
1976	143,207	10.0	
1977	201,742	10.0	Accelerated payments
1978	199,569	10.0	
1979	231,140	10.0	A credit against the state corporation business tax is allowed equal to 25% of the portion to tax which is allocable to new, expanded, or substantially renovated manufacturing facility in an economically distressed municipality.
1980	246,139	10.0	Tax credit allowed for: <ol style="list-style-type: none"> <li>(1) An approved cooperative work education occupations programs. The credit is equal to 10% of wages paid by an employer to a qualified high school student. The maximum credit is \$300 per income year.</li> <li>(2) Apprenticeship training in the machine tool and metal trades. The credit equals \$2.50 per hour of training and may not exceed the lesser of \$3,000 or 50% of wages paid in any income year.</li> </ol>
1981	248,720	10.0	
1982	330,673	10.0	<ol style="list-style-type: none"> <li>(1) (a) effective tax rate goes to 10% from 9.1%;                (b) tax on capital base is increased to 3.1 mills from .31 mills;                (c) the minimum tax is increased to \$250 from \$50.</li> <li>(2) A tax credit (up to 25% of cost) is provided for establishing a day care facility.</li> <li>(3) An exemption is provided for the earnings of International Banking Facilities.</li> <li>(4) A new fourth base is established for calculating tax liability (corporations whose gross receipts exceed \$50,000 must calculate their tax liability on the base of a 5% tax on 50% of their net income and compensation paid to officers and owners of more than 1% of the common stock.)</li> <li>(5) (a) The corporation business tax on dividends is eliminated;                (b) The allocation formula is eliminated and all business income is distributed to Connecticut on the basis of the apportionment factor;                (c) The sales factor is to be double weighted in arriving at the apportionment factor.</li> <li>(6) The urban jobs tax credit is increased to 50% from 25% for that portion of tax allocable to a manufacturing facility located in an enterprise zone.</li> <li>(7) <i>Effective with income years beginning on or before 1/1/82, corporate taxpayers must make an estimated payment of 60% of their tax liability or \$250 whichever is greater, during the sixth month of their income year. An additional payment, bringing the total estimated payment to 80%, is required during the twelfth month.</i></li> </ol>

## CORPORATION TAX

Fiscal Year	Revenues (\$000)	Rate	Base Changes								
			(8) Accelerated Cost Recovery System (ACRS) is disallowed (eff 1/1/81) (A description of ACRS is included under Business Taxes.)								
1983	345,508	10.0	<p>(1) Exemption for gains resulting from the sale or exchange on cattle raised from birth on a farm in Connecticut. (To qualify for the exclusion at least 75% of a taxpayers gross income must be derived from farming).</p> <p>(2) Calculation of tax liability on bases of net income plus compensation to owners and officers is repealed with income years beginning 1/1/83.</p> <p>(3) Various tax credits are provided to business firms choosing to engage in various community service activities as follows (1/1/82):</p> <table style="margin-left: 40px; width: 100%;"> <thead> <tr> <th style="text-align: left;">Project</th> <th style="text-align: right;">Credit</th> </tr> </thead> <tbody> <tr> <td>(a) Energy conservation and employee training</td> <td style="text-align: right;">70%</td> </tr> <tr> <td>(b) Eligible program as determined by municipality</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>(c) Child Day Care Centers</td> <td style="text-align: right;">50%</td> </tr> </tbody> </table> <p>(4) Businesses located in enterprise zones are ineligible to receive the 50% urban jobs tax credit if a firm has relocated to a designated enterprise zone from a distressed municipality or an area eligible for enterprise zone designation.</p>	Project	Credit	(a) Energy conservation and employee training	70%	(b) Eligible program as determined by municipality	50%	(c) Child Day Care Centers	50%
Project	Credit										
(a) Energy conservation and employee training	70%										
(b) Eligible program as determined by municipality	50%										
(c) Child Day Care Centers	50%										
1984	416,067	11.5	<p>(1) Rate increases effective with income years beginning 1/1/83.</p> <p>(2) Tax credit for expenditures for day care is increased to \$20,000 from \$10,000.</p>								
1985	521,315	11.5	(1) Corporate tax credits are increased under the Neighborhood Assistance Program.								
1986	654,772	11.5	<p>(1) Corporations may only deduct 88% of there federal depreciation expense for income year 1985. The full deduction is allowed for income year 1986 and thereafter. (A description of ACRS is include under Business Taxes.)</p> <p>(2) The minimum tax is reduced from \$250 to \$100 (1/1/85)</p> <p>(3) Neighborhood assistance: Annual tax credit is increased to \$2 million from \$1.5 million (7/1/85).</p> <p>(4) The tax exemption for companies providing alternative energy systems is extended for three years, until FY 1987.</p>								
1987	681,909	11.5	<p>(1) Regulated investment companies and real estate investment trusts will no longer be allowed a deduction for dividends paid when determining the tax on their capital base (10/1/86).</p> <p>(2) Maximum tax on capital base is increased from \$100,00 to \$500,000 (1/1/86).</p> <p>(3) Neighborhood Assistance tax credits increased to a maximum \$3 million per year from \$2 million (1/1/86)</p>								

## CORPORATION TAX

Fiscal Year	Revenues (\$000)	Rate	Base Changes
			<p>(4) A tax credit of \$250,000 per year for all firms is available to businesses providing subsidies to employees for child day care. Tax credit is 50% of cost of subsidy (7/1/86).</p> <p>(5) A tax credit for 50% of donations to the Rental Housing Assistance Trust Fund is allowed up to a limit of \$25,000 in credits per firm annually; the annual limit for all firms is \$500,000 (1/1/86 but not after 1/1/88).</p>
1988	661,296	11.5	<p>(1) Taxpayers with estimated liability less than \$1,000 are not required to file estimated payments (1/1/87)</p> <p>(2) July 1987 Special Session: A residential property tax relief fund is established and for FY 1989 a portion of the corporation tax is earmarked as follows: FY 1989-1991: 1/23 of Corp. Tax FY 1992: 1/46 of Corp. Tax</p>
1989	870,028	11.5	<p>(1) Earmarking of revenue for the Property Tax Relief Fund begun in the July 1987 Special Session is eliminated</p>
1990	794,083	11.5	<p>(1) PA 89-16 (a) A 15% surtax is added and the minimum tax is increased from \$100 to \$250 (1/1/89) (b) The timing and percentage of estimated payment due is changed (1/1/89)</p> <p>(2) PA 89-251 (a) The deduction for income taxes paid to other states is eliminated (1/1/89) (b) The surtax is increased from 15% to 20% (1/1/89) (c) The first \$25,000 of tax savings for firms filing a combined return eliminated (1/1/90)</p>
1991	669,038	11.5	<p>(1) PA 90-148 - The second estimated payment is increased from 60% to 70% (1/1/91)</p> <p>(2) PA 90-174 - Liability calculated on the capital base is limited to \$50,000 maximum for regulated investment companies or real estate investment trusts beginning 1/1/91. Liability for 1986 to 1990 income year is limited to \$500,000 (7/1/90).</p>
1992	641,446	11.5	<p>(1) PA 91-3 (JSS) (a) The 20% surtax is reduced to 10% for 1992 income years. (b) The maximum for the capital base is increased from \$0.5 million to \$1 million, effective 1/1/92. (c) Thirty percent of dividends received from companies in which ownership is less than 20% must be included in the net income base, effective 1/1/91</p>

**CORPORATION TAX**

Fiscal Year	Revenues (\$000)	Rate	Base Changes															
			(2) PA 91-179 provides a credit for up to 10% of the cost of operating natural gas-powered vehicles for the 1991 and 1992 income years.															
1993	715,159	11.5	<p>(1) PA 91-3 (JSS) eliminates the 10% surtax for 1993 income years.</p> <p>(2) PA 92-124 applies the tax to unrelated business income of nonprofit corporations, beginning with 1992 income years.</p> <p>(3) PA 92-193 establishes credits for research and development, job training and technology-related research and development grants to state colleges and universities. The credits are phased in over a period of years.</p> <p>(4) PA 92-250 establishes a credit for manufacturing or other economic-base businesses based upon the number of new employees and square feet occupied, effective with 1993 income years.</p>															
1994	703,513	11.5	<p>(1) PA 93-74 makes the following changes:</p> <p>(a) The tax rate is reduced as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">income years beginning</th> <th style="text-align: left;">on or after:</th> <th style="text-align: left;">New tax rate</th> </tr> </thead> <tbody> <tr> <td></td> <td>1/1/95</td> <td>11.25%</td> </tr> <tr> <td></td> <td>1/1/96</td> <td>11.00%</td> </tr> <tr> <td></td> <td>1/1/97</td> <td>10.50%</td> </tr> <tr> <td></td> <td>1/1/98</td> <td>10.00%</td> </tr> </tbody> </table> <p>(b) Mutual funds and real estate investment trusts (REITS) are exempted from the tax effective with 1993 income years.</p> <p>(c) The interest rate for the tax is reduced from 20% to 15%, effective with 1994 income years.</p> <p>(2) PA 93-74 and 332 provide that the unpaid loss reserve adjustment required by the federal code for non-life insurance companies shall not be deducted from gross income, effective with 1993 income years.</p> <p>(3) PA 382 provides a 5% credit for small- and a 10% credit for medium-sized companies for the increase in capital goods expenditure over the prior year, effective with 1995 income years.</p> <p>(4) PA 93-433 provides a 1-6% credit for research and development expenditures, effective with 1993 income years. The credit is subject to certain employment restrictions.</p> <p>(5) PA 93-267 creates a new form of business called Limited Liability Company (LLC), effective 10/1/93.</p> <p>(6) PA 93-311 creates entertainment districts where certain entertainment-related businesses may be eligible for the same benefits that applies to businesses located within enterprise zones.</p>	income years beginning	on or after:	New tax rate		1/1/95	11.25%		1/1/96	11.00%		1/1/97	10.50%		1/1/98	10.00%
income years beginning	on or after:	New tax rate																
	1/1/95	11.25%																
	1/1/96	11.00%																
	1/1/97	10.50%																
	1/1/98	10.00%																
1995	724,709	11.5, 11.25	<p>(1) PA 94-4 (May S. S.) makes the following changes:</p> <p>(a) Increases credit for apprenticeship wages from \$2.50 per hr to \$4.00 per hr and the maximum credit allowed from \$3,000 to \$4,800 per year, effective 1/1/94.</p>															

## CORPORATION TAX

Fiscal Year	Revenues (\$000)	Rate	Base Changes												
			<ul style="list-style-type: none"> <li>(b) Creates a credit for 50% of the traffic management program expenses related to attainment of Clean Air Act standards, 1/1/95.</li> <li>(c) Expands the 5% credit provided by PA 93-382 for machinery and equipment expenditures to companies employing 250-500 employees is expanded to include businesses with up to 800 employees, effective 1/1/95.</li> <li>(d) Creates a credit for 100% of Property Tax paid on data processing equipment, effective with Property Tax paid on the 10/1/94 grand list.</li> </ul>												
			<ul style="list-style-type: none"> <li>(2) PA 94-170 provides a credit which is equal to 50% of the cost of:               <ul style="list-style-type: none"> <li>(1) the construction of new filling stations which provide compressed natural gas, liquefied petroleum gas or liquefied natural gas, and</li> <li>(2) the conversion of motor vehicles so they can use these fuels or electricity. This credit is effective for the 1994--1998 income years.</li> </ul> </li> <li>(3) PA 94-4 exempts cooperative housing corporations from the tax, effective with the 1990 income year.</li> <li>(4) PA 94-1 (Oct S. S.) Allows foreign banks to open certain federal- or state-licensed branches and other banking offices in Connecticut. It makes these foreign banks and other financial institutions eligible for up to \$145 million in state tax credits over 15 years if they meet certain building and job creation requirements.</li> </ul>												
1996	748,063	11.25, 10.7	<ul style="list-style-type: none"> <li>(1) PA 95-160 contains the following provisions:               <ul style="list-style-type: none"> <li>(a) The tax rate reduction schedule contained in PA 93-74 is modified as follows:                   <table border="1" style="margin-left: 40px; border-collapse: collapse; width: 60%;"> <thead> <tr> <th style="text-align: left;">income years beginning on or after</th> <th style="text-align: left;">Tax Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1/1/96</td> <td style="text-align: center;">10.75</td> </tr> <tr> <td style="text-align: center;">1/1/97</td> <td style="text-align: center;">10.50</td> </tr> <tr> <td style="text-align: center;">1/1/98</td> <td style="text-align: center;">9.50</td> </tr> <tr> <td style="text-align: center;">1/1/99</td> <td style="text-align: center;">8.50</td> </tr> <tr> <td style="text-align: center;">1/1/00</td> <td style="text-align: center;">7.50</td> </tr> </tbody> </table> </li> <li>(b) Delays the Clean Air Act traffic management credit that was scheduled to take effect beginning with the 1995 income year to the 1997 income year.</li> <li>(c) Delays the credit for capital goods expenditures by small- and medium-sized firms that was scheduled to take effect beginning with the 1995 income year to the 1997 income year.</li> <li>(d) The credit against the Insurance Premiums Tax provided in PA 94-4 (MSS) for 100% of the property tax paid on data processing equipment is delayed from the 10/1/94 grand list to the 10/1/96 grand list. No change for the Corporate tax credit.</li> </ul> </li> <li>(2) PA 95-129 modifies the 50% tax credit for firms moving into the state which construct a building of at 900,000 sq. ft. and locate 2,000 jobs in state. The Act provides a 40% credit for the location of 1,600 jobs in state or a 30% credit for 1,200 jobs located in state.</li> </ul>	income years beginning on or after	Tax Rate	1/1/96	10.75	1/1/97	10.50	1/1/98	9.50	1/1/99	8.50	1/1/00	7.50
income years beginning on or after	Tax Rate														
1/1/96	10.75														
1/1/97	10.50														
1/1/98	9.50														
1/1/99	8.50														
1/1/00	7.50														

## CORPORATION TAX

**Fiscal Year      Revenues (\$000)      Rate**

### Base Changes

- (3) PA 95-284 provides a tax credit for firms that participate in qualified plastics trades apprenticeship programs. The credit is for up to \$4,800 per apprentice and is applicable beginning with the 1995 income year.
- (4) PA 95-327 allows corporations the option of making estimated payments based on (1) their current year's estimated liability or (2) a percentage of their prior year's estimate tax payment. The percentages for option (2) are as follows:

Income Year	%
1996	200%
1997	175%
1998	150%
1999	125%
2000	100%

- (5) PA 95-288 creates a tax credit for firms which invest in the Critical Industries Development Account.
- (6) PA 95-334 expands the definition of a manufacturing facility to include plant, buildings, or other real property for purpose of identifying a manufacturing firm located anywhere in a town within an entertainment district.
- (7) PA 95-283 extends the tax exemption for new and newly acquired manufacturing machinery from four to five years and makes machinery and equipment used in producing motion pictures and video and sound recordings eligible for the exemption.
- (8) PA 95-15 modifies tax credit for expenditures related to alternative vehicle fuels and extends the sunset date.
- (9) PA 95-268 modifies the Neighborhood Assistance Act and transfers responsibility from the Department of Social Services to the Department of Revenue Services.
  - (a) Requires DRS to prorate the tax credits available to business if the total amount of credits exceeds the statutory \$3 million limit.
  - (b) It lowers the tax credit for most programs from 50% to 40% of the amount invested.
  - (c) Allows tax credit only for cash assistance.
  - (d) It limits the ability to carry tax credits backwards to the two preceding years and repeals the carry forward.
  - (e) Reduces the amount of investment in any one program may qualify for from \$300,000 to \$150,000.
- (10) PA 95-325 makes expenditures related to the Clean Air Act traffic management credit made between 1/1/95 and 1/1/97, eligible for the tax credit in 1997.

## CORPORATION TAX

Fiscal Year	Revenues (\$000)	Rate	Base Changes
1997	682,200 Budget Act	10.75, 10.50	(1) PA 96-175 phases out the tax on the net income of subchapter S corporations by reducing the percentage which is taxable. The phase-out is as follows:

Beginning on or after	% of Net Taxable Income
January 1, 1997	90%
January 1, 1998	75%
January 1, 1999	55%
January 1, 2000	30%
January 1, 2001	Exempt

- (2) PA 96-144 contained the following provisions
- (a) provides a tax credit for machinery and equipment purchased between January 1, 1995 to May 30, 1995 for companies who employ up to 800 employees. Companies that have up to 250 employees are eligible of a credit of 10% the equipment's purchase price, while companies with between 250 and 800 employees are eligible for a 5% credit of the purchase price. The credit must be taken against a company's 1997 liability.
  - (b) extends back the credit for property tax on data processing on insurance, hospital, and medical services corporations, railroad and utility companies, and air carriers to income years starting on or after 1/1/95.
  - (c) allows the carry forward of the credit for property tax on data processing equipment for five succeeding years provided the taxpayer has applied all other credits allowed by law and the property tax credit exceeds its remaining liability.
- (3) PA 96-265 requires motor carriers to apportion their income based on the relative number of miles drive in state. Effective beginning with the 1996 income year.
- (4) PA 96-252 allows biotechnology companies to carry forward the existing 20% credit for research and development expenses. The credit applies to the amount a company spends on research and development that exceeds the amount it spent in the prior year. The Act allows the credit to carried forward for up to 15 years. Effective beginning with the 1997 income year.
- (5) PA 96-197 exempts out-of-state Connecticut corporations from the state's corporation business tax if their only contact with the state is participation as a limited partner in an investment partnership.
- (6) PA 96-253 exempts banks, insurers, and investment companies from the corporate business tax if all of their business is outside the United States, and if the company's headquarters is located within a special export zone in Hartford.
- (7) PA 96-104 exempts out-of-state companies engaged in business with in state printers provided the companies whose only activities in the

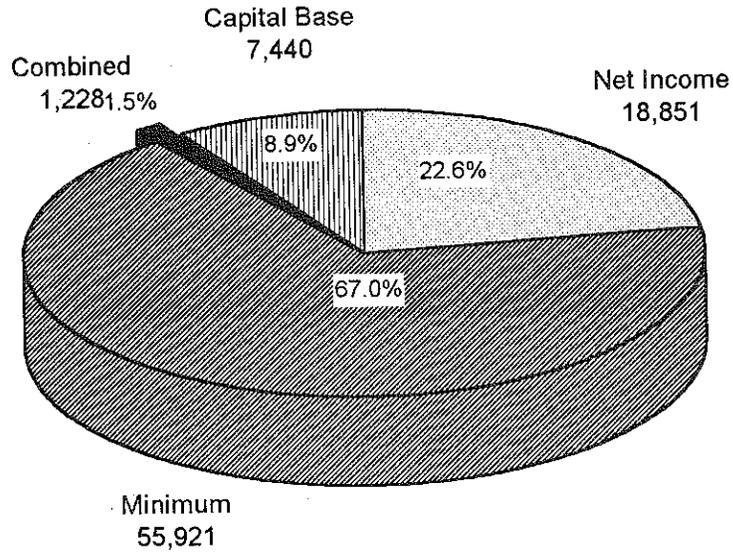
## CORPORATION TAX

Fiscal Year	Revenues (\$000)	Rate	Base Changes
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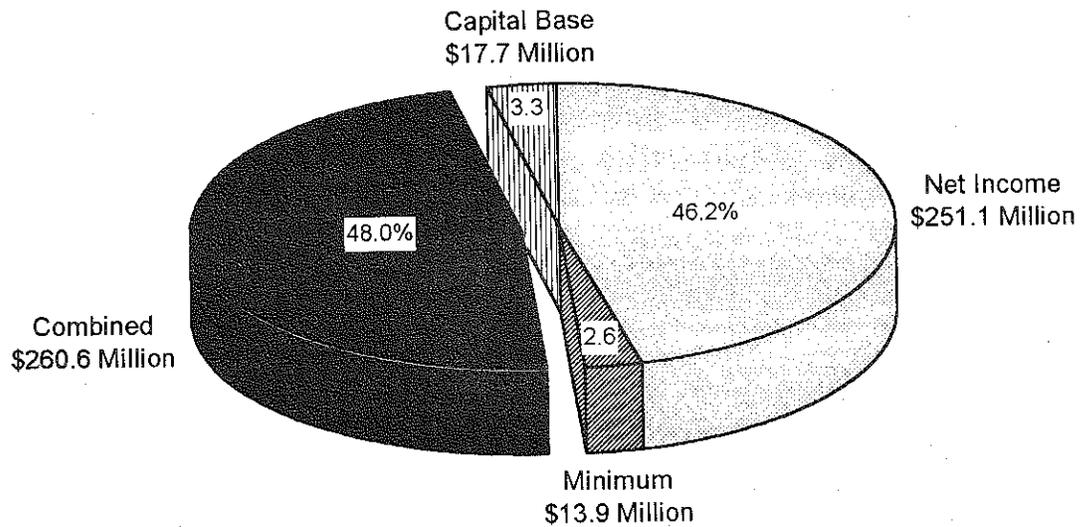
- state are related to a contract with in-state commercial printers to print and distribute printed material.
- (8) PA 96-111 provides investment companies to use a different apportionment formula to determine corporate tax liability based on the shareholder or accounts that are domiciled in Connecticut effective beginning with the 1996 income year.
  - (9) PA 96-239 contained the following provisions
    - (a) expands enterprise zone benefits to service firms located in a town with an enterprise zone within it. Firms located outside the enterprise zone would still be eligible for the benefits. The act adds telemarketer to the definition of service firms eligible for such benefits.
    - (b) provides a property tax abatement for service firms located outside enterprise zones but in the same town effective 7/1/96.
    - (c) provides a job creation credit for service firms based on the number of new hires in conjunction with the development or acquisition of their facilities.
    - (d) provides a 10 year corporate tax credit for newly created business that locates in an enterprise zone and hires zone or town residents effective 1/1/97. The credit is 100% for the first three years and 50% for next seven years.
  - (10) PA 96-139 made technical changes to effective date of the corporate tax rate reductions enacted in PA 95-160.
  - (11) PA 96-183 expands the alternative fuels credit against the corporation business tax for expenditures related to alternative fuels equipment for a LPG or LNG stations.
  - (12) PA 96-262 creates a new tax credit for business that provide parent education programs to their employees and those "investing" in child care. The credit is 40% of the amount a business spends on parenting classes. The credit is only available after the employer has exhausted the day care subsidy credit. The act also appears to create a 60% credit for businesses that invest in child care programs on top of the existing credit for when they establish day care facilities under the Neighborhood Assistance Act.
  - (13) PA 96-222 makes retail product distribution facilities eligible for certain property tax exemptions and corporate business credits relating to enterprise zones or location in towns with such zones.
  - (14) PA 96-264 extends enterprise zone benefits to certain biotechnology, pharmaceutical, and photonics companies to such businesses located in enterprise zone towns with major research university.

# Corporate Tax Return Statistics 1994 Income Year

Number of Returns by Type  
83,440



Total Tax Liability Paid by Type of Return  
\$543.3 Million



## CORPORATION BUSINESS TAX

Rate & Basis - Corporations are subject to tax on income derived from in-state sources. Tax liability is calculated as the greatest of:

1. Net Income Base: 11.5% of net income apportioned to Connecticut for income years beginning prior to 1/1/95. The rates for subsequent income years are as follows (PA 93-74 and PA 95-160):

<u>Effective for income years beginning on or after:</u>	<u>Tax Rate</u>
Jan. 1, 1995	11.25%
Jan. 1, 1996	10.75%
Jan. 1, 1997	10.50%
Jan. 1, 1998	9.50%
Jan. 1, 1999	8.50%
Jan. 1, 2000	7.50%

All business income is apportioned by a three factor formula which compares sales, compensation and tangible property in Connecticut to the nation. (Note: Corporations can no longer deduct income taxes paid to other states). The sales factor is given a double weight (CGS 12-214 and 12-218). Thirty percent of dividends received from companies in which ownership is less than 20% must be included in income. If the corporation is a domestic insurance company, net income is apportioned on the basis of gross direct premiums from Connecticut to total gross direct premiums. Further adjustments are made if more than 50% of gross premiums are reinsurance premiums. The unpaid loss reserve adjustment required by the federal code for non-life insurance companies shall not be deducted from gross income, effective with the 1993 income year (PA 93-74).

2. Capital Base: 0.31% of the average value of capital stock and surplus reserves; or if a bank or other financial institution, 4% of interest and dividends credited to accounts (CGS Sec. 12-219a). Corporations doing business in more than one state must use a two factor formula which measures the average monthly value of intangible and tangible assets located in Connecticut as compared to the nation to apportion their asset base (CGS 12-219a). The maximum tax liability under this base is \$1 million for all corporations; and, effective 1/1/91, \$50,000 for Real Estate Investment Trusts or Regulated Investment Companies.

Corporations filing combined returns will not be entitled to the first \$25,000 tax savings over what they would have paid if they filed separately.

3. Minimum Tax: Two hundred fifty dollars.

PA 93-267 created a new form of business that combines the limited liability characteristics of corporations with the tax status of partnerships, effective 10/1/93. The Internal Revenue Service (IRS) recently indicated that limited liability companies (LLC) that possess certain characteristics would be treated as partnerships for federal tax purposes. The test of whether a business is an LLC rather than a corporation is the same test the IRS uses to distinguish partnerships from corporations. The IRS will not treat a business organization that has associates and a profit motive as a corporation if it has at least three of the following corporate characteristics: limited liability, continuity of life, free transferability of interest, and centralization of management.

## CORPORATION TAX CREDITS

Connecticut offers ten different tax credits to Corporation Business Tax payers. The table below indicates the number of returns claiming a particular tax credit and the total dollar amount claimed.

Type of Credit	Income Year			
	1983		1984	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	90	\$461,078	119	\$716,610
New Facilities	71	391,704	79	465,659
Industrial Waste	24	158,981	21	177,997
Apprenticeship	48	148,864	36	127,702
Enterprise Zones	6	143,822	12	32,043
Air Pollution Abatement	14	109,030	10	86,409
Work Education	27	23,837	25	28,220
Child Day Care	<u>1</u>	<u>500</u>	<u>6</u>	<u>2,385</u>
<b>TOTAL</b>	<b>281</b>	<b>\$1,437,816</b>	<b>308</b>	<b>\$1,637,026</b>

Type of Credit	Income Year			
	1985		1986	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	129	\$1,052,033	166	\$1,054,704
New Facilities	96	591,164	71	1,322,238
Industrial Waste	23	163,708	15	149,146
Apprenticeship	26	85,939	21	67,566
Enterprise Zones	14	84,682	16	157,972
Air Pollution Abatement	13	252,587	6	64,413
Work Education	15	73,589	8	10,529
Child Day Care	4	9,150	3	7,840
Rental Housing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>320</b>	<b>\$2,312,852</b>	<b>306</b>	<b>\$2,834,408</b>

Type of Credit	Income Year			
	1987		1988	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	160	\$1,004,091	158	\$1,237,261
New Facilities	50	743,979	61	229,397
Industrial Waste	11	354,408	15	87,962
Apprenticeship	14	79,560	14	62,181
Enterprise Zones	19	158,645	13	107,867
Air Pollution Abatement	9	213,940	9	261,419
Work Education	11	27,871	8	6,885
Child Day Care	14	120,212	18	153,050
Rental Housing	<u>1</u>	<u>7,350</u>	<u>15</u>	<u>299,236</u>
<b>TOTAL</b>	<b>289</b>	<b>\$2,710,056</b>	<b>311</b>	<b>\$2,445,258</b>

**CORPORATION TAX CREDITS  
(Continued)**

Type of Credit	Income Year			
	1989		1990	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	132	\$1,124,215	105	\$679,225
New Facilities	66	402,964	46	119,958
Industrial Waste	10	91,380	7	61,634
Apprenticeship	11	45,253	14	38,070
Enterprise Zones	19	79,154	8	130,643
Air Pollution Abatement	8	108,542	No Credit Claimed for 1990	
Work Education	8	9,896	9	7,355
Child Day Care	14	34,242	25	272,762
Rental Housing	<u>25</u>	<u>392,490</u>	<u>8</u>	<u>161,647</u>
<b>TOTAL</b>	<b>293</b>	<b>\$2,288,136</b>	<b>222</b>	<b>\$1,471,294</b>

Type of Credit	Income Year			
	1991		1992	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	114	\$853,169	226	\$1,761,292
New Facilities	50	395,068	85	935,580
Industrial Waste	8	71,140	15	331,574
Apprenticeship	14	35,518	17	52,486
Enterprise Zones	17	150,911	30	188,703
Air Pollution Abatement	4	321,210	8	118,309
Work Education	6	3,749	6	3,189
Child Day Care	17	122,053	34	799,540
Rental Housing	16	308,035	20	405,252
Clean Alternative Fuels	0	0	3	15,448
Research & Experimentation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>246</b>	<b>\$2,260,853</b>	<b>444</b>	<b>\$4,611,373</b>

**CORPORATION TAX CREDITS**  
(Continued)

Type of Credit	Income Year		1994	
	1993	1993	1994	1994
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	231	\$1,829,270	172	\$2,244,150
New Facilities	84	861,169	9	23,214
Manufacturing Facilities	0	0	72	913,360
Industrial Waste	9	6,972	9	491,787
Apprenticeship	19	55,568	24	109,410
Enterprise Zones	31	128,982	47	307,674
Air Pollution Abatement	11	83,271	75	208,911
Work Education	6	3,327	14	47,463
Employee Training	0	0	68	168,515
Child Day Care	29	431,027	33	389,568
Rental Housing	16	361,677	22	645,811
Employer Assisted Housing	0	0	17	696,085
Clean Alternative Fuels	5	17,725	10	641,284
Conversion to Alternative Fuels	0	0	8	382,191
Research Grants to Higher Ed.	0	0	20	11,916
Research & Experimentation	<u>120</u>	<u>6,271,728</u>	<u>207</u>	<u>17,375,176</u>
<b>TOTAL</b>	<b>561</b>	<b>\$10,050,716</b>	<b>807</b>	<b>\$24,656,515</b>

## ACCELERATED COST RECOVERY SYSTEM AND THE CONNECTICUT CORPORATION

The legislature, during the 1985 session, modified the de-coupling provision by limiting a firm's depreciation deduction to 88% of their federal depreciation for their 1985 income year. The full deduction was delayed one year until income year 1986 and thereafter (PA 85-159). The portion of federal depreciation that a firm may take is as follows:

Corporate Income Year	Federal Depreciation Allowed
1981	96%
1982	91
1983	84
1984	77
1985	88
1986 and thereafter	100

In 1981, Congress adopted the Accelerated Cost Recovery System (ACRS) for firms to use in calculating depreciation. Connecticut corporation tax statutes at that time followed the federal practice. Since the effect of ACRS was to reduce the net income of firms, corporation tax receipts to the State would drop. In order to postpone this expected decrease in State corporate tax revenues, the legislature passed PA 81-7 during the November Special Session to de-couple from ACRS. De-coupling was the term used to denote that Connecticut corporation tax law was changed to eliminate the statutory references which tied Connecticut law to federal law with regard to depreciation.

The act had two major provisions, de-coupling and recapture. The first provision, de-coupling, limited the amount of depreciation that a firm could take by providing them with two alternative options as shown below:

1. The first option limited the amount of depreciation that a firm could take to a percentage of federal depreciation as follows:

Corporate Income Year	Federal Depreciation Allowed
1981	96%
1982	91
1983	84
1984	77
1985	100

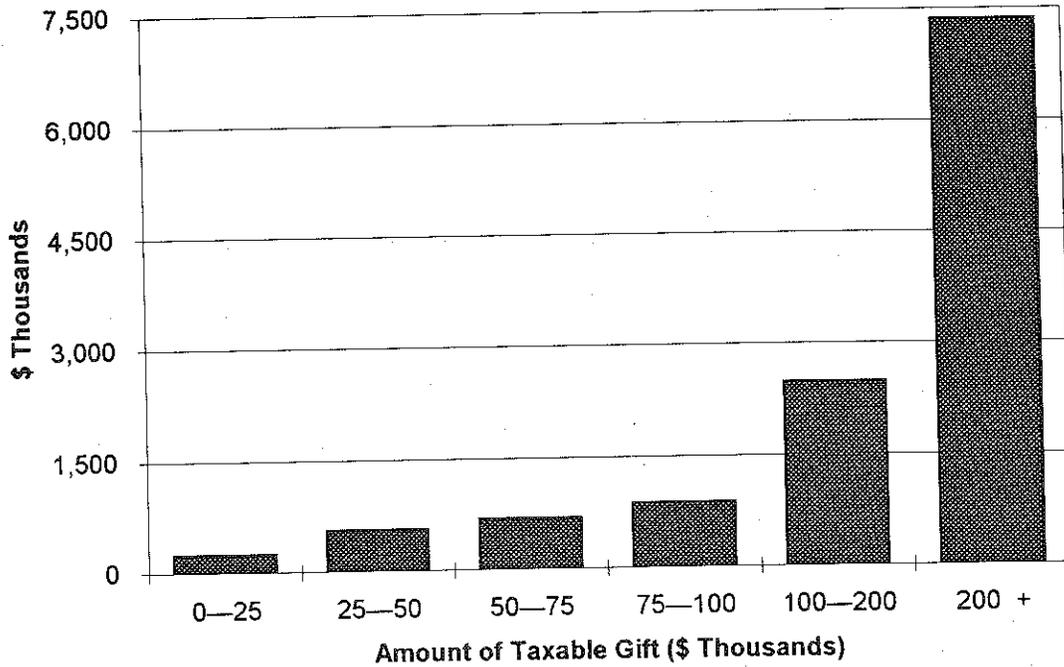
The percentages of federal depreciation allowed were selected based on data which indicated that the revenue loss associated with ACRS would be eliminated.

2. Under the second option firms could elect to take deductions based upon the federal depreciation schedule available prior to January 1, 1981 (that is, prior to ACRS).

Recapture, the second major provision, recognized that de-coupling prevented corporations from fully depreciating their assets for state tax purposes. In order to allow full depreciation to occur, a section was included to allow for recapture. Beginning with the 1984 income year, firms would recapture 20% of their depreciation which had been disallowed in the 1981 income year. In the 1985 income year, firms would recapture 20% of their depreciation which had been disallowed in the 1981 and 1982 income years. Recapture would continue until the 1991 income year when firms would recapture the last 20% of their depreciation which had been disallowed during the 1984 income year.

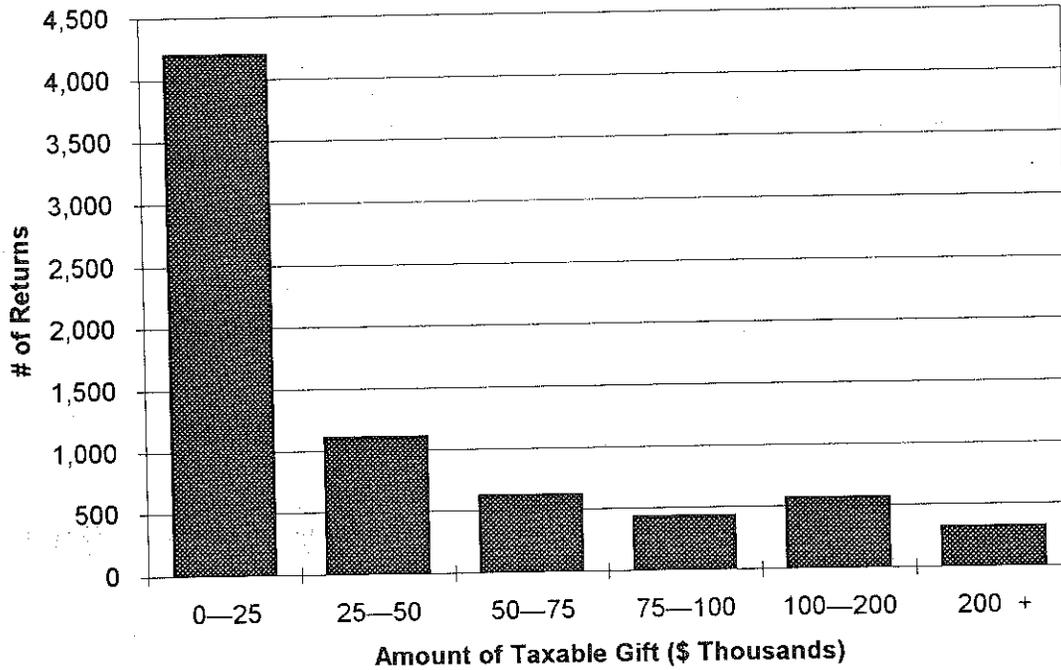
# Gift Tax Income Year 1995

**Total Tax Collected  
\$12,176,425**



■ Gift Tax Collected

**7,234**



■ Number of Returns

## GIFT TAX

PA 91-3 (JSS) imposes a variable tax on gifts taxable under federal law (certain gifts worth over \$10,000). The tax applies to the transfer of personal and real property situated within the state by residents and nonresidents of Connecticut. This tax is effective for gifts made on or after September 1, 1991. The tax rate is as follows:

Amount of Taxable Gifts	Tax Rate
Not Over \$25,000	1%
Over \$25,000 but not over \$50,000	\$250, plus 2% of excess over \$25,000
Over \$50,000 but not over \$75,000	\$750, plus 3% of excess over \$50,000
Over \$75,000 but not over \$100,000	\$1,500, plus 4% of excess over \$75,000
Over \$100,000 but not over \$200,000	\$2,500, plus 5% of excess over \$100,000
Over \$200,000	\$7,500, plus 6% of excess over \$200,000

The donor must file a return and pay the tax by April 15 for taxable gifts made in the previous calendar year. If the donor does not pay the tax when due, the recipient is liable for it. If the donor dies before filing the return, his executor or the administrator of his estate must file it. If he becomes incompetent, his guardian or conservator must file it. The act exempts from a donor's gross taxable estate any gift subject to the gift tax.

The return must include the amount and description of each gift made that year; any allowable deductions under federal law; the recipient's name, address, and social security number, the fair market value of nonmonetary gifts; and any other information the commissioner requires. The commissioner may require the donor to show him the gift property and may appraise it. The donor must swear that this property constitutes all of the property he transferred by gift that year.

## GIFT TAX

Fiscal Year	Revenue (\$000)	% Change	Base Changes
1992	1,306.6		PA 91-3 (JSS) imposes a variable tax on gifts taxable under federal law (gifts worth over \$10,000)
1993	17,971.2	-	PA 92-5 (MSS) imposes a 10% penalty if the tax is not paid by the April 15 deadline.
1994	15,539.0	-13.5%	PA 93-261 Makes the amount of Gift Tax paid a credit against the Succession (Inheritance) Tax but includes the amount of such gifts in the gross taxable estate for Succession Tax purpose.
1995	12,402.2	-20.2%	PA 94-5 Changes the due date of the tax for the year in which the donor dies to 9 months after death, effective with the 1994 income year.  PA 94-4 (May S. S.) Requires that farm land given as a gift to the donor's lineal descendants or spouse be valued in accordance with its farm use and not at fair market value.
1996	17,445.8	40.7%	PA 95-27 Allows gift tax returns to be filed the day after Patriot's Day (celebrated in Massachusetts where the federal gift tax return is filed). It also limits the time period for recouping the tax differential to 10 years following the transfer of land should the land's use be changed from farm land or transferred to someone who is not a lineal descendant. The owner is liable for the difference between the tax paid and what the tax would have been paid under the fair market value.

## HOSPITAL GROSS EARNINGS TAX

In 1991, Congress passed a law, effective in January, 1992, barring states not already operating state run pools as a means of equalizing the burden of providing hospital care for the poor from doing so in an effort to control federal Medicaid costs. That is, those states with such a pool in place before the effective date of the act were "grand fathered" into the existing Medicaid program. Those states without such a pool system were prohibited from establishing one on or after the after the effective date of the federal law.

In response to this federal action, the Connecticut General Assembly in December, 1991 enacted a pool system so that our state would be "grand-fathered" into the Medicaid reimbursement program and thus be eligible to collect additional federal dollars.

The 1991 legislation created an "off-budget" pool which collected money through a flat assessment on hospitals. These funds were immediately sent back to Connecticut hospitals, based on a federally-mandated distribution formula which sought to recognize those health institutions which provided greater levels of uncompensated care. At the time, uncompensated care was defined as free care, bad debt and underpayment by government programs such as Medicaid, Medicare and Champus.

This program operated in that form, by and large, until a federal court decision in 1993 struck down the pool system as violating the federal law with regard to the Employment Retirement Income Security Act (ERISA). In response to the court's order, the Legislature, in March, 1994, terminated the Uncompensated Care Pool, moved the expenditures "on-budget" into the General Fund and eliminated the assessment in favor of a gross earnings tax of 11% and a 6% sales tax (PA 94-9).

However, this legislation was struck down in November, 1994 by another federal district court judge. Nonetheless, the program continued until April, 1995, when the United States Supreme Court ruled that ERISA did not bar the operation of such state run programs. (*Travelers v. Cuomo*).

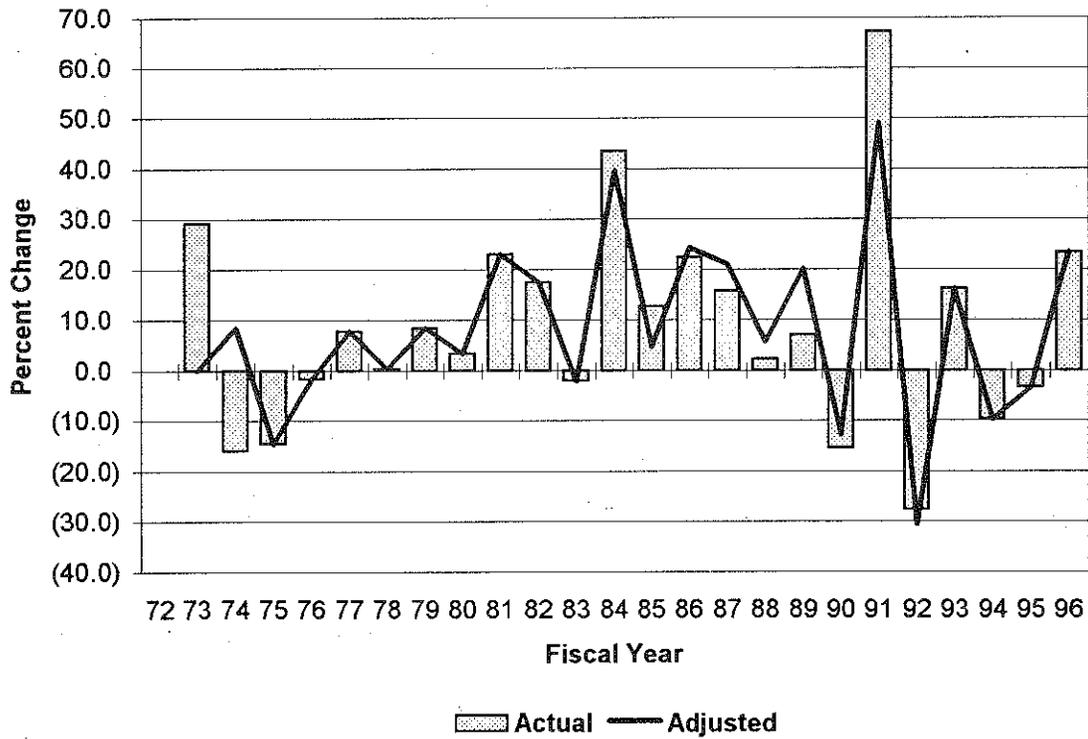
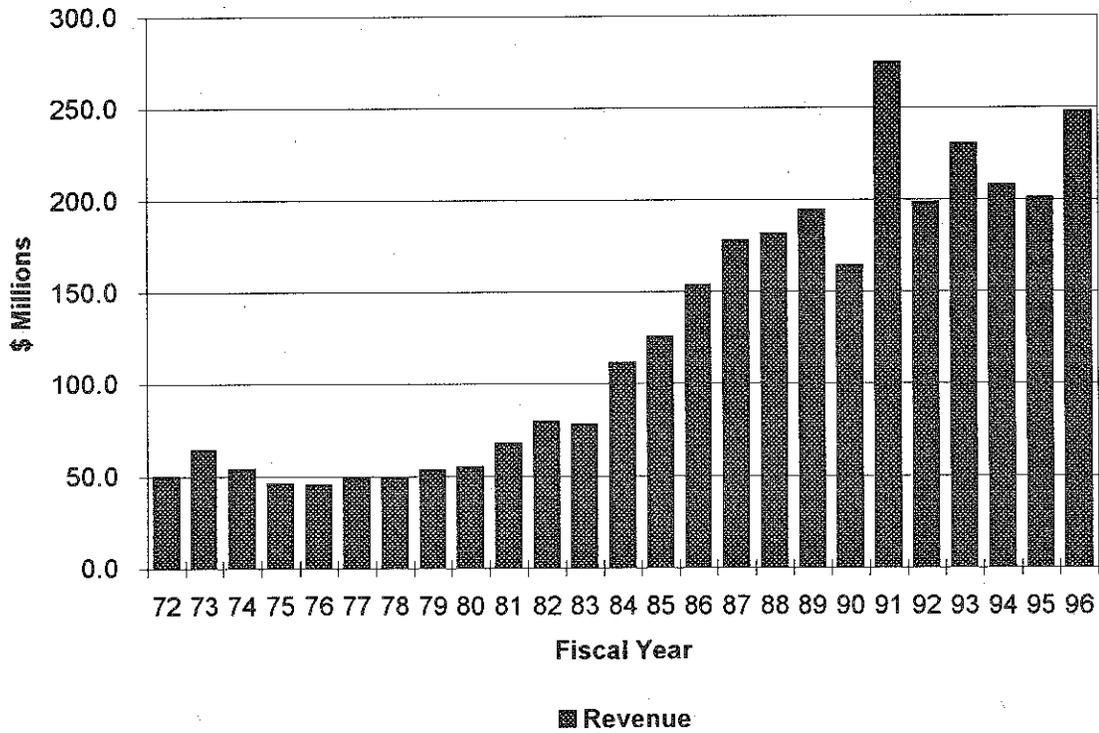
In the wake of the Supreme Court's ruling, the Legislature enacted Public Act 95-160, which sought to reaffirm the operation of the Uncompensated Care Program. Also, the 1995 legislation retained the program as an "on-budget" item and left the prior revenue system in place.

Subsequently, during the 1996 Regular Session, the gross earnings tax rate was lowered from 11% to 9.25% effective on 10/1//96, to 8.25 on 10/1/97, to 7.25% on 10/1/98 and 6.25% on and after 10/1/99 (PA 96-144).

## HOSPITAL GROSS RECEIPTS TAX

Fiscal Year	Revenue (\$000)	Base Changes
1994	54,179	<p>PA 94-9 terminates the Uncompensated Care (UCC) pool but maintains the state's 6% sales tax on hospital patient care services and imposes a new 11% tax on each hospital's gross earnings. The act also creates a new payment program for hospitals to cover the cost of bad debts, shortfalls in reimbursement for Medicaid patients, and care for poor patients. The tax on gross receipts takes effect 4/1/94.</p> <p>PA 94-175 clarifies that tangible property transferred incidental to a hospital's "patient care services" is also subject to the state sales tax under PA 94-9. The act also prohibits a court, in an appeal concerning the revenue services commissioner's decision about the 11% hospital gross earnings tax imposed by PA 94-9, from waving the statutory interest of 1-2/3% a month for an unpaid tax.</p>
1995	222,347	<p>PA 95-160 retains the 6% sales tax on hospital patient care services and the 11% gross earnings tax. Under this act, the state is authorized, instead of required, to make payments to hospitals for uncompensated care and can receive federal matching funds for such payments. The act requires each hospital to include all applicable taxes in the price of each item in its pricemaster. It also requires final settlement of all prior Uncompensated Care Pool obligations and liabilities by 6/15/95.</p> <p>PA 95-359 reduces the interest rate on unpaid tax from 1 2/3% to 1 % per month.</p>
1996	213,961	
1997	192,000	<p>PA 96-144 reduces the tax rate from 11% to</p> <p style="padding-left: 40px;">9.25% on 10/1/96</p> <p style="padding-left: 40px;">8.25% on 10/1/97</p> <p style="padding-left: 40px;">7.25% on 10/1/98</p> <p style="padding-left: 40px;">6.25% on 10/1/99</p>
	Budget Act	
		<p>PA 96-238 eliminates the net revenue compliance beginning with 10/1/96 and modifies the method for compliance for the previous hospital fiscal year (10/1/95). It also prohibits hospitals from back billing for services provided between November 1, 1994 and through June 1, 1995.</p>

# Inheritance and Estate Taxes Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## INHERITANCE TAX

Fiscal Year	Revenues (\$000)	Rate and Base Changes
1972	49,746	Inheritance - The time limit for filing succession tax returns goes to 9 months from 1 year after death. Estate - To 9 months from 18 months.
1973	64,206	
1974	53,942	
1975	45,997	
1976	45,245	
1977	48,705	
1978	48,851	
1979	52,997	Exemption levels double; Farm land valued at current use and not fair market; value of annuity exempt for servicemen
1980	54,764	
1981	67,351	
1982	79,250	An Estate Tax is established: 1) A tax of 10% is levied on net income of Estates (an exemption of \$20,000 plus all federal exemptions are allowed) 2) If estimated tax liability is in excess of \$200 an estimated payment of 50% is due in the sixth month of the Estate's income year. Final payment is due in the fourth month following end of income year (1/1/82).
1983	77,464	
1984	111,180	A surtax of 10% is added to the tax on estates established on or after 7/1/83. Transfers of farmland are exempt.
1985	125,300	(1) The transfer of land certified to be held as open space in perpetuity is exempt from Succession Tax. (2) Estate income tax: (a) Eliminates requirement that a fiduciary file an estimated tax return (b) The definition of fiduciary is expanded to include fiduciaries of non-resident estates
1986	153,327	(1) The exemption for surviving husband or wife (Class AA) is increased to \$300,000 from \$100,000 and the exemption for parents, grandparents and descendants (Class A) is increased to \$50,000 from \$20,000 (7/1/85). (2) The money which a surviving spouse initially receives from an estate when there is no will is raised to \$100,000 from \$50,000 (7/1/85). (3) Estates in which more than 35% of the value of the gross estate is comprised of interest for a closely held business may take up to ten years to pay the Succession Tax (7/1/85)
1987	177,280	(1) The Inheritance Tax on Class AA (Surviving Spouse) is phased out over 3 years (7/1/86). (2) No tax is due if liability is less than \$10 (7/1/86).
1988	181,204	(1) PA 87-459 - Payments from pension plans of self-employed individuals are excluded from gross taxable estate (7/1/87). (2) PA 87-491 - Up to \$200,000 in artworks from a deceased Connecticut artist may be accepted annually as a tax credit(1/1/87).

## INHERITANCE TAX

Fiscal Year	Revenues (\$000)	Rate and Base Changes
1989	193,946	
1990	163,957	
1991	274,303	PA 92-148 - Tax payment is due with 6 months of date of death rather than 9 months (7/1/90).
1992	198,323	
1993	230,204	
1994	207,725	PA 93-261 - Gift Tax paid to the state is credited against the amount of Inheritance Tax due, applicable to gifts made on or after 7/1/93.
		The act also exempts gifts that are not taxable under the gift tax from the inheritance tax.
1995	200,451	PA 95-256 phases out the inheritance tax by increasing the exemption amount for each class of inheritors over a five year period. The phase out of Class A begins in 1997; Class B in 1999 and Class C in 2001. Each Class phase out is as follows:
		<b>Class A</b>
		<b>Date</b>
		Property under \$50,000                      Current Law
		Property under \$250,000                      1/1/97
		Property under \$400,000                      1/1/98
		Property under \$600,000                      1/1/99
		Property under \$1,000,000                      1/1/00
		Eliminated                                      1/1/01
		<b>Class B</b>
		<b>Date</b>
		Property under \$6,000                      Current Law
		Property under \$150,000                      1/1/99
		Property under \$400,000                      1/1/00
		Property under \$600,000                      1/1/01
		Property under \$1,000,000                      1/1/02
		Eliminated                                      1/1/03
		<b>Class C</b>
		<b>Date</b>
		Property under \$1,000                      Current Law
		Property under \$150,000                      1/1/01
		Property under \$400,000                      1/1/02
		Property under \$600,000                      1/1/03
		Property under \$1,000,000                      1/1/04
		Eliminated                                      1/1/05
		PA 95-298 allows any person or entity to transfer any property of a decedent to his surviving spouse without getting the consent of the commissioner of DRS.
1996	247,426	
1997	217,000	
	Budget Act	

## CONNECTICUT SUCCESSION (INHERITANCE) TAX AND ESTATE TAX

Connecticut's death tax is a progressive tax which starts at 4.3% and increases to 20%. The tax is phased-out over a period of years beginning in 1997 and eliminated in 2005. The Succession and Transfer Tax rates and phase-out schedule appear by class on the next two pages.

The tax is based upon an heir or beneficiary's "privilege" to receive property. The following tax rates and exemption amounts are based on the relationship of the beneficiary to the decedent:

Class	Description	Exemption
A	A Parents, grandparents, adoptive parents and any natural or adoptive descendants	\$50,000
B	Husband or wife or widower or widow who has not remarried or any natural or adopted adopted child, stepchild, brother or sister or any natural or adopted descendant of such brother or sister	\$6,000
C	All others	\$1,000

In general, the closer the relationship (estate passes from parent to child) the larger the exemption and the lower the tax rate, the further the relationship (estate passes from decedent to a friend) the smaller the exemption and the greater the tax rate.

Connecticut, as part of its death tax, also has an estate tax (CGS Sec. 12-391) sometimes known as the federal pick-up. (This should not be confused with the Estate Income Tax which is described elsewhere.) The purpose of this tax is to insure that the death taxes are large enough to absorb the maximum credit amount available under the federal estate tax. Therefore the estate tax applies in only those circumstances when the state succession tax is not large enough to absorb the full credit available under federal law against federal estate taxes.

The estate tax applies to only a small percentage of large estates in Connecticut because items that are taxed by the federal government are not taxed in Connecticut.

The starting point in determining estate tax liability begins with a definition of what property is subject to estate taxation. The state and federal government includes basically the same items in determining gross taxable estate with two major exceptions. First, Connecticut law does not consider life insurance a taxable transfer (CGS Sec. 12-342). Therefore life insurance is not subject to state succession taxes. The federal government taxes life insurance in its entirety. Second, individual retirement accounts (IRAs) and KEOGH plans are subject to state succession taxes (CGS Sec. 12-349). The Federal government exempts IRAs and Keogh plans from estate taxation. It is essentially these differences that trigger the Connecticut Estate Tax. It should be emphasized that the estate tax never results in a taxpayer having to pay additional state estate taxes. Its function is simply to divert revenue the state that otherwise would have gone to the federal government.

Connecticut's Estate Income Tax (CGS Sec. 12-405a) is levied at a rate of 10% on resident and non-resident estates with taxable incomes in excess of \$20,000, for income years beginning prior to 1/1/91 (PA 91-3 JSS). Income years beginning after this date are subject to the Connecticut Personal Income Tax. Estate taxable income for Connecticut is the same as it is for the federal government (as reported on line 25 of IRS Form 1041). Under federal law, interest on bonds, Treasury notes and other obligations of the United States are exempt. Connecticut law also exempts capital gains and losses and interest on sales or redemption of notes, bonds or other obligations of the State of Connecticut or its political subdivisions.

**SUCCESSION (INHERITANCE) TAX RATES  
(INCLUDING SURTAX)**

Value of Inherited Property (\$000)	Class A		Class B		Class C	
	Tax on Col 1	Rate on Excess Col 1	Tax on Col 1	Rate on Excess Col 1	Tax on Col 1	Rate on Excess Col 1
<b>Column 1</b>						
0 to 1	\$0	0.0%	\$0	0.0%	\$0	0.0%
1 to 6	0	0.0	0	0.0	0	11.4
6 to 20	0	0.0	0	5.7	572	11.4
20 to 25	0	0.0	801	5.7	2,174	11.4
25 to 50	0	0.0	1,087	7.2	2,746	12.9
50 to 100	0	4.3	2,874	7.2	5,963	12.9
100 to 150	2,145	4.3	6,449	7.2	12,398	12.9
150 to 250	4,290	5.7	10,024	8.6	18,833	14.3
250 to 300	10,010	7.2	18,604	10.0	33,133	15.7
300 to 400	13,585	7.2	23,609	10.0	40,998	15.7
400 to 600	20,735	8.6	33,619	11.4	56,728	17.2
600 to 1,000	37,895	10.0	56,499	12.9	91,048	18.6
1,000 and up	77,935	11.4	107,979	14.3	165,408	20.0

Note: See previous page for description of classes.

## PHASE-OUT OF SUCCESSION (INHERITANCE) TAX

Public Act 95-256 phases out the state tax on inheritance by increasing the exemption amount for each class of inheritors over a five year period. The phase-out of Class A begins in 1997, Class B in 1999 and Class C in 2001. The schedule for the phase-out of each class is as follows.

<b>Class A</b>	<b>Date</b>
Property under \$50,000	Current Law
Property under \$250,000	1/1/97
Property under \$400,000	1/1/98
Property under \$600,000	1/1/99
Property under \$1,000,000	1/1/00
Eliminated	1/1/01

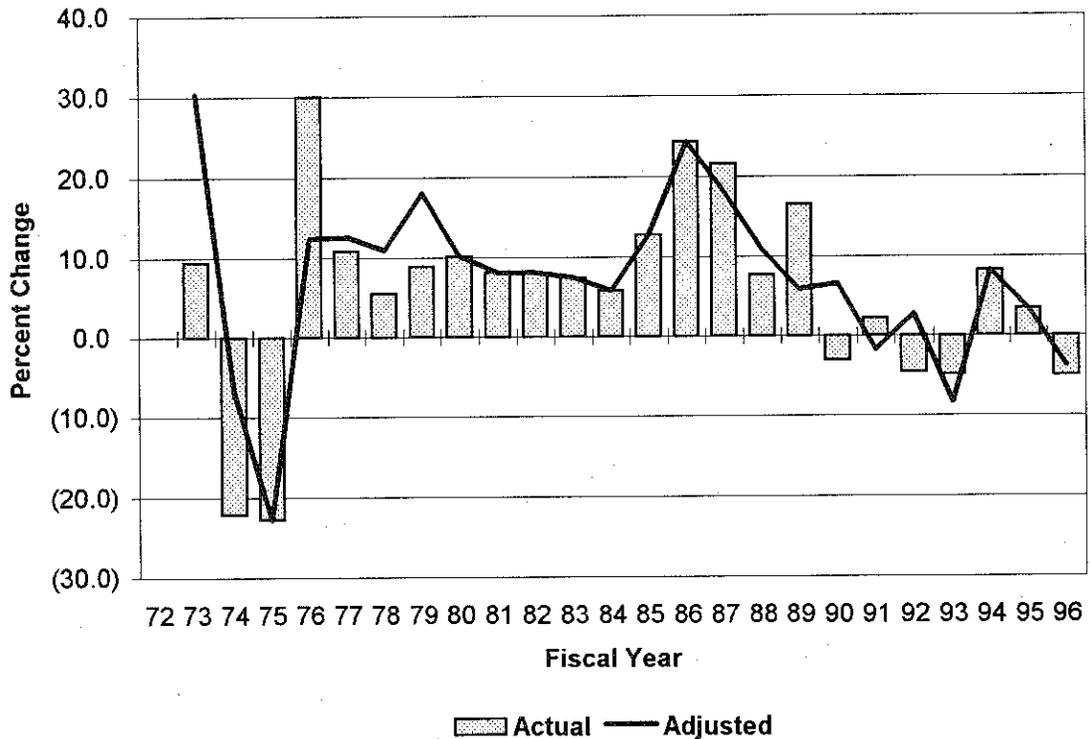
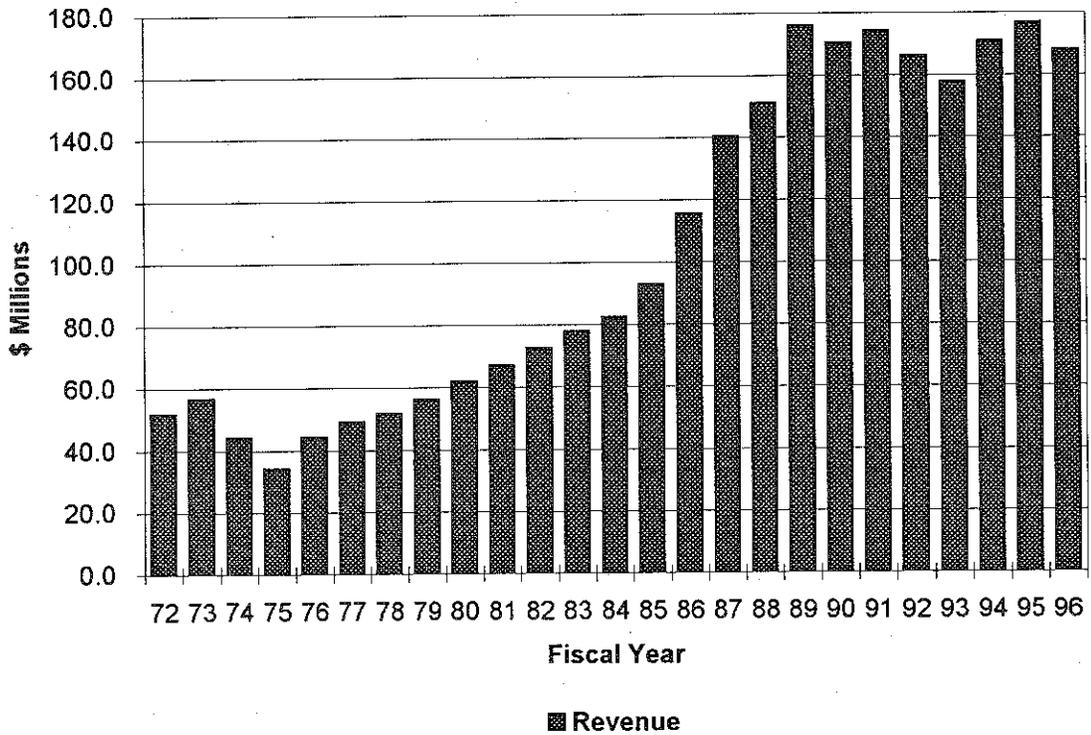
  

<b>Class B</b>	<b>Date</b>
Property under \$6,000	Current Law
Property under \$150,000	1/1/99
Property under \$400,000	1/1/00
Property under \$600,000	1/1/01
Property under \$1,000,000	1/1/02
Eliminated	1/1/03

<b>Class C</b>	<b>Date</b>
Property under \$1,000	Current Law
Property under \$150,000	1/1/01
Property under \$400,000	1/1/02
Property under \$600,000	1/1/03
Property under \$1,000,000	1/1/04
Eliminated	1/1/05

# Insurance Companies Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## INSURANCE TAX

Fiscal Year	Total Insurance Revenues (000)	Premiums Tax		Unauthorize Insurers (000)	Hospitals & Medical Services (000)	Health Care Centers (HMOs)[7] (000)
		Domestic Companies (000)	Foreign Companies (000)			
1976 [1]	44,228	11,925	26,003		6,300	
1977 [1,2]	48,953	13,725	27,908		7,320	
1978 [1]	51,734	15,810	27,565	NC [3]	8,359	
1979	56,329	17,433	30,308	NC [3]	8,588	
1980	61,954	19,067	33,633	92	9,162	
1981	67,004	19,279	36,853	271	10,601	
1982	72,388	19,627	40,168	304	12,289	
1983	77,762	20,200	44,540	331	12,691	
1984	82,320	19,662	48,526	321	13,811	
1985 [4]	92,835	29,138	57,758	321	5,618	
1986	115,424	43,260	71,303	843	18	
1987	140,334	47,212	91,089	2,028	5	
1988	151,105	48,546	100,201	2,324	34	
1989 [5]	176,023	59,718	114,342	1,963	[6]	
1990	170,456	58,158	110,039	2,259		
1991	174,281	60,527	111,696	2,058		
1992	166,153	47,398	116,863	1,892		
1993	157,894	35,573	119,731	2,590		
1994	170,875	43,283	125,430	2,162		
1995	176,781	39,494	125,700	2,427		9,160
1996	167,912	29,535	117,281	2,225		18,871

[1] Accelerated payments of \$6.0 million in 1976 and 1977 and \$4.0 million in 1978.

[2] In FY 1977 the Comptroller included \$705,000 of self-insurance employee funds in insurance. During prior years and in subsequent years self-insurance employee funds were included in miscellaneous funds. It has been subtracted from total.

[3] No collections.

[4] Foreign insurance companies are prevented from deducting their assessments to Workers' Compensation funds from their tax liability.

[5] Includes accelerated payments of \$15.0 million.

[6] As of 1986, there are no more insurance companies operating under hospital and medical services status.

[7] PA94-4(MSS) imposes the insurance premiums tax on HMOs effective 1/1/95.

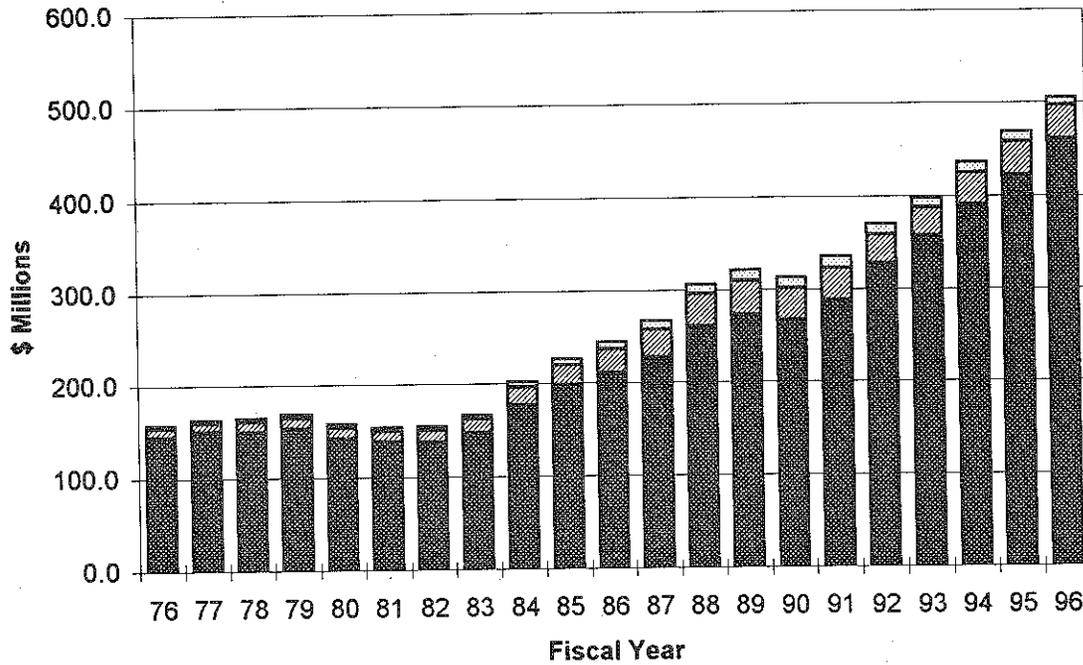
### INSURANCE PREMIUMS TAX RATES

Fiscal Year	Domestic		Foreign Premiums	Unauthorized Insurers	Hospital & Medical Services [1]	Health Care Centers (HMOs)[2]
	Life Premiums	Other Premiums				
1976	2.0%	2.0%	2.0%	3.5%	2.0%	
1977	2.0%	2.0%	2.0%	3.5%	2.0%	
1978	2.0%	2.0%	2.0%	3.5%	2.0%	
1979	2.0%	2.0%	2.0%	3.5%	2.0%	
1980	2.0%	2.0%	2.0%	4.0%	2.0%	
1981	2.0%	2.0%	2.0%	4.0%	2.0%	
1982	2.0%	2.0%	2.0%	4.0%	2.0%	
1983	2.0%	2.0%	2.0%	4.0%	2.0%	
1984	2.0%	2.0%	2.0%	4.0%	2.0%	
1985	2.0%	2.0%	2.0%	4.0%	2.0%	
1986	2.0%	2.0%	2.0%	4.0%	2.0%	
1987	2.0%	2.0%	2.0%	4.0%	2.0%	
1988	2.0%	2.0%	2.0%	4.0%	2.0%	
1989	2.0%	2.0%	2.0%	4.0%	2.0%	
1990	2.0%	2.0%	2.0%	4.0%	2.0%	
1991	2.0%	2.0%	2.0%	4.0%	2.0%	
1992	2.0%	2.0%	2.0%	4.0%	2.0%	
1993	2.0%	2.0%	2.0%	4.0%	2.0%	
1994	2.0%	2.0%	2.0%	4.0%	2.0%	
1995 [2]	2.0%/1.75%	2.0%/1.75%	2.0%/1.75%	2.0%/1.75%	2.0%/1.75%	1.75%
1996	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

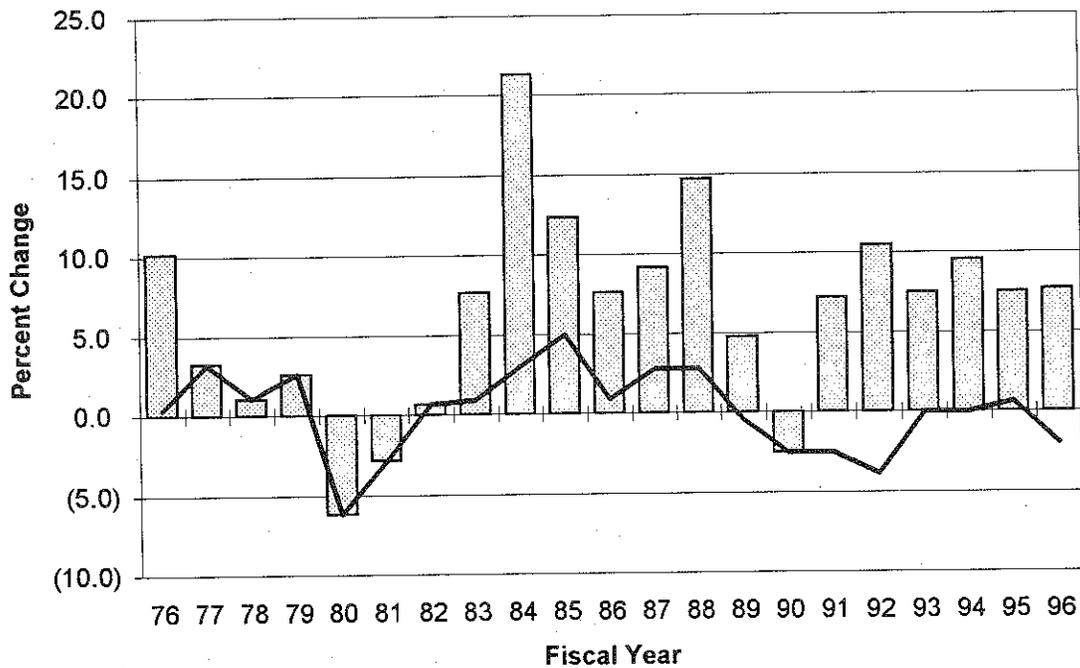
[1] As of 1986, there are no insurance companies operating under the hospital and medical service company status. Domestic insurance companies may credit corporation taxes against net premiums tax.

[2] Public Act 94-4, May Special Session, reduces the tax rate for premiums written within the state from 2.0% to 1.75% effective 1/1/95. Additionally, PA 94-4 MSS imposes the Insurance Premiums Tax at a rate of 1.75% on Health Maintenance Organizations (HMOs).

## Motor Fuels Excise Taxes Collections and Growth Rates FY 76 - FY 96



■ Gasoline    ▨ Special Fuels    □ Motor Carrier



▨ Actual    — Adjusted

Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## MOTOR FUELS TAX

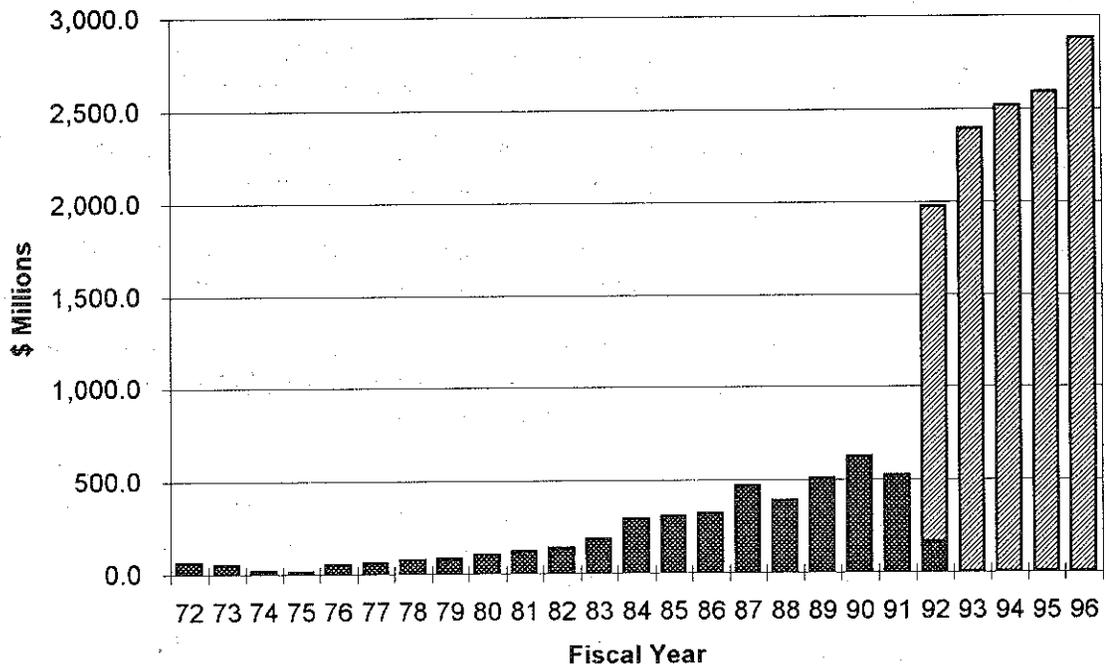
Fiscal Year	Revenue (000)	Gasoline Tax cents per gallon	Base Changes
1972	132,121	10 (eff. 9/1)	
1973	143,749	10	
1974	141,223	10	
1975	143,097	10	
1976	157,633	11 (eff. 6/1)	
1977	162,795	11	
1978	164,483	11	Refund of 50% of taxes paid by Connecticut taxi companies
1979	168,758	11	Gasoline tax refunds provided for vans, buses, taxicabs, livery services and buses
1980	158,256	11	Gasohol added to base (Rate: 10 cents/gallon)
1981	153,716	11	
1982	154,689	11	
1983	166,544	14 (eff. 4/1)	Tax rates increased: gasoline: from 11 to 14 cents gasohol: from 10 to 13 cents One cent per gallon is transferred to the Transportation Fund.
1984	201,999	14	
1985	226,995	15 (eff. 7/1)	1) All revenue from the motor fuels tax is transferred to the Transportation Fund from the General Fund. 2) Tax refund on fuel used in buses operated by Connecticut Motor Bus Companies is increased to 100% from 50%. 3) Fuel purchased exclusively for use in farming is exempt (a refund application was previously required).
1986	244,332	16	
1987	266,771	17	1) Motor carriers may register and pay a \$15 fee to DRS to purchase motor fuel at certain designated stations without paying motor fuel tax at the pump. The tax is due quarterly. 2) Motor carrier facilities may pay an annual \$50 fee to DRS and sell diesel fuel without immediate tax payment if the facility is located on I-84 or I-91 and is a full service facility. Effective: 10/1/87. Expires: 6/30/89.
1988	306,017	19	
1989	320,523	20	
1990	312,428	20	PA 89-251 - The sunset provision allowing certain facilities to sell diesel fuel without immediate tax payment is removed after 6/30/89.

## MOTOR FUELS TAX

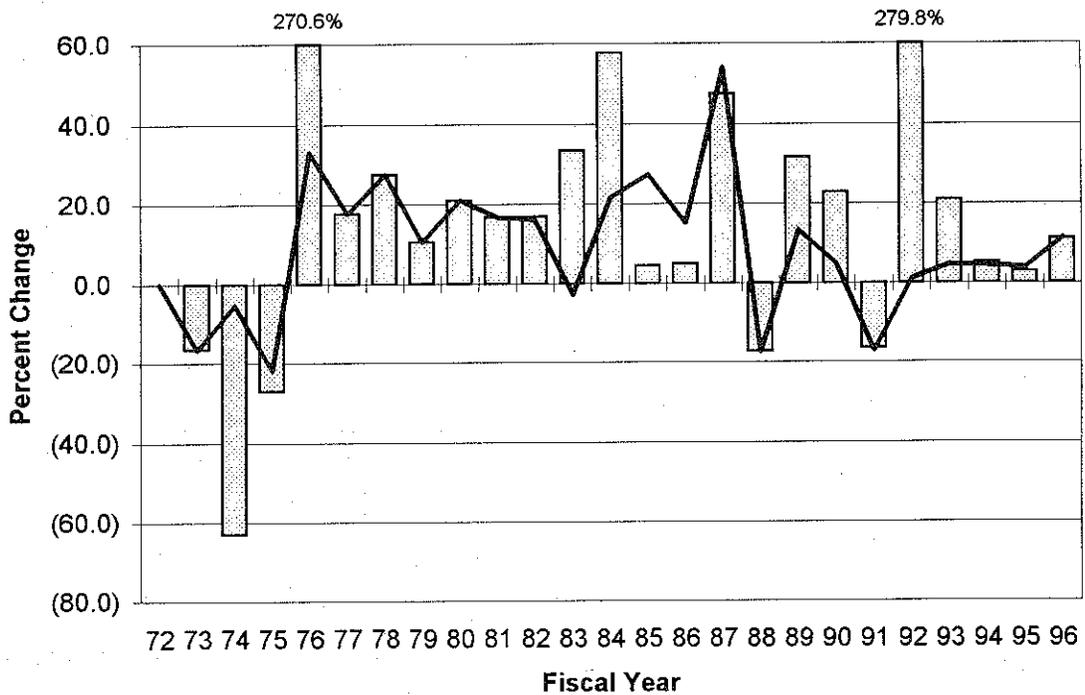
Fiscal Year	Revenue (000)	Gasoline Tax cents per gallon	Base Changes
1991	334,941	22 (eff. 7/1/90)	PA 90-140 - A refund is provided for fuel purchased in-state but consumed out-of-state (1/1/91).
1992	369,970	23 (eff. 7/1/91) 25 (eff. 9/1/91) 26 (eff. 1/1/92)	PA 91-3 (JSS) - Diesel fuel is taxed at 18 cents per gallon between 9/1/91 and 6/30/92.
1993	397,768	28 (eff. 1/1/93)	PA 92-177 (MSS) - The 6/30/92 sunset on the 18 cent per gallon rate for diesel fuel is removed.
1994	435,749	29 (eff. 7/1/93) 30 (eff. 1/1/94)	PA 93-93 - Places propane gas in the same category as diesel fuel, therefore reducing the tax to 18 cents per gallon, effective 10/1/93.  PA 93-74 - Increases the motor fuels tax by 5 cents per gallon, in 1 cent increments from October 1, 1995 through January 1, 1997. (See table Summary of Enacted Tax and Fee Increases found under the Transportation Fund section of this book).
1995	468,623	31 (eff. 7/1/93) 33 (eff. 1/1/95)	PA 94-170 - Sales from compressed natural gas, liquefied petroleum gas or liquefied natural gas are exempted from the Motor Fuels Excise Tax from 7/1/94 to 6/30/99 when they are sold to fleets converted under the Federal Clean Air Act's clean fuel vehicle requirement.  PA 94-4 (MSS) - Railroads are permitted to take their exemption from the Motor Fuels Tax at the pump rather than apply for a refund.
1996	504,745	34 (eff. 10/1/95) 35 (eff. 1/1/96) 36 (eff. 4/1/96)	PA 95-159 reduced the motor fuel tax rate on natural gas sold as motor vehicle fuel from 32 cents per gasoline gallon equivalent (gge) to 18 cents per gge. Effective retroactive from to 9/91.
1997	563,500 Budget Act	37 (eff. 7/1/96) 38 (eff. 10/1/96) 39 (eff. 1/1/97)	PA 96-183 broadens the exemption for alternative fuels by eliminating the restriction that the fuels were exempt only when sold to fleets converted under the Federal Clean Air Act's clean fuel vehicle requirement effective 7/1/96. The exemption sunsets on 7/1/99. (see PA 96-222)  PA 96-222 extends the exemption from the motor fuels tax for alternative fuels for two years, until 7/1/2001, and eliminates the limitation on the exemption thus making sales of such fuel for any motor vehicle tax exempt.

Note: Motor fuels taxes are not adjusted for refunds. For your reference, a table listing Motor Fuels Tax increases is presented under the Transportation Fund section of this book.

# Personal Income Taxes Collections and Growth Rates FY 72 - FY 96



Capital Gains, Interest & Dividends Tax
  Personal Income Tax



Actual
  Adjusted

Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## PERSONAL INCOME TAXES

### Capital Gains, Interest & Dividends Tax

Fiscal Year	Revenues (\$000)	Rate		Base Changes
		Div/Int.	CG	
1970	\$4,916	NA	6%	Capital gains only. There was no Capital Gains Tax prior to 1970.
1971	10,377	NA	6%	Dividends included (PA 8. Aug. Special Session).
1972	60,922	6%	6%	
1973	50,808	6%	6%	Eliminated \$5.00 minimum tax. DISC dividends excluded (1/1/73).
1974	18,671	NA	6%	Dividends tax repealed.
1975	13,574	6%	6%	Dividends taxed at 7% if AGI greater than \$20,000, 1/1/75.
1976	50,428	7%	7%	
1977	59,345	7%	7%	1-9% on dividends if AGI greater than \$20,000.
1978	75,593	1-9%	7%	
1979	83,487	1-9%	7%	Liability for CG&D Tax eliminated when amount owed is less than \$10.00.
1980	100,953	1-9%	7%	
1981	117,786	1-9%	7%	
1982	137,726	1-9%	7%	
				(1) Capital gains taxes paid to another state may be claimed as a credit (credit may be claimed only out-of-state property was a principal place of residence for 6 of the 12 months immediately preceding date of sale) Effective 1/1/81. (2) Income subject to Estate Income Tax is exempt from the Capital Gains & Dividends Tax.
1983	183,658	1-9%	7%	Beginning 1/1/83 individuals with estimated tax liability in excess of \$200 must make an estimated payment in the 6 month of their income year equal to 50% of their estimated tax liability.
1984	289,534	6-13%	7%	(1) 6%-13% on dividends & interest if AGI is at least \$50,000 (1/1/83). (2) Beginning 1/1/84 individuals whose estimated dividends & interest tax liability is in excess of \$200 must make an estimated payment in the sixth month of their income year equal to 50% of their estimated tax liability.
1985	302,432	6-13%	7%	(1) Shareholders in an electing small business corporation can deduct from interest income tax, the amount of interest income which was also included in the firm's net income (1/1/85).
1986	317,304	6-13%	7%	(1) Social security and railroad retirement income is excluded from AGI (1/1/85).

## PERSONAL INCOME TAXES

### Capital Gains, Interest & Dividends Tax

Fiscal Year	Revenues (\$000)	Rate Div/Int.	CG	Base Changes
				<p>(2) Tax rates on interest and dividends revised to 1%-13% (1/1/85).</p> <p>(3) Taxpayers 65 or over and having AGI less than \$10,000 (exclusive of capital gains) are exempt from capital gains tax (1/1/85).</p> <p>(4) A deduction for interest forfeited because of early withdrawal is allowed from interest income subject to tax. Effective 1/1/85.</p> <p>(5) Exempts individuals from the Capital Gains Tax if AGI is below the level necessary for filing a federal return.</p>
1987	467,780	1-12%	7%	<p>Tax Rate of 1%-12% on interest &amp; dividends if AGI is at least \$54,000 (1/1/86).</p> <p>(Note: Revenue increase includes revenues from the initial behavioral response of taxpayers to the reduction in Federal tax rates.)</p>
1988	386,260	1-12%	7%	<p>(1) \$50 minimum late payment penalty eliminated (1/1/87).</p> <p>(2) 60% of long-term gains are excluded from the tax to offset its inclusion as a result of federal tax reform (1/1/87).</p>
1989	508,689	1-12%	7%	
1990	624,698	1-14%	7%	<p>(1) PA 89-16 - Estimated payment of 100% of tax due on gains in first five months of year must be paid in sixth month (1/1/89).</p> <p>(2) PA 89-251</p> <p style="padding-left: 20px;">(a) Long-term exclusion for gains realized on or after 2/9/89 is repealed. The maximum tax on capital gains income is limited to 5% of AGI.</p> <p style="padding-left: 20px;">(b) Interest and dividends tax rates are changed from 1-12% to 1-14%.</p> <p>(3) PA 89-304 - Capital gains resulting from trading or holding dealer equity options are exempt.</p>
1991	520,498	1-14%	7%	<p>PA 90-148 - The tax is applied to capital gains from the sale of real property by nonresidents. (1/1/90)</p>
1992	159,000	.75-9.5%	4.75%	<p>PA 91-3 (JSS) Makes the following changes:</p> <p>(1) Rates for 1991 income years are lowered. Tax is eliminated for income years beginning on or after 1/1/92 and capital gains, interest or dividend income will be taxable under the Personal Income Tax.</p> <p>(2) Married couples eligible to file jointly for federal tax purposes must file jointly for this tax.</p>

## PERSONAL INCOME TAXES

### Personal Income Tax

Fiscal Year	Revenues (\$Millions)	Rate	Base Changes
1992	1,817.6 (Does not include \$159 million from CGD&I)	1.5%, 4.5%	PA 91-3 (JSS) An income tax is imposed on Connecticut adjusted gross income (AGI) at the rate of 1.5% for the 1991 income year and 4.5% thereafter. The tax provides a low income credit and phases out the standard deduction. Effective October 1, 1991. (See the next section for more information.)
1993	2,392.0	4.5%	PA 92-17 (MSS) Inter Vivos trusts are taxed on the basis of the number of beneficiaries living in state rather than the location of the trust or trustees, effective 1/1/93. The act also changes estimated payment schedule and penalties for failure to file a return.  PA 92-5 (MSS) Expenses connected with income which is exempt from federal taxation but taxable in Connecticut may be deducted from income. Expenses connected with income that is exempt from taxation in Connecticut may not be deducted. Effective 1/1/92.
1994	2,517.7	4.5%	SA 93-74 Taxpayers are not subject to penalties or interest resulting from underpayment of estimated tax due for the 1992 income year.  PA 93-74 and PA 93-332 Creates the Alternative Minimum Tax. Taxpayers are required to pay higher of their liability under the state Personal Income Tax or 23% of their federal Alternative Minimum Tax liability, effective 1/1/93.  PA 93-74 Conforms estimated payments to the federal IRS Code and permits taxpayers to round estimates less than \$1 to the closest whole number when computing their final tax liability. Effective 1/1/93.
1995	2,589.9	4.5%	PA 94-4 (MSS) Makes the following changes: (1) Changes the structure of the low income credit, effective 1/1/95. (2) The percentage of Social Security benefits which is included in state adjusted gross income is limited to the percentage that was taxable under the 1993 federal income tax rules, effective with the 1994 income year. (3) A credit for the amount of Property Tax paid on privately-owned motor vehicles is phased in beginning in the 1997 income year. The credit is subject to a formula the net assessed value of the motor vehicle. (4) The current Alternative Minimum Tax is replaced with The Connecticut Minimum Tax. Tax liability under the new tax is the lesser of: (a) 19% of Adjusted Federal Tentative Minimum Tax or (b) 5% of adjusted federal alternative minimum taxable income. The change is effective with the 1993 income year. (5) The deduction of moving expenses from federal adjusted gross income is eliminated, effective 1/1/94.

**PERSONAL INCOME TAXES**

**Personal Income Tax**

Fiscal Year	Revenues (\$Millions)	Rate	Base Changes
1996	2,879.4	3.0% and 4.5%	<p>PA 95-160 contained the following changes to the Personal Income Tax:</p> <ul style="list-style-type: none"> <li>(1) The rate for the levels of taxable income, is reduced from 4.5% to 3.0% on the first \$4,500 on taxable income for a single filer; \$7,500 for Head of Household and \$9,000 for Joint filers. The new rate structure is effective 7/1/96.</li> <li>(2) A credit of up to \$100 is provided for personal and real property taxes paid on the filer's primary residence in state or a motor vehicle. The amount of credit claimed cannot exceed the filer's tax liability and may not be taken into account when calculating the amount of withholding or estimated payments due. The credit is effective for tax paid on the 10/1/95 grand list.</li> </ul> <p>PA 95-263 contained the following provisions:</p> <ul style="list-style-type: none"> <li>(1) Professional athletic teams are permitted to file composite returns for team members who are not state residents. The teams are also permitted to make estimated payments in lieu of withholding. Effective 1/1/96.</li> <li>(2) In lieu of quarterly estimated payments, farmers and fisherman are permitted to make two installment payments per income year. Payments are due 6/15 of the income year and 1/15 of the following income year. Effective 1/1/96.</li> </ul>
1997	2,849,000 Budget Act	3.0% and 4.5%	<p>PA 96-206 gives unemployment compensation benefit recipients the option to have federal and state taxes withheld from their weekly benefit checks.</p> <p>PA 96-253 exempts income derived from foreign residents in connection with a company located within the designated Insurance, and Financial Services Export Zone established under this Act in Hartford.</p> <p>PA 96-139 specifies that the credit of up to \$100 per year for taxes paid on a primary residence or motor vehicle by a married couple filing jointly may not exceed \$100 of the aggregate property taxes they paid. The act also defines taxpayer filing categories are the same as those under federal income tax for state income tax purposes.</p>

## PERSONAL INCOME TAXES

### Personal Income Tax

Fiscal Year	Revenues (\$Millions)	Rate	Base Changes
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PA 96-221 contained the following provisions:

- (1) establishes the following order when a taxpayer can claim more than one credit against the income tax.
  - (1) the credit based on adjusted gross income
  - (2) credits for income taxes paid to other states
  - (3) credits for income tax imposed by other jurisdiction for people subject to the federal alternative minimum tax
  - (4) any other credit that cannot be carried forward, in the order that maximizes their value to the taxpayer
  - (5) other credits that can be carried forward, in order that maximizes their value to the taxpayerNo credit can be claimed more than once.
- (2) requires income tax liability, as it applies to trusts and estates, be adjusted to reflect any refunds or credit for overpayment of Connecticut income tax to the extent that is included in gross income for federal income tax purposes, and is deductible in determining federal income tax for the preceding taxable year. Applies to all tax years starting on or after January 1, 1992.
- (3) expands the scope of the law that waives income tax deadlines for people serving in combat zones. It also extends these provisions to zones and times designated by Congress, if it provides that service are to be treated the same as service in presidentially designated zones and times effective beginning with the 1995 income year.

PA 96-94 permits taxpayers to file amended 1991 personal income tax returns when the final liability for income tax paid to another state is different from the credit claimed on the taxpayer's CT return. The taxpayer must file the amended return within 30 days after the act's effective date (by June 7, 1996). This was done because PA 92-5 MSS applied only to the 1992 and subsequent income years in regards to the amended return.

## PERSONAL INCOME TAX

### Rate & Basis

The tax is imposed on income of individuals, trusts and estates derived from sources within the state, at the rate of 1.5% for 1991 income years and 4.5% for 1992 and subsequent income years. The rate is reduced from 4.5% to 3.0% effective 7/1/96 for taxable income levels noted below (PA 95-160).

Amount of Taxable Income taxed at 3%  
Type of Filer

Joint	Head of Household	Single
\$9,000	\$7,000	\$4,500

Taxpayers are required to pay the higher of their liability under the state Personal Income Tax or the Connecticut Minimum Tax, effective 1/1/93 (PA 94-4 (MSS)). The Connecticut Minimum Tax is the lesser of 19% of Adjusted Federal Tentative Minimum Tax or 5% of adjusted federal alternative minimum taxable income.

The tax is levied on Connecticut adjusted gross income (AGI) which is defined as adjusted gross income for federal income tax purposes, subject to certain additions and deletions. Additions include such things as interest and dividends from obligations (such as bonds) from other states, or subdivisions of other states, unless federal law requires them to be exempt from state income taxes. The deletions include such things as (1) any income included in adjusted gross income that federal law exempts from state taxation, (2) the amount of refunds or credits for overpayments of income tax, (3) exempt dividends paid by a regulated investment company, and (4) tier one railroad retirement benefits. The deletion of moving expenses is eliminated, effective with the 1994 income year (PA 94-4 (MSS)).

The percentage of social security benefits which is included in state adjusted gross income is limited to the percentage that was taxable under 1993 federal income tax rules (PA 94-4 (MSS)). Special rules are established for determining whether the income of a nonresident or a part-year resident individual, a partner's distributive share of partnership income, a shareholder's pro rata share of S corporation or limited liability company (PA 93-267, effective 10/1/93) income and a beneficiary's share of trust or estate income is derived from sources within the state and how income gains, loss, and deductions are allocated.

The tax imposed on income earned by resident and nonresident trusts and estates is similar to the one applied to individuals except that the trusts and estates do not receive the exemptions and credits that individuals receive. The tax must be paid by the fiduciary. Special rules are established for determining what income is derived from sources within the state for nonresident and part-year resident estates, trusts and beneficiaries and how income, gains, loss and deductions are allocated.

### Exemptions

An unmarried person or a married person filing separately is entitled to a personal exemption of \$12,000. Beginning at an AGI of \$24,000, the exemption decreases by \$1000 for each \$1000 increase in AGI. There is no exemption if the taxpayer earns more than \$35,000. A low income credit is also provided for income years prior to 1995 as follows:

Connecticut AGI	Tax Credit
Below \$12,000	100%
Over \$12,000 but below \$15,000	75%
Over \$15,000 but below \$20,000	35%
Over \$20,000 but below \$25,000	15%
Over \$25,000 but below \$48,000	10%

The low income credit for the 1995 income year and after is as follows (PA 94-4 MSS):

<u>Connecticut AGI</u>	<u>Tax Credit</u>
Below \$12,000	100%
Over \$12,000 but below \$15,000	75%
Over \$15,000 but below \$15,500	70%
Over \$15,500 but below \$16,000	65%
Over \$16,000 but below \$16,500	60%
Over \$16,500 but below \$17,000	55%
Over \$17,000 but below \$17,500	50%
Over \$17,500 but below \$18,000	45%
Over \$18,000 but below \$18,500	40%
Over \$18,500 but below \$20,000	35%
Over \$20,000 but below \$20,500	30%
Over \$20,500 but below \$21,000	25%
Over \$21,000 but below \$21,500	20%
Over \$21,500 but below \$25,000	15%
Over \$25,000 but below \$25,500	14%
Over \$25,500 but below \$26,000	13%
Over \$26,000 but below \$26,500	12%
Over \$26,500 but below \$27,000	11%
Over \$27,000 but below \$48,000	10%
Over \$48,000 but below \$48,500	9%
Over \$48,500 but below \$49,000	8%
Over \$49,000 but below \$49,500	7%
Over \$49,500 but below \$50,000	6%
Over \$50,000 but below \$50,500	5%
Over \$50,500 but below \$51,000	4%
Over \$51,000 but below \$51,500	3%
Over \$51,500 but below \$52,000	2%
Over \$52,000 but below \$52,500	1%

The exemption for head of household is \$19,000. Beginning at an AGI of \$38,000, the exemption decreases by \$1000 for each \$1000 increase in AGI. There is no exemption if the taxpayer earns more than \$56,000. A low income credit is also provided for income years prior to 1995 as follows:

<u>Connecticut AGI</u>	<u>Tax Credit</u>
Below \$19,000	100%
Over \$19,000 but below \$24,000	75%
Over \$24,000 but below \$34,000	35%
Over \$34,000 but below \$44,000	15%
Over \$44,000 but below \$74,000	10%

The low income credit for the 1995 income year and after is as follows (PA 94-4 MSS):

<u>Connecticut AGI</u>	<u>Tax Credit</u>
Below \$19,000	100%
Over \$19,000 but below \$24,000	75%
Over \$24,000 but below \$24,500	70%
Over \$24,500 but below \$25,000	65%
Over \$25,000 but below \$25,500	60%
Over \$25,500 but below \$26,000	55%
Over \$26,000 but below \$26,500	50%
Over \$26,500 but below \$27,000	45%

Over \$27,000 but below \$27,500	40%
Over \$27,500 but below \$34,000	35%
Over \$34,000 but below \$34,500	30%
Over \$34,500 but below \$35,000	25%
Over \$35,000 but below \$35,500	20%
Over \$35,500 but below \$44,000	15%
Over \$44,000 but below \$44,500	14%
Over \$44,500 but below \$45,000	13%
Over \$45,000 but below \$45,500	12%
Over \$45,500 but below \$46,000	11%
Over \$46,000 but below \$74,000	10%
Over \$74,000 but below \$74,500	9%
Over \$74,500 but below \$75,000	8%
Over \$75,000 but below \$75,500	7%
Over \$75,500 but below \$76,000	6%
Over \$76,000 but below \$76,500	5%
Over \$76,500 but below \$77,000	4%
Over \$77,000 but below \$77,500	3%
Over \$77,500 but below \$78,000	2%
Over \$78,000 but below \$78,500	1%

The exemption for married couples filing jointly is \$24,000. Beginning at an AGI of \$48,000, the exemption decreases by \$1000 for each \$1000 increase in AGI. There is no exemption if the couple earns more than \$71,000. A low income credit is also provided for income years prior to 1995 as follows:

<u>Connecticut AGI</u>	<u>Tax Credit</u>
Below \$24,000	100%
Over \$24,000 but below \$30,000	75%
Over \$30,000 but below \$40,000	35%
Over \$40,000 but below \$50,000	15%
Over \$50,000 but below \$96,000	10%

The low income credit for the 1995 income year and after is as follows (PA 94-4 MSS):

<u>Connecticut AGI</u>	<u>Tax Credit</u>
Below \$24,000	100%
Over \$24,000 but below \$30,000	75%
Over \$30,000 but below \$30,500	70%
Over \$30,500 but below \$31,000	65%
Over \$31,000 but below \$31,500	60%
Over \$31,500 but below \$32,000	55%
Over \$32,000 but below \$32,500	50%
Over \$32,500 but below \$33,000	45%
Over \$33,000 but below \$33,500	40%
Over \$33,500 but below \$40,000	35%
Over \$40,000 but below \$40,500	30%
Over \$40,500 but below \$41,000	25%
Over \$41,000 but below \$41,500	20%
Over \$41,500 but below \$50,000	15%
Over \$50,000 but below \$50,500	14%
Over \$50,500 but below \$51,000	13%
Over \$51,000 but below \$51,500	12%
Over \$51,500 but below \$52,000	11%
Over \$52,000 but below \$96,000	10%
Over \$96,000 but below \$96,500	9%
Over \$96,500 but below \$97,000	8%

Over \$97,000 but below \$97,500	7%
Over \$97,500 but below \$98,000	6%
Over \$98,000 but below \$98,500	5%
Over \$98,500 but below \$99,000	4%
Over \$99,000 but below \$99,500	3%
Over \$99,500 but below \$100,000	2%
Over \$100,000 but below \$100,500	1%

Taxpayers receive a tax credit for income taxes paid in another state or Canada.

Entities subject to the state Corporation Tax are exempt from the state Personal Income Tax. Entities which are exempt from federal income tax are exempt from the state Income Tax except with respect to unrelated business income.

### Credits

A credit for the amount of Property Tax paid on privately-owned motor vehicles is phased in as follows (PA 94-4 MSS):

<u>Income Year</u>	<u>Property Tax Credit Phase In</u>
1997	20%
1998	40%
1999	60%
2000	80%
2001	100%

The credit is subject to a formula based on the net assessed value of the motor vehicle as follows:

<u>Net Assessed Value of Motor Vehicle</u>	<u>Property Tax Credit Formula</u>
Less than \$15,000	Full amount of Property Tax paid
\$15,000 to \$25,000	Full amount of Tax paid on first \$15,000 of assessed value + 50% of Tax paid on value over \$15,000
More than \$25,000	Full amount of Tax paid on first \$15,000 of assessed value + 50% of Tax paid on value between \$15,000 and \$25,000 (No credit for amount exceeding \$25,000)

A credit for up to \$100 is provided for persona and real property taxes paid on the filers' primary residence in state or a motor vehicle. The amount of credit claimed cannot exceed the filer's tax liability and may not be taken into account when calculating the amount of withholding or estimated payments due. The credit is effective beginning with taxes paid on the 10/1/95 grand list (PA 95-160).

### Payment

Employers are required to withhold taxes from wages based on the employee's estimated tax liability for the income year.

Taxpayers with taxable income from which no withholding has been made, must make quarterly estimated payments if their liability on the non-withheld income is expected to exceed \$200. To avoid penalty, the taxpayer must pay as follows:

Personal Income Tax Estimated Payments		
	<u>Due</u>	<u>Pay the lesser of:</u>
1st	4/15	22.5% of current year or 25% of last year's liability
2nd	6/15	45% of current year or 50% of last year's liability
3rd	9/15	67.5% of current year or 75% of last year's liability
4th	1/15	90% of current year or 100% of last year's liability

An income tax return must be filed by the 15th day of the fourth month following the close of the taxpayer's taxable year. The tax due must be paid by that date whether or not a filing extension has been granted. S corporations and partnerships must file composite returns and make composite tax payments on behalf of some or all of their nonresident shareholders and partners.

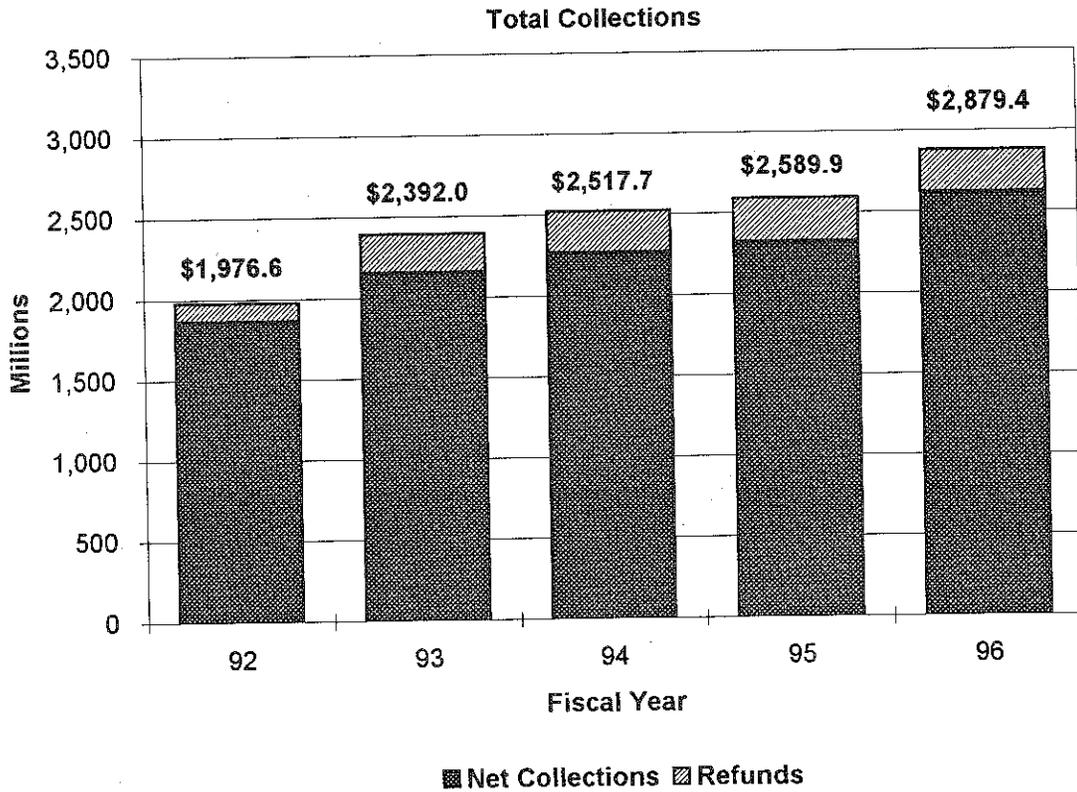
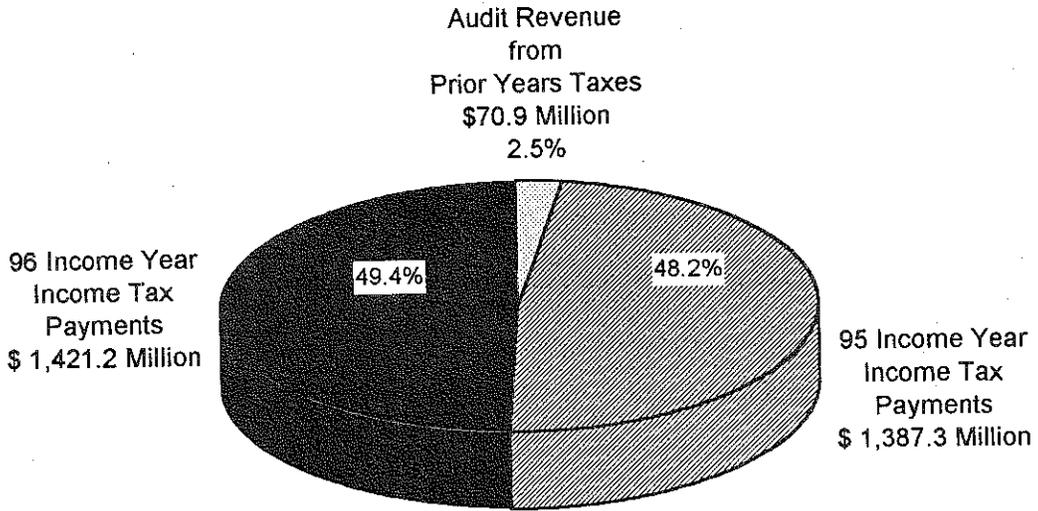
In lieu of quarterly estimated payments, farmers and fishermen are permitted to make two installment payments per income year. Payments are due June 15th of the income year and January 15 of the following income year. Professional athletic teams are permitted to file composite returns for team members who are not state residents. The teams are also permitted to make estimated payments in lieu of withholding. (PA 95-263, effective 1/1/96)

The interest rate for taxpayers is 1.0% per month on the unpaid tax. PA 95-263 reduced the interest rate from 1.25% to 1.0% effective 1/1/96. Penalty is 10% of the required payment. There are also penalties for failing to collect the tax and understating wages, and criminal penalties for failure to keep records or keeping fraudulent records. Taxpayers are not subject to penalties or interest resulting from underpayment of estimated taxes for the 1992 income year (SA 93-3).

# Personal Income Tax Revenues

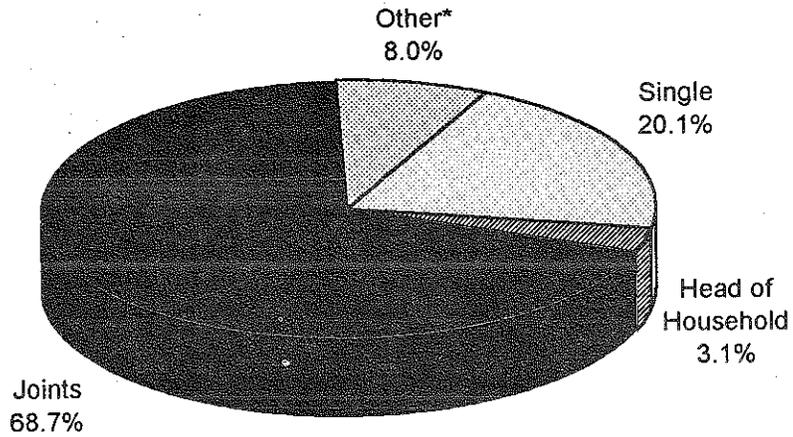
## \$2,879.4 Million

### FY 1996

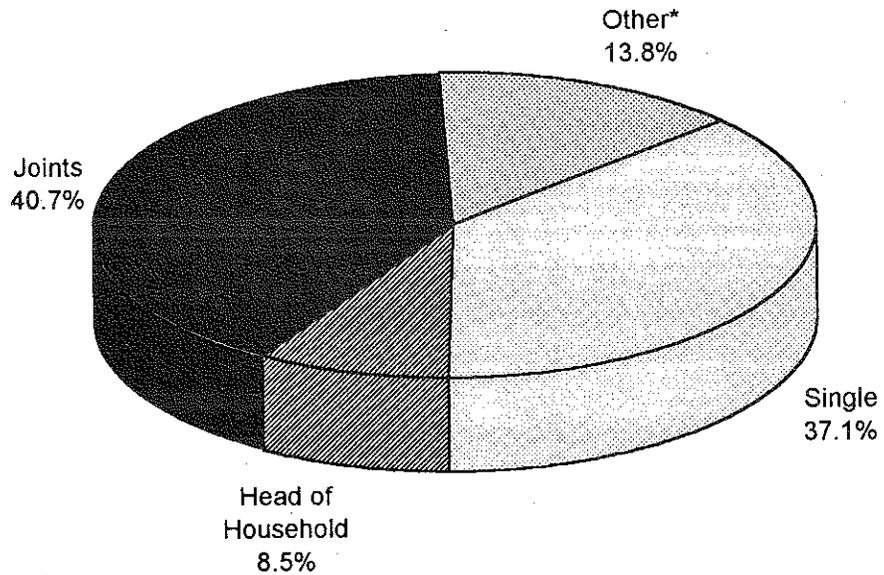


# Full Year Resident Taxpayers and Other Taxpayers 1995 Income Year

Total Income Tax Paid by Type of Return  
\$2,399.7 Million



Percent of Returns by Type of Return  
1.4 Million Returns Filed

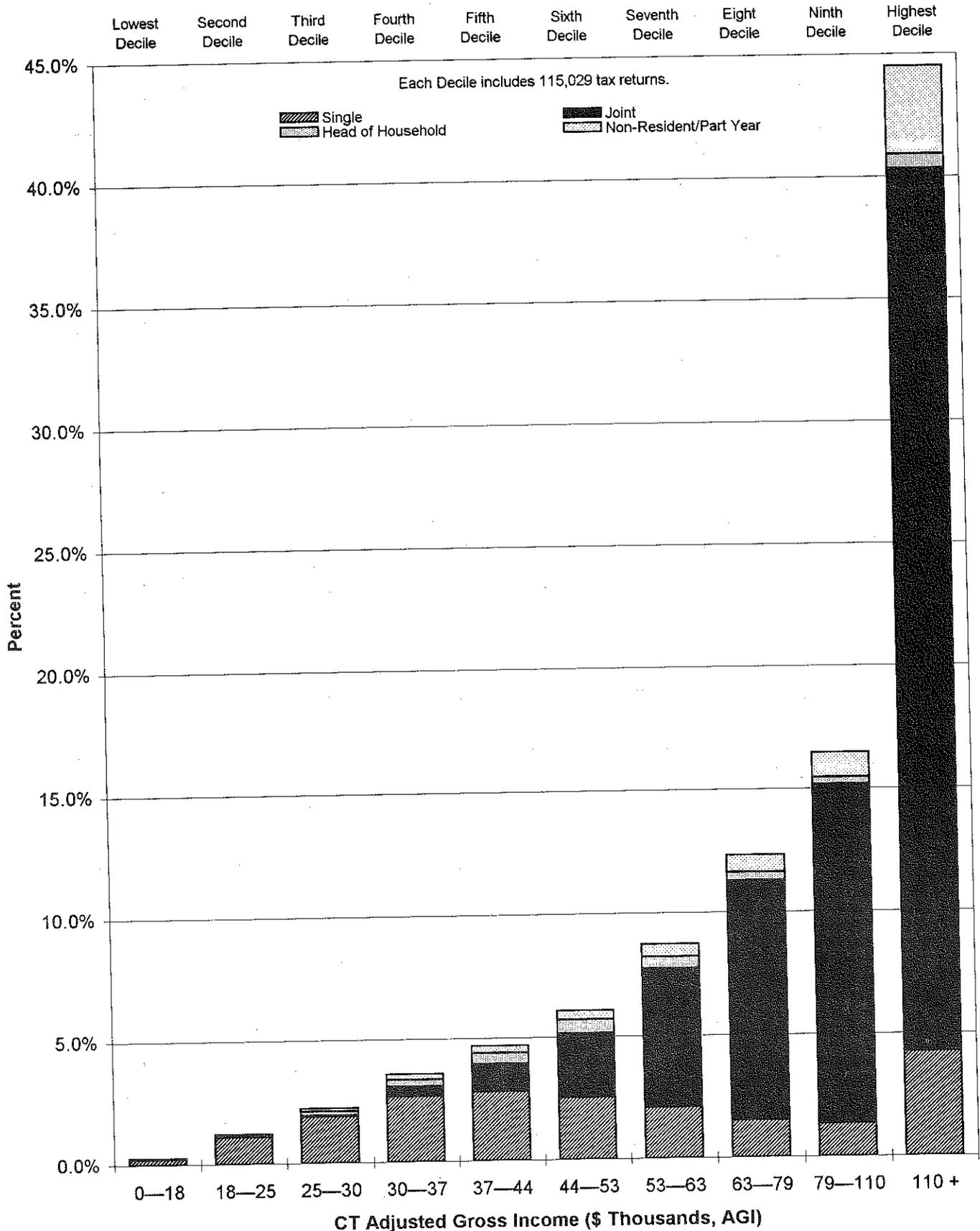


\*Includes NR/PY, Trust & Estates, S-Corporation and Group returns filed.

# All Tax Payers\*

## Percent of Tax Paid

### 1995 Income Year



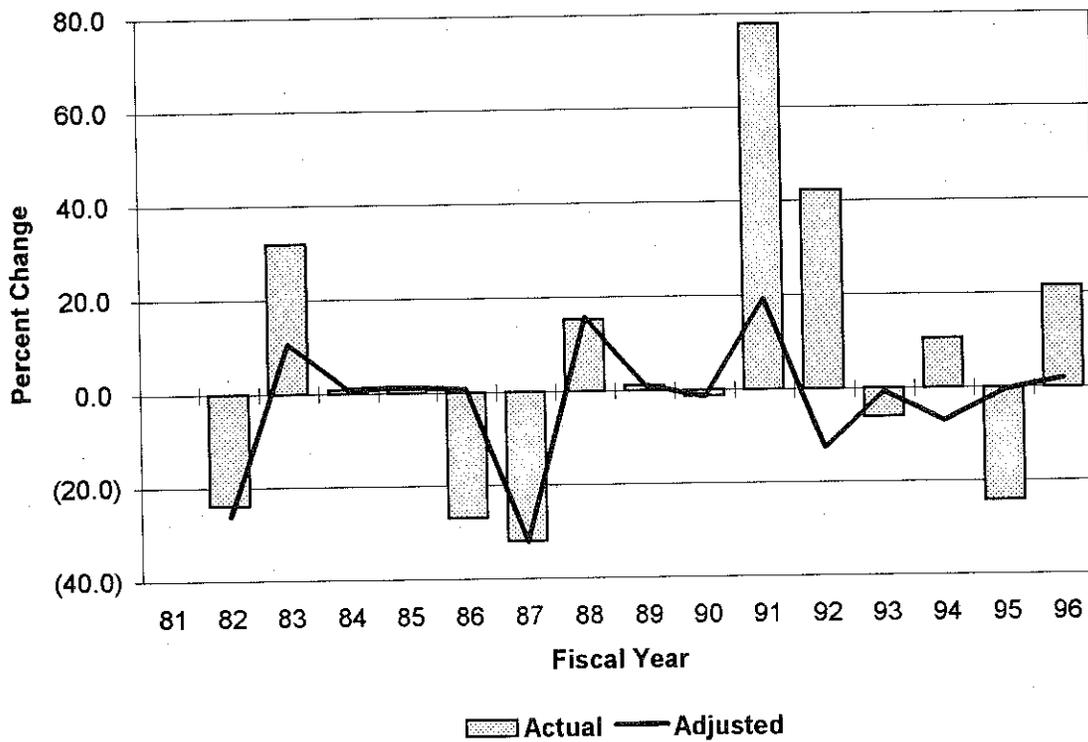
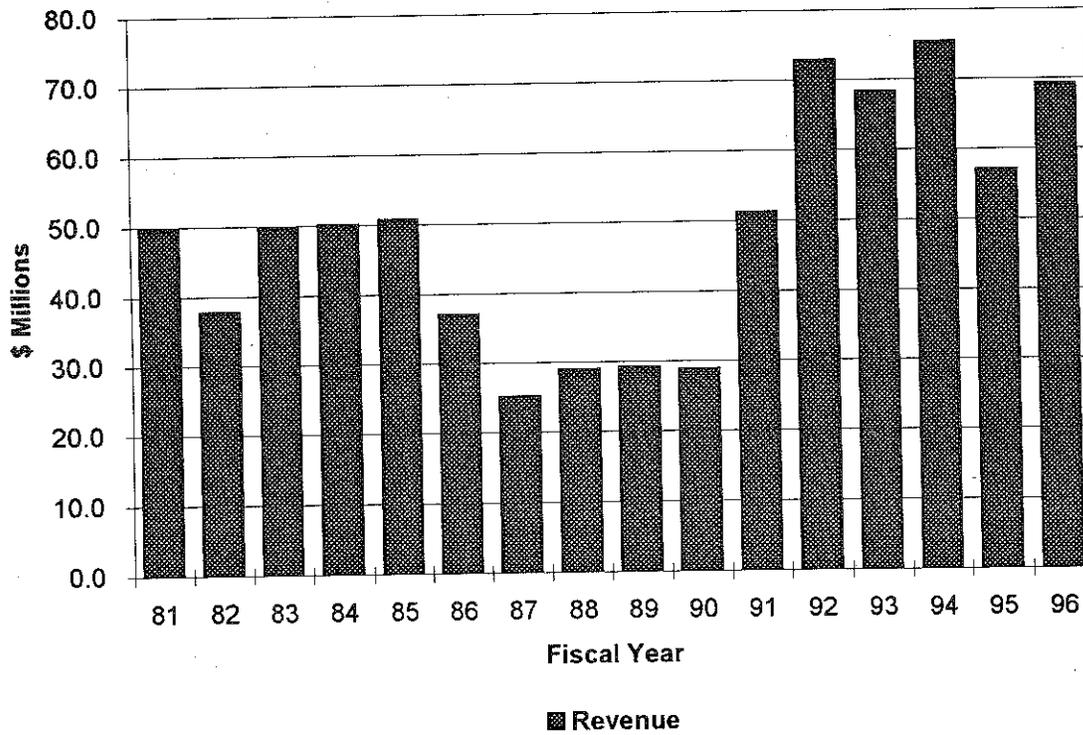
\*There were 1,358,440 returns filed for 1995 income year of which 1,150,290 were taxpayers with a CT tax liability.

**PERSONAL INCOME TAX  
COMPARISON OF 1992, 1993, 1994 AND 1995 INCOME YEARS**

Resident Tax Payer CT AGI	Number of Returns				Total Tax Liability (Millions)			
	1992	1993	1994	1995	1992	1993	1994	1995
0 5,000	49,722	51,715	54,843	54,176	\$0.0	\$0.0	\$0.0	\$0.0
5,000 10,000	60,735	63,629	65,602	63,981	0.0	0.0	0.0	0.0
10,000 15,000	90,338	91,299	90,573	88,137	0.8	0.8	0.7	0.7
15,000 20,000	105,477	104,615	102,650	101,529	11.4	11.1	10.8	8.9
20,000 25,000	106,836	104,970	102,691	101,072	26.8	26.2	25.6	24.5
25,000 30,000	98,230	95,844	94,666	93,996	45.6	44.5	44.5	44.2
30,000 35,000	86,141	84,408	83,611	83,691	61.2	59.9	60.1	59.8
35,000 40,000	78,452	76,242	75,832	75,321	68.0	66.6	67.4	68.4
40,000 45,000	70,284	68,823	68,009	67,810	73.6	72.6	73.1	73.6
45,000 50,000	64,294	62,927	61,739	61,631	77.7	76.6	76.4	76.9
50,000 60,000	105,463	104,248	104,863	104,709	177.0	175.7	178.1	179.2
60,000 75,000	104,818	105,281	108,502	111,630	257.8	258.9	267.6	276.6
75,000 100,000	85,441	88,703	93,938	99,219	283.7	294.6	312.1	329.7
100,000 150,000	48,932	52,258	56,709	62,354	231.9	248.3	269.2	299.4
150,000 200,000	16,026	17,353	18,327	20,195	103.5	112.4	117.1	130.8
200,000 and Over	25,202	26,457	27,964	33,080	488.1	503.5	485.0	635.4
<b>Total Resident</b>	<b>1,196,391</b>	<b>1,198,772</b>	<b>1,210,519</b>	<b>1,222,531</b>	<b>\$1,907.1</b>	<b>\$1,951.6</b>	<b>\$1,987.8</b>	<b>\$2,208.3</b>
<b>Non-Res./Part-Year</b>	<b>116,084</b>	<b>122,792</b>	<b>130,934</b>	<b>135,910</b>	<b>\$130.5</b>	<b>\$136.8</b>	<b>\$147.6</b>	<b>\$165.9</b>
<b>S Corporations</b>	<b>24,486</b>	<b>24,481</b>	<b>25,290</b>	<b>25,902</b>	<b>\$0.6</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$0.7</b>
<b>Trust &amp; Estates</b>	<b>42,784</b>	<b>33,022</b>	<b>32,220</b>	<b>33,931</b>	<b>\$16.3</b>	<b>\$14.0</b>	<b>\$14.7</b>	<b>\$20.2</b>
<b>Group Filers</b>	<b>139</b>	<b>117</b>	<b>113</b>	<b>104</b>	<b>\$3.0</b>	<b>\$4.3</b>	<b>\$4.2</b>	<b>\$4.6</b>
<b>Total</b>	<b>1,379,884</b>	<b>1,379,184</b>	<b>1,399,076</b>	<b>1,418,378</b>	<b>\$2,057.5</b>	<b>\$2,107.2</b>	<b>\$2,154.8</b>	<b>\$2,399.7</b>

Source: Department of Revenue services

## Petroleum Companies Tax Collections and Growth Rates FY 81 - FY 96



Adjusted for Legislative Base and Rate changes.  
Net of transfers to the Underground Storage Tax Petroleum Clean-Up Fund

## PETROLEUM COMPANIES TAX

Fiscal Year	Revenues (000)	Rate	Base Changes
1981	49,740	2%	Levied on gross earnings of petroleum companies engaged in refining and distributing petroleum products to whole-sale and retail dealers for distribution in state.
1982	37,663	2%	Firm is subject to tax when product is first sold in state (tax credit provided if and when product is subsequently sold out of state). Eff 5/1/82.
1983	49,687	2%	
1984	50,070	2%	
1985	50,696	2%	
1986	37,004	2%	1) Gross receipts from sales of home heating fuel are exempt from the tax (7/1/85). 2) The Emergency Spill Response Fund received \$1.5 million from FY 1986 tax receipts.
1987	25,067	2%	
1988	28,895	2%	Sales of propane gas used for residential heating purposes is exempt.
1989	29,154	2%	PA 89-313 - Rate raised from 2 to 3% to fund the Underground Storage Tank Petroleum Clean-up Fund[1].
1990	39,766 [2]	3%	
1991	55,290 [3]	5%	PA 91-3 (JSS) - The rate is increased 10/1/91.
1992	72,803	5%	PA 92-17 - Bunker fuel oil, intermediate marine diesel fuel oil, and marine gas used in vessels displacing 4,000 deadweight tons is exempted from Petroleum Tax.
1993	79,846 [4]	5%	PA 93-74 - Exempts Kerosene used for home heating.
1994	75,448	5%	PA 94-4 (MSS) - Changes the definition of gross receipts for service stations along state highways pursuant to a contract with DOT to base it on the wholesale price of fuel, effective 1/1/88.

## PETROLEUM COMPANIES TAX

Fiscal Year	Revenues (000)	Rate	Base Changes
1995	75,056 [5]	5%	PA 95-172 - Earnings from sales of propane used as motor vehicle are exempt from the tax, effective 7/1/95. Sales of propane for heating purposes is extended to all sales, not just limited to residential heating as prior law did.
1996	76,359 [6]	5%	
1997	66,400 Budget Act	5%	PA 96-183 - Number 2 Oil sold to be used in commercial fishing vessels is exempt from the petroleum gross earnings tax.

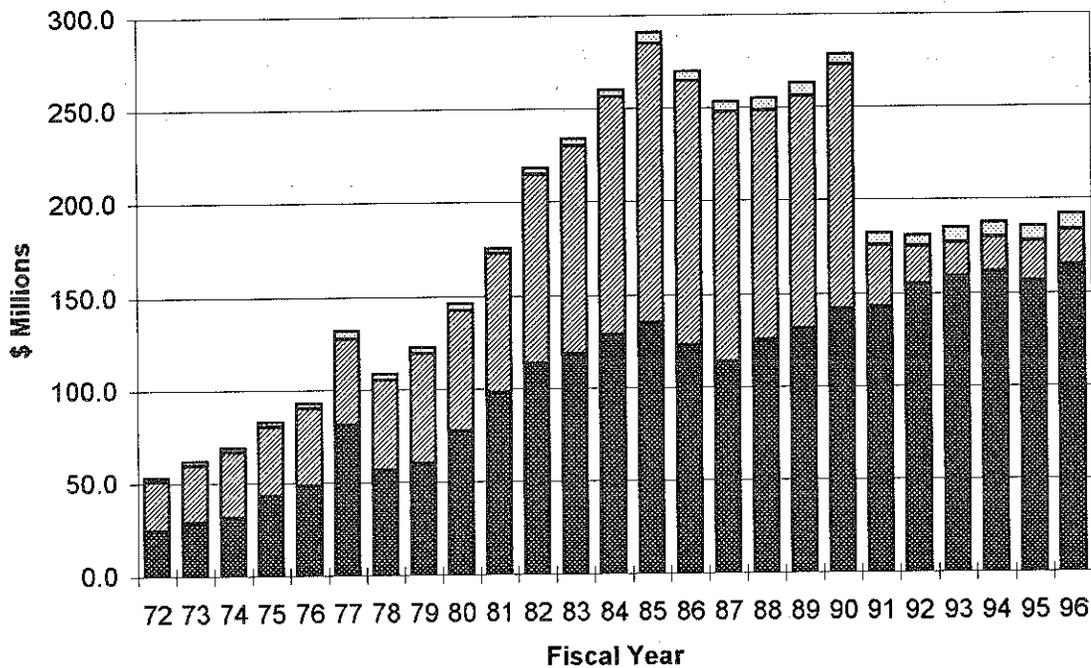
[1] The Underground Storage Tank Petroleum Clean-Up Fund reimburses responsible parties for costs incurred due to leaking petroleum underground tank storage tank systems. The fund balance is maintained between \$5 and 15 million through transfers from tax receipts.

[2,3,4,5,6] The amount shown is gross revenue collected from Petroleum Companies Gross Earnings Tax receipts

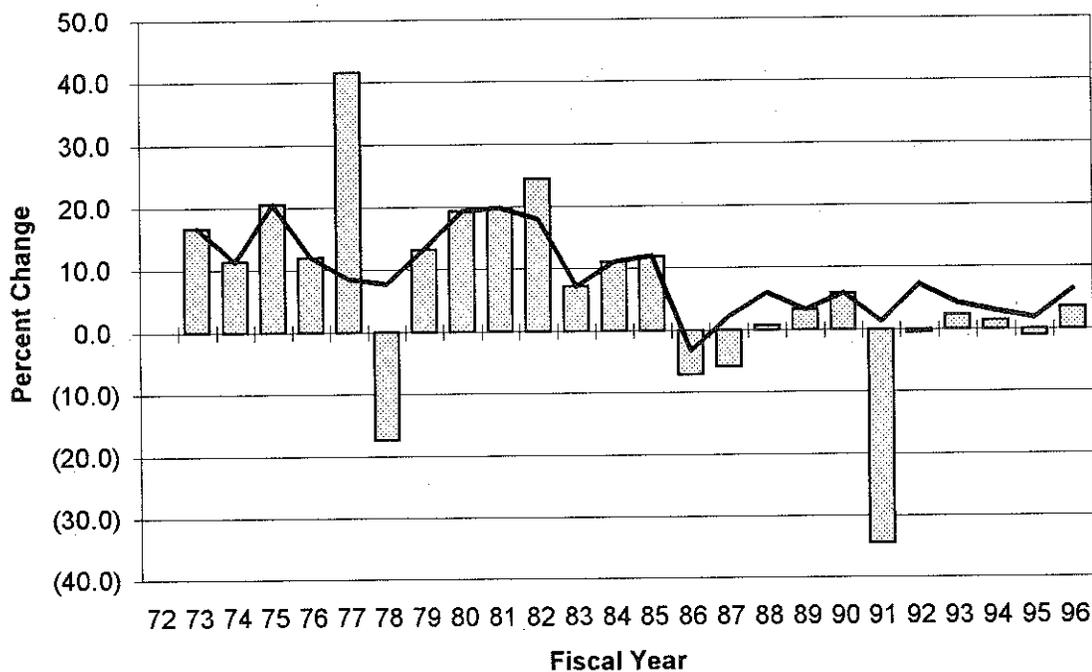
	Gross Revenues (000)	Transfers to USTP Clean-Up Fund (000)	General Fund Revenues (000)
FY 90	39,766	10,926	28,840
FY 91	55,290	4,074	51,216
FY 93	79,846	11,555	68,291
FY 95	75,056	18,027	57,029
FY 96	76,359	7,182	69,177

Source: Department of Revenue Services Annual Report, various years and The Annual Report of the State Comptroller, various

# Public Service Corporations Collections and Growth Rates FY 72 - FY 96



■ Gas & Electric    ▨ Telecommunications    □ Other



□ Actual    — Adjusted

**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

## PUBLIC SERVICE CORPORATION TAX

Fiscal Year	Revenue (000)	Base and Rate Changes
1972	52,915	
1973	61,718	
1974	68,739	
1975 [1]	82,768	
1976	92,761	
1977	131,749	(accelerated payments)
1978	108,263	
1979 [2]	122,569	
1980	146,271	
1981	175,270	
1982	218,203	
1983	233,906	<p>(1) Electric &amp; gas companies may deduct revenues derived from energy conservation loan programs from gross earnings.</p> <p>(2) Various tax credits are provided to firms engaging in community service activities (see corporation tax).</p>
1984	259,823	<p>1) The Department of Revenue Services rules that the tax on cable companies (CATV) applies to premium services as well as basic services.</p> <p>2) In response to the Federal break-up of the American Telephone and Telegraph Corporation (AT&amp;T), the definition of telecommunication services subject to the tax is revised.</p>
1985	290,672	
1986	269,429	<p>(1) The sales of gas or electricity to residential consumers is reduced to 4% from 5 (10/1/85).</p> <p>(2) The 3% gross earnings tax on Railroad Car companies is repealed (1/1/85).</p> <p>(3) The 9% tax on the gross receipts from sales of interstate telecommunications services is extended to 12/31/85 (1/1/85).</p> <p>(4) Railroad Companies are allowed an alternative method for determining gross receipt in Connecticut. Investments in additional areas are eligible as offsetting tax credits (10/1/85).</p>
1987	253,221	<p>(1) (a) Telecommunication services which are not rate regulated by the DPUC are subject to a 6.5% gross receipts tax. The tax is applied to revenues from services:</p> <p style="margin-left: 20px;">(1) Rendered entirely within Connecticut</p> <p style="margin-left: 20px;">(2) Which originate or terminate in Connecticut and are billed to Connecticut (7/1/86).</p> <p>(b) Companies providing rate regulated service will pay two-ninths of their annual tax as a grant to towns. The payments is in proportion to the number of access lines in each town to the total number of access lines statewide (4/1/87).</p>

## PUBLIC SERVICE CORPORATION TAX

Fiscal Year	Revenue (000)	Base and Rate Changes
1988	254,782	<p>(1) (a) Telecommunications companies subject to both the 6.5% tax and the 9% tax (i.e., companies providing competitive and regulated services) may pay their entire annual tax by April 1 (1/1/87)</p> <p>(b) Competition in the provision of certain telecommunications services - resale, private lines and coin operated telephones is allowed (7/1/87)</p> <p>(c) One-third of the tax from regulated non-competitive telecommunications services will be paid to a special fund for payment of a grant to towns (the grant is increased from two-ninths to one-third).</p>
1989	263,037	
1990	278,373	<p>1) PA 89-251</p> <p>(a) Tax rate on community antenna television companies reduced from 9% to 5%</p> <p>(b) Tax on regulated and nonregulated telecommunications allowed to expire 1/1/90</p>
1991	182,127	
1992	180,880	
1993	184,968	
1994	187,640	PA's 93-74 and 93-322 phases out the 5% tax on electricity and natural gas to manufactures (SIC 2000-3999) by 1% each year beginning 1/1/94.
1995	185,542	<p>PA 94-4 (MSS) makes the following changes:</p> <p>(1) Exempts private water companies from the tax effective 7/1/96.</p> <p>(2) Provides a credit for 100% of the Property Tax paid on data processing equipment, effective with Property Tax paid on the 10/1/94 grand list.</p> <p>PA 94-101 exempts natural gas sold as motor vehicle fuel from the Public Service Taxes, effective 7/1/94</p>
1996	191,967	<p>PA 95-160 delays the effective date of:</p> <p>(1) The credit provided in PA 94-4 (MSS) for 100% of the property tax paid on data processing equipment from the 10/1/94 grand list to the 10/1/96 grand list.</p> <p>(2) The repeal of the tax on water companies from 7/1/96 to 7/1/97.</p> <p>PA 95-172 - Earnings from the sale of propane used as motor vehicle fuel are exempt from the tax. Effective 7/1/95.</p> <p>PA 95-114 - Extends the utility companies tax on natural gas marketers. Marketers do not include gas companies, municipal gas utilities, gas pipeline companies or gas transmission companies. The act makes natural gas marketers eligible for the same exemptions allowed for gas and other utility companies subject to the tax.</p> <p>PA 95-359 - Specifies that natural gas marketers are subject to the tax only with regard to their sales of natural gas, bases their tax liability on the proportion of sales to retail customers that occur in the state, and exempts sales for resale from marketers from the tax</p>

## PUBLIC SERVICE CORPORATION TAX

Fiscal Year	Revenue (000)	Base and Rate Changes
1997	187,800	PA 96-144 - Reinstates the credit provided by PA 94-4 (MSS) for 100% of the Property Tax paid on data processing equipment. The credit was delayed by PA 95-160 from the 10/1/94 grand list to the 10/1/96 grand list.

PA 96-205 - The 5% tax on Steam Companies is phased out as follows:

Effective Date	Phased Out
7/1/96	4%
7/1/97	3%
7/1/98	2%
7/1/99	1%
7/1/00	Eliminated

[1] Beginning with FY 1965 20% of all Public Service tax receipts went to the Public Service Tax Sinking Fund. The Fund was abolished in FY 75 and all revenues went to the General Fund.

[2] An exemption is provided for Railroads whose net operating income is less than 12% of their gross earnings.

Note: see following chart "Public Services Corporation Taxes" for the individual components of total revenue.

Source: The Annual Report of the State Comptroller, various years.

## PUBLIC SERVICE CORPORATION TAX RATES

Fiscal Year	Community TV & Ant.	Telephone	Water, Gas, Steam			Railroad Car Co's.	Railroad Co's.	Express Co's.
			Telecomm.	Electric Power	Telegraph & Cable			
1972	NA	8.00%		5.00%	4.50%	3.00%	2%-3.5%	2.00%
1973	8.00%	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1974	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1975	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1976	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1977	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1978	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1979	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1980	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1981	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1982	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1983	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1984 [1]	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1985	9.00	9.00		5.00	4.50	Repealed	2 - 3.5	2.00
1986 [2]	9.00	9.00		5.00	4.50		2 - 3.5	2.00
1987 [3]	9.00	9.00	6.50%	5.00	4.50		2 - 3.5	2.00
1988	9.00	9.00	6.50	5.00	4.50		2 - 3.5	2.00
1989	9.00	9.00	6.50	5.00	4.50		2 - 3.5	2.00
1990	5.00	Eliminated [4]		5.00	4.50		2 - 3.5	2.00
1991	5.00			5.00	4.50		2 - 3.5	2.00
1992	5.00			5.00	4.50		2 - 3.5	2.00
1993	5.00			5.00	4.50		2 - 3.5	2.00
1994 [5]	5.00			5.00	4.50		2 - 3.5	2.00
1995	5.00			5.00	4.50		2 - 3.5	2.00
1996	5.00			5.00	4.50		2 - 3.5	2.00
1997 [6]	5.00			5.00	4.50		2 - 3.5	2.00

[1] The 5% tax on water companies is only levied on water companies as defined under DPUC regulations issued 7/1/84.

[2] The tax on sales of gas or electricity to residential customers is reduced from 5% to 4%.

[3] The tax rate on interstate firms is reduced to 6.5% and applies to revenues from services: (1) rendered entirely in Connecticut and; (2) which originated or terminate in Connecticut and are billed to Connecticut. Intrastate firms must pay one-third of their annual tax as a grant to towns. The grant amount is based upon the number of access lines in each town to the total number statewide.

[4] The tax on regulated and nonregulated telecommunications service was repealed 1/1/90.

[5] The 5% tax on electricity and natural gas to manufacturers is phased out by 1% each year beginning 1/1/94.

[6] The tax on steam companies is phased out by 1% each year beginning 7/1/96

**PUBLIC SERVICE CORPORATION TAXES BY SOURCE**  
(\$000)

Fiscal Year	Community TV & Ant.	Telephone	Telecomm.	Electric & Power Cos.	Gas	Gas, Electric & Steam	Water & Water Power	Telegraph & Cable	Railroad Car Co's.	Railroad Co's.	Express Co's.
1972	0	26,645		4,553	3,451	16,222	1,965	28.8	12	37	2.1
1973	9	30,810		5,838	3,838	18,997	2,135	30.5	14	45	2.0
1974	91	34,903		6,466	3,858	20,679	2,227	472.0	15	26	2.0
1975	119	37,119		9,603	4,804	28,403	2,378	249.8	10	61	0
1976	553	40,996		10,535	5,556	32,268	2,592	154.4	6	47	0
1977	971	45,131		17,547	10,981	52,049	4,323	155.3	8	71	0
1978	1,468	46,734		12,526	8,667	35,363	3,217	157.5	11	122	0
1979	2,028	57,185		13,877	6,989	38,873	3,347	174.5	11	92	0
1980	2,748	62,395		18,699	10,186	48,228	3,755	204.0	12	31	0
1981	3,490	70,962		23,692	12,574	61,640	2,675	216.9	11	9	0
1982	5,634	95,620		25,716	16,619	70,828	3,542	232.9	10	0.10	0
1983	6,947	114,467		24,632	17,624	76,037	3,969	223.4	8	0.08	0
1984	13,502	114,141		28,476	17,362	82,554	3,605	178.2	6	0.14	0
1985	14,409	135,318		30,118	17,450	87,345	5,857	171.8	5	0.15	0
1986	16,743	124,701		27,604	15,964	79,076	5,184	157.2	1	0.12	0
1987	16,613	97,845	19,818	25,725	13,926	73,684	5,483	126.9	0	0.18	0
1988	21,611	73,514	27,690	27,035	15,001	83,439	6,378	115.1	0	0.14	0
1989	24,123	71,781	28,395	27,594	15,203	88,500	7,345	94.6	0	0.08	0
1990	29,927	74,966	25,603	29,495	27,113	85,191	5,975	104.0	0	0.50	0
1991[1]	16,230	0	16,605	32,122	26,752	83,892	6,460	65.5	0	0.10	0
1992	16,479	3,467	17	31,180	30,264	93,414	6,049	9.9	0	0.20	0
1993	18,389	0	0	32,683	33,432	92,704	7,948	0.0	0	0.20	0
1994	18,316	0	177	32,695	35,171	93,511	7,770	0.0	0	0.10	0
1995	21,116	0	10	31,388	32,912	92,119	7,699	0.0	0	298	0
1996	18,743	0	5	31,553	35,899	97,173	8,355	0.0	0	239	0

[1] The tax on regulated and nonregulated telecommunications service was repealed 1/1/90.

Source: Comparative Statement of State Tax Revenue in Connecticut, Department of Revenue Services, various years.

**RATE CHANGES GRANTED TO MAJOR PUBLIC UTILITIES  
BY THE DEPARTMENT OF PUBLIC UTILITY CONTROL**

<b>Final Decision Date:</b>	<b>Utility</b>	<b>Amount [1] (\$ Millions)</b>
1977 October	CL&P	22.6
	HELCO	12.4
December	SNET	33.8
1979 January [2]	CL&P	6.6
	HELCO	3.6
June	CL&P	53.7
	HELCO	32.3
1980 October	SNET	85.3
	CL&P	81.6
	HELCO	43.0
November	SNET	16.3
1981 November	CL&P	123.5
	HELCO	62.5
1982 November	SNET	89.2
December [3]	CL&P	101.7
1983 December	CL&P	99.4
1984 December	UI	23.0
1985 October [4]	CL&P	(1.6) (10/85 -6/86)
	UI	(0.5) (10/85 -6/86)
1986 July	CL&P	Rates would remain unchanged
	UI [6]	until 1/1/88 [5]
1987 August	SNET [7]	
1988 February	CL&P [8]	Rates remain unchanged
1988 December	CL&P	27.3
	CNG	1.4
1989 August	UI	640.0 [9]
	CNG	13.5
1990 January	UI	55.7
March	SCG	8.4
September	CL&P	39.0
November	YG	14.3
December	CL&P	20.0 [10]
1991 March	SNET	47.7 [11]
June	SNET	New rate structure
		approved eff. (7/21/91)
August	CL&P	77.2
1992 August	YG	12.8
December [12]	UI	33.1
1993 June [13]	CL&P	141.3
July	SNET	39.4
December	SCG	13.4
1994 January [14]	UI	17.3
July [15]	CL&P	47.1
1995 July [16]	CL&P	48.2
November	CNG	8.9
1996 March	SNET	0.0 [17]

CL&P - Connecticut Light and Power  
 CNG - Connecticut Natural Gas  
 HELCO - Hartford Electric Light Company  
 SCG - Southern Connecticut Gas

SNET - Southern New England Telephone  
 UI - United Illuminating  
 YG - Yankee Gas

**Notes:**

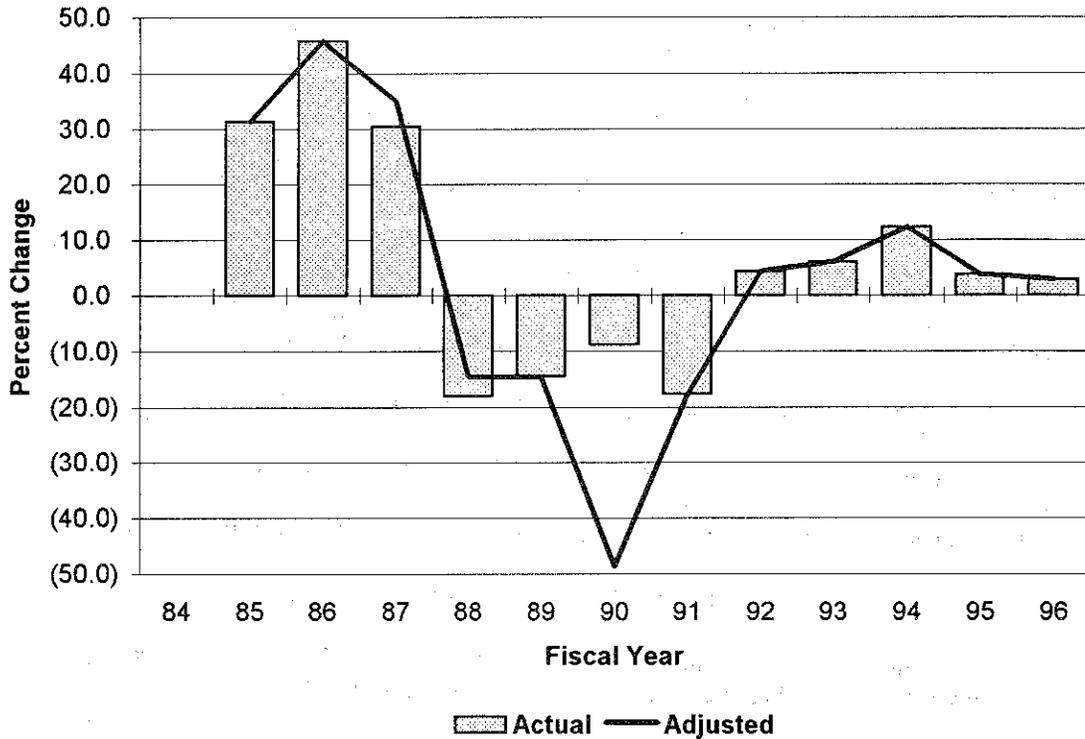
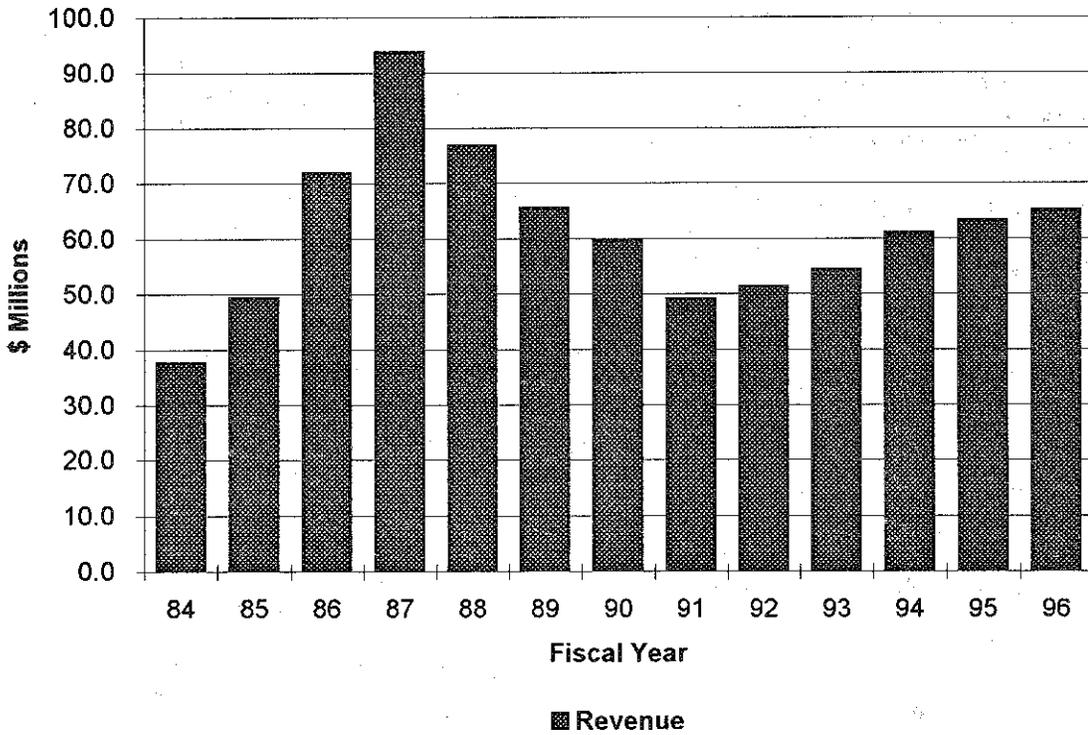
- [1] The total revenue increase for the utility resulting from the rate decision.
- [2] The CL&P and HELCO rate increases are surcharges resulting from a court case.
- [3] HELCO merged with CL&P.
- [4] CL&P and UI requested that the DPUC decrease its rates to reflect the decrease in the gross earnings tax authorized under PA 85-159. This act reduced the tax on sales of gas or electricity to residential customers from 5 percent to 4 percent (effective 10/1/85).
- [5] Electric: Fuel adjustment revenues of \$103.8 million are folded into base rates and million from ratepayer fund to be refunded to customers during 7/1/87 - 12/3/87.  
Gas: Reduction of gas revenues of \$1.8 million.
- [6] (a) No general rate proceeding since 12/84.  
(b) In 1986 a fuel adjustment totaling \$66.4 million is reflected as a credit on customer's bills. The credit reflects declining fossil fuel costs since the base period.
- [7] Rate credits to consumers over the period 7/87-12/88: \$23 million; reduced toll rates over the period 7/87-12/88: \$31.5 million.
- [8] Electric: Fuel adjustment revenues of \$42.29 million are folded into base rates and a one-time \$10 million credit is issued to all electric customers. Deferred return on Millstone 3 reduced by \$54.14 million. Gas: A one-time \$10.35 million credit issued to gas firms.
- [9] UI is permitted to phase in the \$640 million investment in Seabrook I over 5 years according to the following schedule:

		(\$ Million)
Effective date:	Aug. 23, 1989	48.2
	Jan. 1, 1990	275.2
	Jan. 1, 1991	68.3
	Jan. 1, 1990	5.1
	Jan. 1, 1992	174.8
	Jan. 1, 1993	68.4

- [10] Temporary surcharge to be collected only until permanent new rate approved.
- [11] Temporary surcharge of 12.8% to be collected from 3/20/91 to 7/21/91 pending final decision on new rate structures.
- [12] Part of first year phase-in authorized in late 1993 two year phase-in.
- [13] Part of first year phase-in authorized in mid 1993 three year phase-in.
- [14] Part of second year phase-in authorized in late 1993 two year phase-in.
- [15] Part of second year phase-in authorized in mid 1993 three year phase-in.
- [16] Part of third year phase-in authorized in mid 1993 three year phase-in.
- [17] No future rate changes are anticipated as deregulation takes effect, prices will be determined in the market. Filed pursuant to PA 94-83 and CGS 16-247k.

Source: The Department of Public Utility Control.

## Real Estate Conveyance Tax Collections and Growth Rates FY 84 - FY 96



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## REAL ESTATE CONVEYANCE AND STOCK TRANSFERS TAX

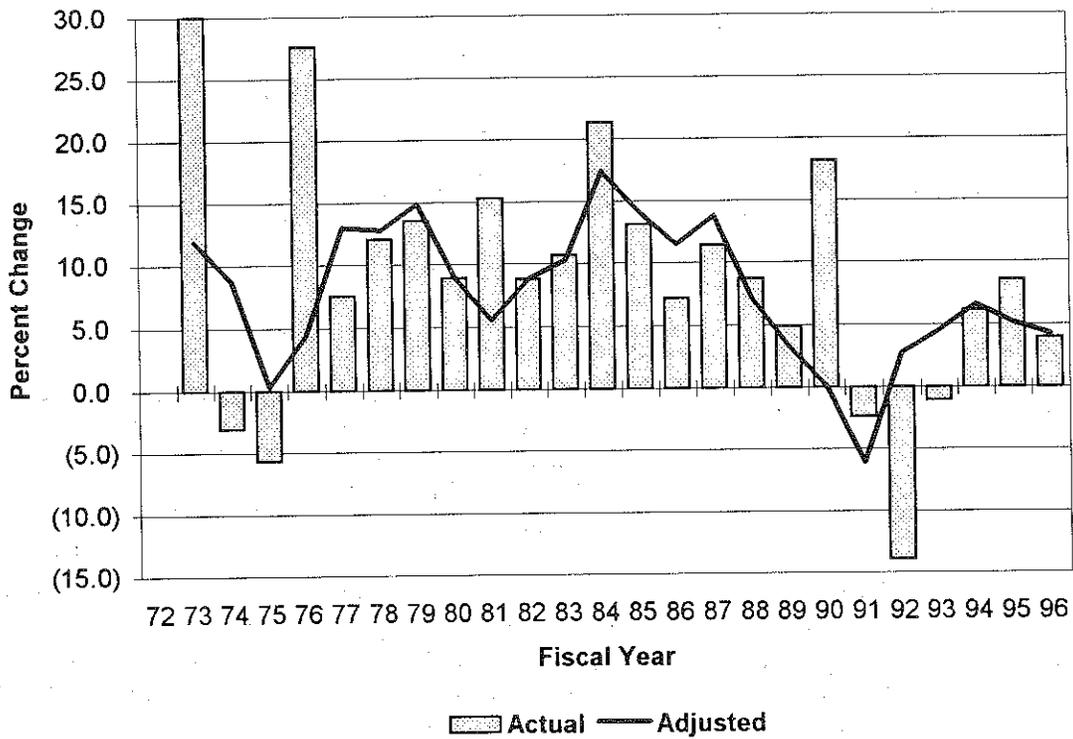
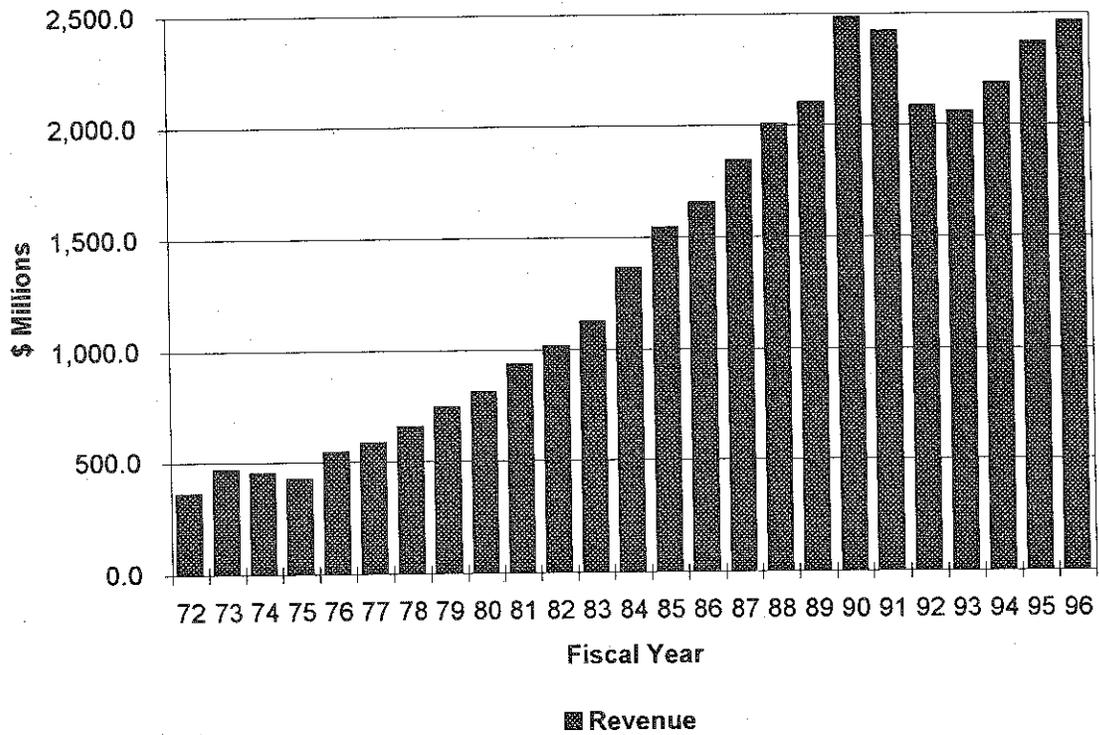
Fiscal Year	Revenues (000)	Rate	Base Changes
1984	\$37,559	0.5%	The tax became effective on 7/1/83. The tax rate is one-half of one percent (or \$5 per \$1,000) and is levied on the selling price of real estate. The tax is payable by the seller. Exemptions: Real estate conveyances within Enterprise zones.
1985	49,326	0.5	Exemptions: (a) Conveyances by recipients of elderly tax relief for homeowners (7/1/85) (b) Conveyances which occur as a result of a superior court decree and transfers in which no consideration is offered. Base Increase: Resale of mobile homes from 10/1/85 to 6/30/86.
1986	71,906	0.5	
1987	93,746	0.45	The resale of mobile manufactured homes located in mobile home parks or single-family lots are subject to tax (7/1/86).  Rate Decrease: PA 86-397 reduced the rate from .5% to .045% effective 1/1/87.
1988	76,760	0.45	Base Decrease: Tax is eliminated for conveyances valued at less than \$2,000 (7/1/87).
1989	65,559	0.45	Rate Increase: Residential and vacant land sales: .5% on portion of purchase price below \$800,000 and 1.0% for portion above \$800,000. Nonresidential land sales: 1.0% Base Increase: Controlling Interest Transfer Tax - 1.0% tax on the value of real property when controlling interest is transferred through the sale of stock
1990	59,741	.5-1.0	
1991	49,117	.5-1.0	Base Decrease: PA 90-315 - Real property transfers between affiliated federally tax-exempt corporations are exempt if one corporation owns the other or a third entity owns both (7/1/90)
1992	51,224	.5-1.0	PA 91-356 - Rate reduced from 1% to 0.5% on transfers to regulated lending institutions of property worth more than \$800,000 when mortgage is at least 6 months delinquent. (effective 7/1/91)  PA 91-403 - Transfers between certain tax-exempt corporations are exempt. Transfers to nonprofit

## REAL ESTATE CONVEYANCE AND STOCK TRANSFERS TAX

Fiscal Year	Revenues (000)	Rate	Base Changes
			organizations which hold land in trust for conservation and recreational purposes is also exempt. (eff 7/1/91).
1993	54,285	.5-1.0	PA 92-57 - The 0.5% rate on transfers to regulated lending institutions for property at least 6 months delinquent is extended to subsidiaries of these institutions. (effective 7/1/92)
1994	60,985	.5-1.0	
1995	63,312	.5-1.0	
1996	65,109	.5-1.0	PA 95-62 - This act exempts conveyance of burial rights in cemeteries from the real estate conveyance tax.
1997	62,000 Budget Act	.5-1.0	

Note: The tax is collected by towns and remitted to the state monthly.

## Sales and Use Tax Collections and Growth Rates FY 72 - FY 96



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate	Base Changes
1972	358,369	6.5%	Sales tax on utilities services (first \$20 exempt) (\$6.9 million revenue gain). Exempt: Needles and syringes and flyable aircraft manufactured in the state.
1973	465,882	7.0%	Sales tax exemption on utility services lowered to \$10 (\$20.6m)
1974	451,409	6.5%	
1975	425,455	6.0%	Repealed: Sales Tax on utility services
1976	542,942	7.0%	Renting or leasing business tangible personal property and services added to base
1977	583,726	7.0%	Tax rate on business services and manufacturing machinery reduced to 3.5 from 7.0%
1978	654,234	7.0%	1) Tax rate on manufacturing machinery reduced to 2.5% from 3.5% 2) Tax rate on farm machinery reduced to 2.5% from 7.0%. 3) Exempt: sales of solar collectors (until 9/30/82).
1979	742,807	7.0%	1) The 2.5% tax on manufacturing or farm machinery is repealed. 2) Qualifying municipalities may retain 4.5% of the 7% state sales tax collected on hotel or lodging house receipts. Under prior law, one-half of the amusement tax receipts collected on the sale of admission tickets was retained by municipalities. The addition of the sales tax provision allows the municipality the option of retaining amusement tax receipts or sales tax receipts. 3) Exemption for newspapers circulated without charge.
1980	808,925	7.0%	<b>Exemptions:</b> a) Sale of walkers for use by invalids or handicapped. b) Sales of tangible personal property and services to senior citizen centers. c) Motor vehicles driving service related to driving outside the state. d) Solar energy systems. e) Computer programming, sign construction, photofinishing, duplicating and photocopying (tax is applied to ultimate product of such services). f) Motor fuel for van pool vehicles and high-occupancy commuter vehicles.
1981	932,714	7.5%	1) Cigarettes added to tax base. 2) Exempt: Special equipment used by deaf or blind in communicating by telephone.
1982	1,015,000	7.5%	1) Municipalities may form a district of at least 85,000 in population, establish a convention and visitors commission, and receive a portion of sales tax collections on lodging (approximately 4.5%) \$50,000 (A description of these commissions is included in this section). <b>2) Exemptions:</b> a) Replacement parts for machinery for firms located in enterprise zones. b) Sale of boats and ancillary equipment used for commercial fishing. c) Sales of services for testing health consequences of consuming a product. d) Purchase of aircraft held for resale and used for other than retention, demonstration or display. (Gross receipts from air taxi and flight instruction are subject to tax)

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate	Base Changes
1983	1,123,141	7.5%	<p>1) A municipal district's share of sales tax receipts from hotels and lodging is reduced from 4.5% to 1.5%</p> <p><b>2) Exemptions:</b></p> <p>a) An exemption is provided for materials and equipment sold to radio or television stations when used directly in the productions and transmission of programs to the public (10/1/82)</p> <p>b) Any vessel transferred to the owner of a business from that business is exempt from tax if last sale was subject to tax.</p> <p><b>3) Exemptions Repealed:</b></p> <p>a) Seed and fertilizer not used in agricultural production (4/1/83)</p> <p>b) Definition for meals under \$1.00 (4/1/83)</p> <p>4) Definition of a retailer liable for collection and payment of tax is clarified.</p> <p>5) Any corporate officer responsible for filing and paying taxes due is personally liable for willful nonpayment of taxes</p>
1984	1,362,924	7.5%	<p>1) Tax rate on business services increased to 7.5 from 3.5 (8/1/83)</p> <p>2) Retailers are entitled to a credit on items when a partial return is given</p> <p><b>3) Exemptions:</b></p> <p>a) Gold or silver bullion or the legal tender of any nation are exempt if total purchases exceeds \$1,000</p> <p>b) Vessels brought into state between October 1 and April 30 exclusively for storage, maintenance or repair</p>
1985	1,541,976	7.5%	<p><b>Exemptions:</b></p> <p>a) Exemption for renewable energy systems is extended to FY 1986 (7/1/84)</p> <p>b) Companies which voluntarily contract with a firm to clean up hazardous waste site are exempt from services tax (7/1/84)</p> <p>c) Home delivered meals to elderly, disabled and homebound individuals (7/1/84)</p> <p>d) Clothing less than \$50 enacted during the 1985 session but effective 4/1/85</p>
1986	1,652,624	7.5%	<p><b>1) Exemptions:</b></p> <p>a) Clothing less than \$50 (4/1/85)</p> <p>b) Clothing less than \$75 (10/1/85)</p> <p>c) Sales of non-prescription drugs (7/1/85)</p> <p>d) Sales of seeds and fertilizer (4/1/86)</p> <p>e) The value of construction equipment or machinery used in trade-ins is allowed as a deduction for purposes of determining the price subject to tax (10/1/85)</p> <p>f) The leasing or rental of motion pictures for display at a theater (7/1/85)</p> <p>g) Sales of renewable energy source systems is extended from 7/1/86 to 7/1/91.</p> <p>h) From 10/1/85 to 6/30/86 the resale of mobile manufactured homes will be subject to real estate conveyance tax instead of sales tax</p> <p>i) The price of items exempt from the tax is increased from \$2 to \$5, when sold by schools or charitable organizations to support youth activities (7/1/85)</p> <p>2) Rate reduction: Aviation fuel is reduced from 7.5% to 2% for sales occurring between 7/1/85 and 6/30/87</p>

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate	Base Changes
			3) Base Increase: Sale of new mobile manufactured homes 12 or more feet wide (10/1/85 to 6/30/86)
1987	1,840,572	7.5%	<p><b>1) Exemptions and base reductions:</b></p> <p>a) Meals under \$2 are exempt (7/1/86)</p> <p>b) Cloth and fabric for non-commercial sewing and used in making clothing are exempt (7/1/86)</p> <p>c) Disposable pads (adult diapers) are exempt (7/1/86)</p> <p>d) Diabetic required testing equipment (test strips, lancets, and glucose monitoring equipment) are exempt (7/1/86)</p> <p>e) First \$2,500 of funeral expenses are exempt (7/1/86)</p> <p>f) Sales under \$15 by non-profit nursing or convalescent home gift shops are exempt (7/1/86)</p> <p>g) Services provided by corporations participating in a joint venture, and related to the production or development of new or experimental products or systems are exempt. The exemption is permitted for up to 10 years. (7/1/86)</p> <p>h) Refund for repair and replacement parts which are used directly in a manufacturing or agricultural production process. The total refund per year per firm may not exceed \$7,500 (1/1/86)</p> <p>i) Items purchased with federal food stamps are exempt (10/1/86)</p> <p>j) Sales taxes collected at Bradley from sale of aviation fuel is transferred to the Bradley Airport Revenue Fund from the General Fund (7/1/86)</p> <p>2) The rate for repair or replacement parts for machinery used directly in a manufacturing or agricultural production process is reduced from 7.5% to 5%.</p> <p>3) The taxable basis for new mobile manufactured homes is reduced from 100% to 70% of the manufacturer's sales price. (7/1/86)</p>
1988	2,000,380	7.5%	<p><b>Exemptions and base reductions:</b></p> <p>a) Aviation Fuel used in experimental testing of any product is exempt (7/1/87)</p> <p>b) Non-alcoholic beverages are included within the definition of meals for purposes of the exemption for meals costing less than \$2.00 (7/1/87)</p> <p>c) Sales of eye medications are exempt (7/1/86)</p> <p>d) The exemption for sales at non-profit nursing homes, convalescent homes or adult day care centers is increased from items costing less than \$15 to items costing less than \$100 (7/1/87)</p> <p>e) Sales of ambulances operating under a certificate or license issued by the Office of Emergency Medical Services are exempt (4/1/87).</p> <p>f) An exemption is provided for business services to a company that is 100% owned or between companies that are both 100% owned by another company. The exemption covers transactions during the period 7/1/82 through 6/30/88. Companies having paid the tax will be allowed to file for a refund (Passage).</p> <p>g) The tax on the services of collection agencies is eliminated (7/1/87).</p>
1989	2,097,562	7.5%	<p>1) The state may collect revenue from out-of-state mail order houses, in the event that Federal legislation over turns the Bellas-Hess decision.</p> <p>2) The sunset provision for the exemption for business services provided between affiliated companies is eliminated.</p>

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate	Base Changes
1990	2,479,023	8.0%	<p>1) The exemption for meals under \$2 is eliminated</p> <p><b>2) Base Increases:</b></p> <p>a) The tax is imposed on natural gas, electricity and oil provided to businesses. Utilities used in manufacturing and agriculture are excluded. An exemption is provided for the first \$150 per month of electrical usage.</p> <p>b) The enumerated services base was expanded.</p> <p>c) The tax was imposed on telecommunications services.</p> <p>d) The tax was imposed on community antenna. (1/1/90)</p>
1991	2,417,818	8.0%	<p><b>1) Exemptions and base decreases: (effective 7/1/90)</b></p> <p>a) Consignment fees on sales of art works or clothing are exempt.</p> <p>b) Lodging at facilities operated by nonprofit charities are exempt.</p> <p>c) Environmental-maintenance equipment used in computer disk production are exempt.</p> <p>d) The price of items exempt from the tax is increased from \$5 to \$20, when sold by schools or charitable organizations to support youth activities.</p> <p>e) Materials and equipment used for medical or surgical training program production and transmission are exempt.</p> <p>f) Molds, dies, patterns and sand-handling equipment used in metal casting sold after 4/1/85 are exempt.</p> <p>g) The definition of consulting services is narrowed.</p> <p>h) Cash-basis taxpayers may claim a credit for sales occurring after 7/1/89 if the account receivable is deemed worthless. (effective upon passage)</p> <p><b>2) Out-of-state retailers owned or controlled by a firm owning an in-state business in a similar type of business are required to collect the tax (7/1/90)</b></p>
1992	2,080,233	6.0%	<p><b>1) Exemptions and base decreases: (effective 10/1/91)</b></p> <p>(eff. 10/1/91) a) Architectural, building engineering, planning or design services, including landscape architecture</p> <p>b) Interior decorating and design services</p> <p>c) Direct mail advertising services</p> <p>d) Commercial trucks with over 26,000 lbs gross vehicle weight or used exclusively for interstate freight transport</p> <p>e) Component parts used in manufacturing processes</p> <p>f) Materials and equipment used in a printing process</p> <p>g) Equipment associated with operating natural gas-powered vehicles purchased between 10/1/91 and 1/1/93</p> <p>h) Property management services: 95% of the amount charged for separately-stated compensation, fringe benefits, workers' compensation, and payroll taxes and assessments paid on behalf of employees is excluded from the definition of sales price, applicable to sales made on or after 1/1/86</p> <p><b>2) Base Increase: (effective 10/1/91)</b></p> <p>a) Amusement &amp; recreation services</p> <p>b) Boatslip rentals for noncommercial vessels</p> <p>c) Extended warranties</p> <p>d) International phone calls</p>

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>e) 900 phone calls</li> <li>f) House painting &amp; wallpapering services</li> <li>g) Miscellaneous personal services</li> <li>h) Motor vehicle repairs to consumers</li> <li>i) Motor vehicle parking except seasonal lots</li> <li>j) Paving services to consumers</li> <li>k) Roofing, siding &amp; sheet metal working services</li> <li>l) Tax preparation services</li> <li>m) Transportation services except taxis</li> <li>n) Used vehicles taxed at book value</li> </ul> <p><b>3) Rate Change: (effective 10/1/91)</b></p> <ul style="list-style-type: none"> <li>a) Hotel rooms taxed at 12%</li> <li>b) Boats taxed at the lesser of Connecticut or destination state</li> <li>4) Other: Taxpayers may use cash basis accounting if they use it for federal purposes (effective 10/1/91)</li> </ul>
1993	2,056,172	6.0%	<p><b>1) Exemptions and base reductions: (effective 7/1/92 unless noted)</b></p> <ul style="list-style-type: none"> <li>a) Amusement &amp; recreation services subject to Admissions or Dues Taxes are exempt</li> <li>b) Receipts from parking lots owned or leased by employers for sole use by their employees are exempt</li> <li>c) Dance lesson services are exempt</li> <li>d) Land surveyor services are exempt</li> <li>e) Receipts from commercial passenger vehicles carrying more than 16 people are exempt</li> <li>f) Special equipment installed in autos for physically disable persons are exempt</li> <li>g) Returnable containers used for dairy products are exempt</li> <li>h) Bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil used in vessels displacing more than 4,000 tons of dead weight are exempt</li> <li>i) Licensed massage therapist services are exempt (license program begins 7/1/93)</li> <li>j) Aviation fuel is exempt from the tax at 2.5%</li> <li>k) Aviation repair parts and service are exempt (effective 7/1/93)</li> <li>l) The property management service exemption for employee salaries, fringe benefits, etc. is changed from 95% to 100%</li> <li>m) Exemption for commercial fishing vessels and equipment is broadened to cover vessels with coastwise fishing certificates from US Coast Guard (eff 10/1/92)</li> <li>n) Computer and data processing services rendered by retailer who acquired the data processing facility after 7/1/91 from customer receiving services are exempt. (eff 7/1/93)</li> <li>o) The manufacturing exemption is broadened.</li> <li>p) Out-of-state boat purchasers are required to sign an affidavit regarding residency to be able to pay the lower of the CT or the destination state's rate</li> </ul> <p><b>2) Base Increase: (effective 7/1/92 unless otherwise noted)</b></p> <ul style="list-style-type: none"> <li>a) Tax on recreation &amp; amusement services is expanded to include participative sports, except swimming, provided to persons over age 19 by government, nonprofit hospitals and charitable or religious organizations</li> <li>b) Golf services at municipally-owned golf courses are taxable after 1/1/93</li> </ul>

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate	Base Changes
1994	2,181,451	6.0%	<p>c) Use Tax is imposed on raw materials used in building components assembled out of state but used in state.</p> <p>d) The 12% Room Occupancy Tax is applied to campgrounds (effective 7/1/93)</p> <p><b>1) Exemptions and base reductions: (effective 1/1/94 unless noted)</b></p> <p>a) Amusement and recreation services are exempt</p> <p>b) Apnea monitors are exempt</p> <p>c) Repairs to hearing aids are exempt</p> <p>d) Car wash services are exempt</p> <p>e) Wigs or hairpieces for permanent hair loss due to disease are exempt</p> <p>f) Winter boat storage from 11/1 to 4/30 is exempt</p> <p>g) Sales under \$100 by long-term care facilities are exempt</p> <p>h) Auction services for wholesale auto auctions are exempt</p> <p>i) Airport valet parking services are exempt</p> <p>j) Sales of commercial motor vehicles which derive 75% of their revenue from out-of-state trips are exempt</p> <p>k) Sales to UConn Educational Properties, Inc for use at the technology park are exempt</p> <p>l) Landscaping and horticultural services, window cleaning and maintenance services provided to disabled persons are exempt</p> <p>m) Equipment used to transmit films or tapes of accredited medical or surgical training are exempt</p> <p>n) Tax preparation services to businesses are exempt (effective 1/1/95)</p> <p>o) Sales to nonprofit organizations which are partially funded by the state or a municipality are exempt</p> <p>p) Public and private campground rentals are excluded from the tax (eff 7/1/93)</p> <p>q) Sales to nonprofit nursing homes, rest homes and homes for the aged are exempt</p> <p>r) Employee compensation for long-term leasing services, but not temporary employment services, are exempt (effective 7/1/93)</p> <p>s) The agricultural exemption is broadened to include contract farmers (eff 10/1/93)</p> <p>t) Equipment, tools and materials used exclusively in the manufacture of optical lenses are exempt (effective 7/1/93)</p> <p>u) Sample drugs available by prescription, given to physicians for no consideration are exempt, effective 1/1/90</p> <p>2) Base Expansion: Freight and delivery charges must be included in the sales price for the purpose of calculating tax liability (effective 7/1/93)</p> <p>3) Business analysis, management or managing consulting services rendered by general partners to a limited partnership are taxable under certain circumstances</p> <p>4) PA 93-44 imposed the sales tax on hospital patient care services and earmarked the revenues to the Uncompensated Care Pool Fund effective 4/23/93.</p>
1995	2,368,143	6.0%	<p><b>1) Exemptions and base reductions: (effective 7/1/96 unless noted)</b></p> <p>a) Hazardous waste removal services (effective 7/1/89)</p> <p>b) Environmental consulting services (effective 7/1/89)</p> <p>c) Health Clubs (effective 1/1/95)</p> <p>d) Compensation for general partners</p> <p>e) Puzzle magazines</p>

**SALES AND USE TAX**

**Fiscal Year      Revenue (000)      Rate**

**Base Changes**

- f) Manufacturing quality control and testing equipment
- g) Tax preparation services
- h) Auctioneer services
- i) Safety apparel
- j) Sales to private water companies
- k) Aircraft trade-ins
- l) The tax on computer and data processing services is phased out as follows:

Effective Date	Tax Rate
7/1/96	5%
7/1/97	4%
7/1/98	3%
7/1/99	2%
7/1/00	1%
7/1/01	eliminated

- 2) PA 94-21 Sale of services for resale is exempt from the sales tax if the services are an integral, inseparable component part of a service that the purchaser subsequently resells to a consumer.
- 3) PA 94-82 Business services provided between affiliates participating in the implementation of the community economic development program established by PA 93-404 are exempted from the tax.
- 4) PA 94-9 Maintains the sales tax on hospital patient care services, but effective 4/1/94, the revenue is to be deposited in the General Fund.

1996      2,460,133      6.0%

- PA 95-160 makes the following modifications:
- 1) Exemptions and base reductions: (effective 7/1/97 unless noted)**
    - a) Repair Services for hearing aids (7/1/95)
    - b) Sales for certain computer and data processing services and equipment (7/1/95)
    - c) Rare and antique coins (7/1/96)
    - d) Fuel for interstate vessels
    - e) Sales to Conn. Resource Recovery Authority
    - f) Services for off-duty police officers at construction sites
    - g) Parking at municipal-owned railroad facilities in Clear Air Act nonattainment areas
    - h) Hypertrichologist services
    - i) Book sales at library support groups
    - j) Remove \$5 limit on municipal publications and person property sold by libraries
    - k) Food sold in vending machines
    - l) Sales of motion picture & video production and sound recording equipment and film, record or video production.
  - 2) Delays exemptions following categories: (New effective date 7/1/97)**
    - a) Tax preparation services
    - b) Auctioning services
    - c) Sales of safety apparel
    - d) purchases by private water companies

**SALES AND USE TAX**

**Fiscal Year      Revenue (000)      Rate**

**Base Changes**

- e) Aircraft trade-ins
- f) Phase out of tax on computer and data processing services

PA 95-327 creates an exemption for trade-in allowances on remanufactured core components for trucks with gross vehicle rating of 26,000 pounds.(eff. 7/1/95)

PA 95-359 contains the following provisions:  
The exemption for the sale of oxygen, blood, or blood plasmas expanded to include medical use in animals. (eff. 7/1/95)

Permits the transfer a farmer's tax permit to a new purchasing owner(s). (eff. 7/1/95)

Establishes a limit of one year after purchase, during which vehicles must be used for exempt purposes under the Sales and Use Tax exemptions for (1) commercial trucks and tractor trailers and (2) commercial vehicles and buses deriving 75% of their revenue from out-of-state trips.

Clarifies the definition of charitable and religious organizations for sale and use tax exemptions.

PA 95-294 imposes a 3% surcharge on motor vehicles rented for less than 31 days. The surcharge is to be used to pay property taxes, and licensing and titling fees on rented motor vehicles. Any excess revenue after these expenses have covered by a municipality must be remitted for deposit into the State's General Fund.

PA 95-260 exempts sales of motor vehicles that have been declared a total loss by the insurance company and subsequently rebuilt by the owner, who was the same owner subject to the vehicle's last taxable sale. (eff. 7/1/95)

1997      2,559,900  
Budget Act

6.0%

PA 96-252 exempts the sales of machinery, equipment, tools, materials, supplies and fuel purchased by biotechnology technology companies. (eff. 7/1/96)

PA 96-253 exempts banks, insurers, and investment companies from paying the sales and use tax if all of their business is outside the United States, and if the company's headquarters is located within a special export zone in Hartford.

PA 96-232 reduces the rate on repairs or maintenance services on all form of water transportation, except seaplanes by the following schedule.

<u>Period</u>	<u>New Rate</u>
July 1,1997 to July 1, 1998	4%
July 1,1998 to July 1, 1999	2%
Beginning on July 1, 1999	Exempt

PA 96-104 exempts services provided by out-of-state printing companies whose only activities in the state are related to a contract with in-state commercial printers to print and distribute printed material.

## SALES AND USE TAX

Fiscal Year	Revenue (000)	Rate
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### Base Changes

#### PA 96-172

1) extends to motor buses the exemption for the trade-in allowance on remanufactured truck core parts and components for certain large trucks to motor buses.

2) exempts machinery, equipment, tools, and materials used exclusively in commercial processing of photographic film and paper.

PA 96-165 extends the exemption on transportation services to include livery services, including limousine and sedan car services. A federal law terminating the Interstate Commerce Commission (PL 104-88) prohibits states from taxing interstate transportation services.

PA 96-139 made technical change on the effective date of the phase-down of sales tax on data processing equipment enacted by PA 95-160.

**Sales Tax Exemptions  
Revenue Loss (\$ Millions)**

Exemption	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
Resale-Labor/Services	\$268.4	\$190.0	\$189.1	\$178.8	\$52.8	\$35.2	\$36.2	\$42.2	\$48.7	\$50.9
Resale-Lease/Rent	22.7	28.6	34.6	27.4	41.3	28.3	36.8	46.4	60.3	60.1
Resale-Sale of Goods	1,974.4	2,243.7	2,298.6	2,368.2	2,816.6	1,965.8	2,046.1	2,316.1	2,725.7	2,728.5
Subscription	11.5	15.3	14.9	12.4	10.2	7.7	8.2	9.9	13.7	17.9
Children's Clothing	21.2	21.7	22.1	24.8	21.0	5.5	-	-	-	-
Clothing/Footwear [1][2]	106.0	114.2	119.9	136.1	140.3	106.3	105.3	100.1	98.4	102.4
Livestock, Fertilizer, Feed[3]	8.8	8.0	9.9	10.1	10.7	2.4	-	-	-	-
Food for Human Consumption	214.4	245.7	278.2	320.0	326.3	238.1	255.2	259.4	255.1	253.7
Meals Under \$2	17.3	20.4	19.9	-	-	-	-	-	-	-
Soda, Candy, Gum-Food Stamps	-	0.4	0.2	[7]	0.9	1.2	1.3	2.1	1.2	1.4
Electricity/Gas/Heating Fuel for Residential Use	57.9	79.3	70.1	90.6	101.6	76.2	82.6	83.4	76.2	88.1
Electricity (\$150 Month. Exemp.)	-	-	-	3.4	3.8	2.8	3.0	2.7	2.9	2.8
Utilities used in Mfg.	-	-	-	29.0	33.4	26.4	27.9	29.0	28.5	31.4
Fuel for Motor Vehicles	109.6	129.2	141.7	155.9	185.6	138.7	128.4	127.6	131.8	132.5
Aviation Fuel	2.0	2.8	2.8	5.7	3.4	2.1	1.7	1.3	1.2	1.6
Aviation-Fuel/Exper. Testing	-	0.02	0.15	0.5	0.1	-	-	-	-	-
Connecticut Aircraft Sales	0.0	0.01	0.04	n.m.	0.05	0.05	0.08	0.01	0.2	0.4
Repair/Replacement Parts/Services to Aircraft[6]	-	-	-	-	-	-	-	1.2	1.8	2.1
Sales Tangible Personal Property to Farmers	-	-	-	3.4	2.9	7.1	7.9	5.6	5.7	4.9
Machinery Used in Mfg. Prod.	88.6	101.1	106.9	139.0	133.2	73.5	94.2	93.1	92.9	99.7
Production or Commercial Fishing	18.7	28.0	24.9	7.8	10.5	8.9	11.5	10.4	7.5	6.8
Machinery Used in Printing [4]	-	-	-	-	-	1.3	4.0	2.7	4.1	4.7
Sales of Repair/Replace Parts for Mfg Prod.	-	-	-	0.7	1.2	0.6	0.3	0.5	0.3	0.3
Purchases of Repair/Replace Parts for Mfg Prod.	-	-	-	0.7	1.4	0.6	0.4	0.4	0.5	0.4
Out-of-State Sales Labor/Services	103.8	181.8	161.0	213.4	224.4	168.5	179.0	195.6	208.2	248.6
Out-of-State Sales Leases/Rentals	16.6	23.9	25.7	45.0	39.2	32.5	23.0	22.1	32.2	28.6
Out-of-State Sales of Goods	1,155.1	1,445.0	1,630.4	1,713.5	1,990.0	1,239.7	1,438.0	1,418.8	1,432.0	1,699.0
Sales/Motor Veh. to Non Residents	-	5.5	8.5	11.0	14.6	9.7	8.5	12.0	13.1	12.2
Sales of Vessels to Non Residents at lower rate	-	-	-	-	-	0.2	0.2	0.3	0.4	0.3
Prescription Medicines	27.1	28.1	30.0	36.6	42.0	41.0	42.5	49.5	55.8	60.9
Non-prescription Medicines	4.6	5.4	6.7	10.7	10.5	9.1	7.9	7.5	9.6	9.6
Charitable & Governmental Labor/Services	61.9	86.2	96.2	135.6	152.9	105.0	110.4	118.4	112.0	133.4
Charitable & Governmental Leases/Rental	4.3	5.5	4.9	10.2	9.3	14.9	7.9	9.2	9.7	13.1
Charitable & Governmental Sale of Goods	379.3	374.0	360.1	423.0	442.6	351.7	354.2	375.3	338.0	324.5
Cogeneration Tech. [3]	0.5	1.0	1.5	2.6	9.4	2.8	0.0	-	-	-
Pollution Abatement Leases/Rentals	0.08	0.08	0.08	0.5	0.3	0.9	0.8	1.3	1.3	1.2
Pollution Abatement Sale of Goods	1.2	1.9	1.2	1.2	1.3	3.5	0.6	1.0	0.9	1.2
Non-taxable Labor/Services	206.5	283.4	330.2	364.2	283.3	207.2	236.6	280.7	312.2	351.6
Bus. Services/Parent-Owned Subs.	-	2.7	3.0	3.2	3.7	6.1	8.9	8.9	9.3	13.9
Repair Serv. to Nonbusiness M.Veh. [3]	-	-	-	8.7	11.4	3.2	-	-	-	-
Horses[3]	0.5	0.6	0.5	0.5	0.5	0.3	-	-	-	-
Trade-Ins	25.0	28.8	29.2	28.3	24.1	20.1	21.2	24.0	28.6	31.6
Trade-In Const. Equip.	0.5	0.9	1.1	0.5	0.2	0.2	0.3	0.2	0.3	0.2
Taxed Goods Returned w/in 90 days	5.2	5.1	6.4	7.3	7.5	6.4	8.0	7.7	8.8	8.6
Taxed Goods Returned w/in 90 days @ 5.5%	-	-	-	0.1	0.04	0.03	0.02	0.02	0.2	0.1
Lease/Rental Canceled w/in 90 days	0.05	0.02	0.07	0.04	0.02	0.1	0.02	0.02	0.01	0.02
Oxygen, Plasma, etc. - Sale of Goods	2.8	3.3	3.7	4.2	6.1	4.8	5.2	6.3	6.3	7.5
Oxygen, Plasma, etc. - Lease/Rental	0.6	0.7	0.6	1.2	0.8	0.9	1.0	1.2	1.5	1.8
Print for Future Deliv. Out-of-State	1.7	1.6	1.5	1.8	1.6	1.4	1.6	2.6	1.8	2.4
Non-Profit Ambulance Sale/Lease/Rent [3]	0.1	0.7	3.7	2.3	0.1	0.1	-	-	-	-
Ambulance-Certif/License	-	0.3	0.2	1.1	0.7	0.0	-	-	-	-
Material/Cloth/Non-Commercial	1.0	1.1	1.2	1.7	1.1	1.8	1.2	0.8	0.9	0.7
Low-Moderate Housing-Sale of Goods	0.7	0.4	0.3	0.3	0.2	0.05	0.08	0.1	0.1	0.1
Low-Moderate Housing-Lease/Rental	0.5	0.06	0.08	0.04	0.03	0.02	0.02	0.03	0.05	0.08
Funeral Expenses	3.1	3.2	4.0	3.5	3.7	2.9	2.9	2.9	2.9	3.2
Certain Machinery-Mfg Recovery Act '92 [5]	-	-	-	-	-	-	0.02	1.3	1.5	2.0
Outsourcing Computer & Data Proc Services [5]	-	-	-	-	-	-	0.05	0.3	0.1	0.2
Trucks, GVW Over 26,000 pounds [4]	-	-	-	-	-	1.4	3.3	4.7	5.1	5.7
Trucks, Exclusive for Interstate Freight [4]	-	-	-	-	-	0.2	1.0	0.9	0.8	2.1
Other Adjustments	<u>394.7</u>	<u>504.6</u>	<u>543.0</u>	<u>527.1</u>	<u>697.5</u>	<u>848.4</u>	<u>503.0</u>	<u>461.9</u>	<u>634.8</u>	<u>644.3</u>
<b>Total Tax Exemption</b>	<b>\$5,318.9</b>	<b>\$6,224.3</b>	<b>\$6,589.0</b>	<b>\$7,073.9</b>	<b>\$7,876.3</b>	<b>\$5,813.9</b>	<b>\$5,818.5</b>	<b>\$6,149.7</b>	<b>\$6,785.2</b>	<b>\$7,199.3</b>

[1] Effective at \$50 from 4/1/85 - 9/30/85, after which it increased to \$75.

[2] The exemption on Clothing/Footwear, including children's, was lowered to \$50 (Effective 10/1/91).

[3] Repealed, effective 10/1/91.

[4] Effective 10/1/93.

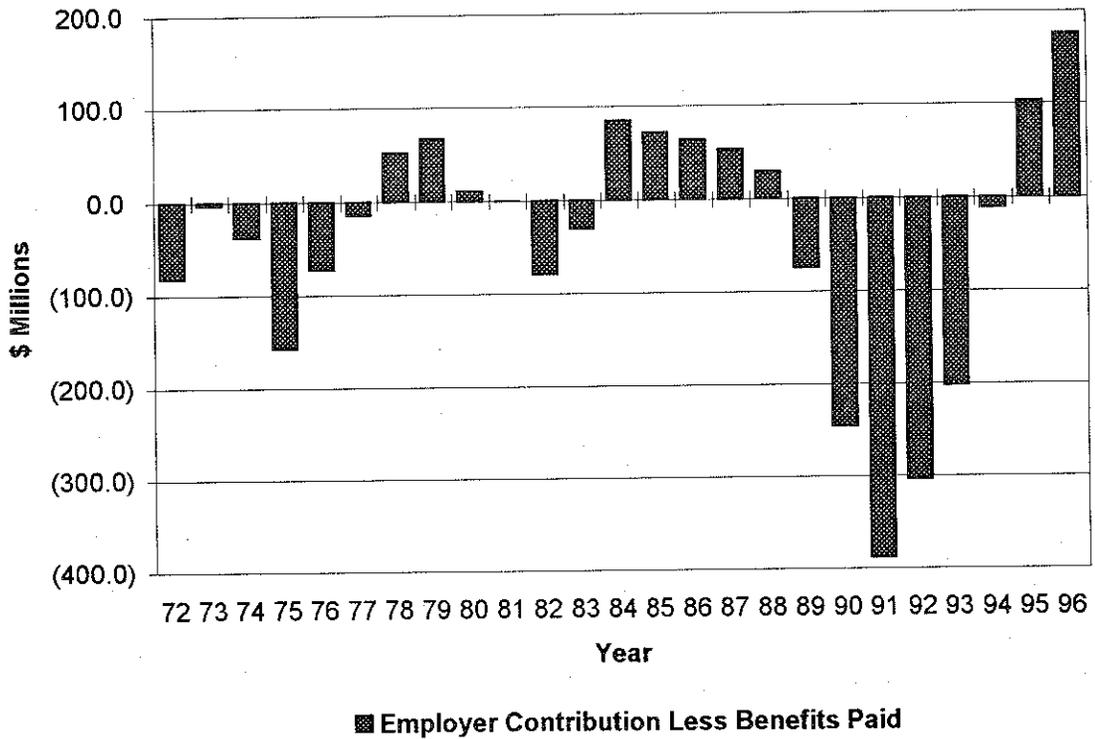
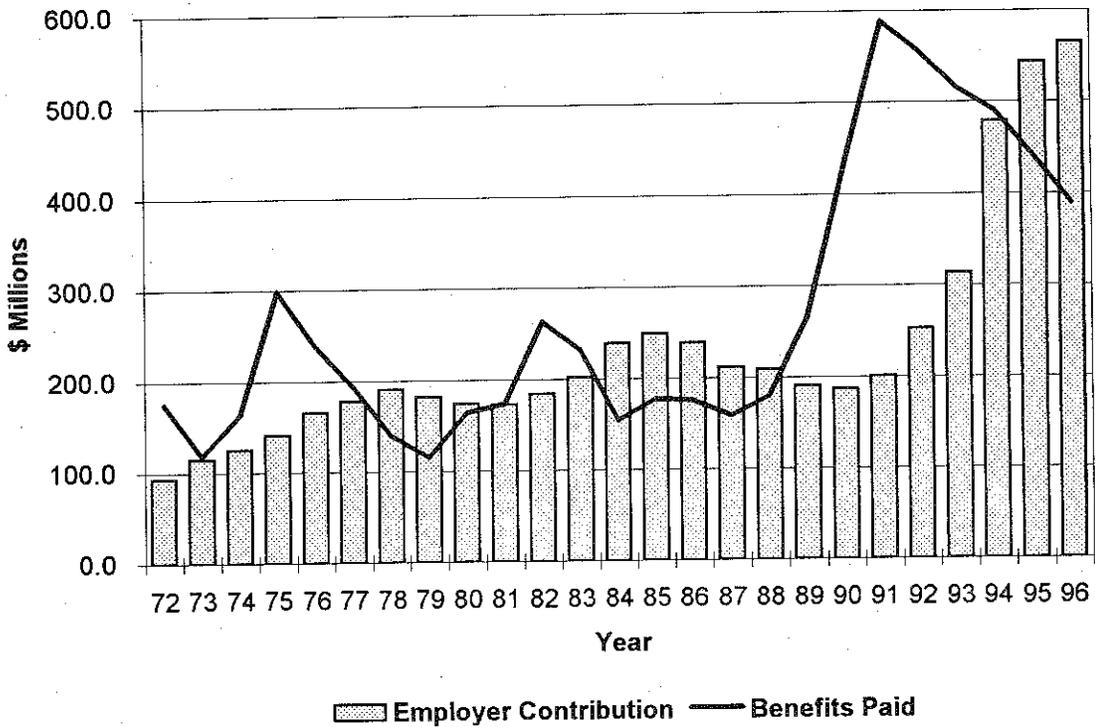
[5] Effective 1/1/93.

[6] Effective 7/1/93

[7] Figure not available for 1989-1990 due to legislative changes

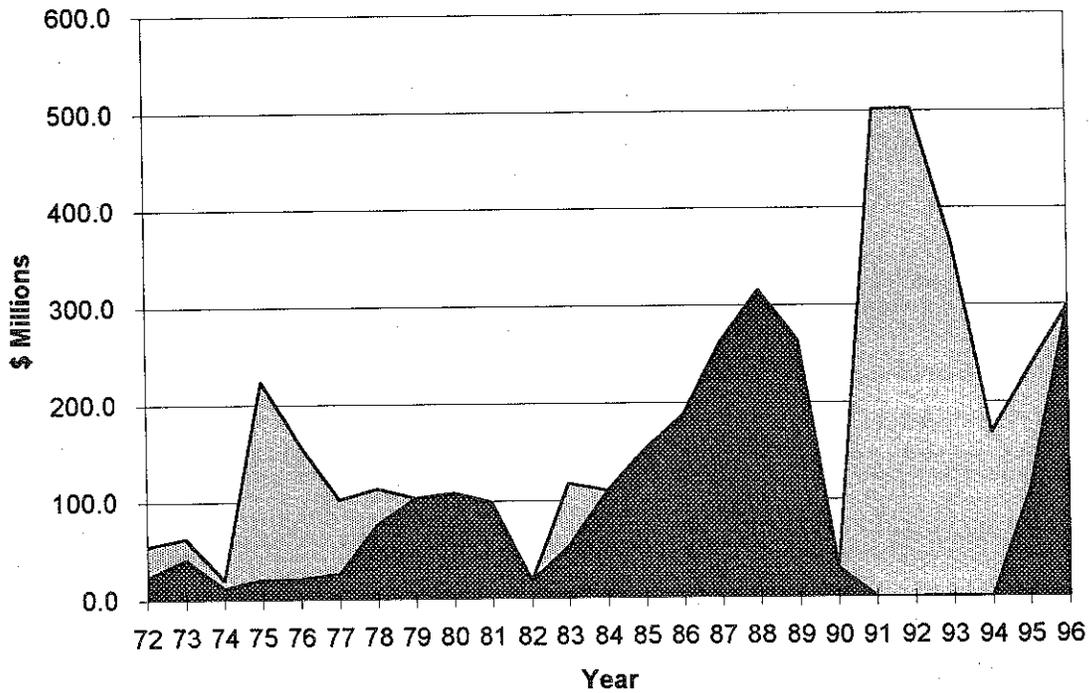
n.m. = nominal

# Unemployment Compensation Trust Fund 1972 - 1996\*

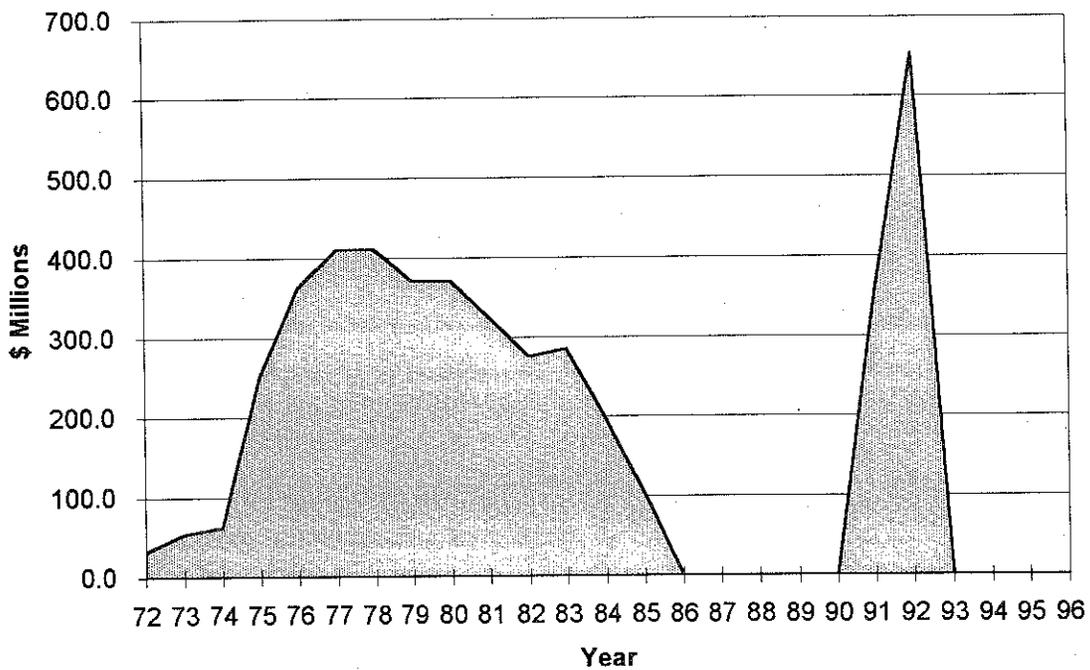


Source: Connecticut Department of Labor  
\* As of 11/30/96

# Unemployment Compensation Trust Fund 1972 - 1996\*



■ UC Trust Fund Reserve    □ Borrowed from Federal Unemployment Compensation Fund



■ Outstanding Federal Loan Balance

Source: Connecticut Department of Labor

\* As of 11/30/96

**UNEMPLOYMENT COMPENSATION FUND**  
**1972 - 1996\***  
(\$ Millions)

Calendar Year	Benefits Paid	Employer Contribution	Federal Loans	Repayments	U. C. Trust Fund Res.	Loan Balance
1972	174.6	92.7	31.8		23.0	31.8
1973	117.6	114.2	21.7		40.8	53.5
1974	163.3	124.9	8.5		11.8	62.0
1975	298.4	140.9	203.0	12.9	20.5	252.1
1976	238.0	164.9	137.0	26.0	21.3	363.1
1977	193.2	177.7	75.0	27.3	26.7	410.8
1978	138.4	189.9	37.0	37.3	76.3	410.5
1979	114.9	181.4		39.6	103.5	370.9
1980	163.6	174.4			108.5	370.9
1981	173.7	172.8		46.6	98.6	324.3
1982	263.0	183.7		49.5	18.0	274.8
1983	232.3	201.6	63.8	54.0	53.5	284.6
1984	154.2	238.5		88.3	109.9	196.3
1985	177.9	249.1		94.0	152.3	102.3
1986	175.6	238.7		104.6	187.8	0.0
1987	158.3	211.4			262.2	0.0
1988	179.8	208.7			315.0	0.0
1989	265.8	190.3			262.3	0.0
1990	432.9	186.4			29.7	0.0
1991	589.1	200.2	501.5	147.7	0.0	353.8
1992	556.5	252.5	502.5	203.0	0.0	653.3
1993	515.3	312.9	362.5	1015.7 **	1.0	0.0
1994	490.3	478.5	168.4	168.4	0.0	0.0
1995	440.8	544.0	124.1	124.1	109.0	0.0
1996	389.6	565.0	0.0	0.0	298.2	0.0

**\*\* PA 93-243, An Act Modifying Eligibility For Unemployment Compensation, authorized the issuance of tax-exempt bonds for the purpose of paying the State's debt owed to the Federal Unemployment Compensation Fund as of September 1, 1993, and to provide advances to pay unemployment benefits until revenue from employer taxes is sufficient to support benefit payouts. During 1993 the State issued \$1.02 billion in Connecticut Unemployment Revenue Bonds of which \$780.3 million of the proceeds was used to repay a portion of the outstanding federal advances.**

Source: Connecticut Department of Labor  
\* As of 11/30/96

## GAMBLING ACTIVITIES: DIVISION OF SPECIAL REVENUE

The State's gambling activities are organized into four general areas: parimutuel betting, off-track betting, lottery and charitable gaming.

Parimutuel Betting - This area includes horse racing, dog racing and the game of jai alai. Currently, only dog racing and jai alai are operated in the state. Pursuant to PA 93-322, beginning in FY 94 the state imposed a tax of between 2% and 4% on the gross amount wagered at each jai alai facility and Plainfield Greyhound Park, and a tax of 2% at Shoreline Star Dog Track (Bridgeport). Before FY 94 the state imposed tax rates on the gross amount wagered at each facility as follows: dog racing, 7.25%; jai alai, 6.75%; horse racing, from 3.25% to 8.754% depending on the total amount wagered.

In addition, a tax equal to one-half of the breakage to the dime is imposed on each facility. Breakage results from rounding the payoffs to the lower dime. The state also makes payments to the hosting towns of each facility from the tax revenue it collects. Towns with populations more than 50,000 receive an amount equal to 1% of the gross amount wagered at the facility, and towns with populations less than 50,000 receive 0.5% (the town of Plainfield receives .8% and NE Econ. Alliance Inc. .2%). The remaining tax revenue is transferred to the General Fund (C.G.S. Sec. 12-573a).

Off-Track Betting - Pursuant to PA 93-322, on July 1, 1993 the state sold the right to operate the off-track betting system to Autotote Inc. for \$20 million. The off-track betting system includes the right to operate eighteen facilities within the state (of which four in Bridgeport, New Haven, Plainfield, and Windsor Locks may have simulcasting theaters) and a telephone betting system. In connection with the sale, PA 93-322 imposed a tax on the gross amount wagered of 3.5%, in which the state retains 2.5% and the municipalities where the facilities are receive the other 1%.

Before July 1, 1993, the state operated the off-track betting system that included nine branch facilities; a telephone betting system, the New Haven Teletrack, and the Bradley Teletheater in Windsor Locks. From the gross amount wagered, the state retained 17% on regular wagering (win, place, show); 19% on certain multiple form of wagering (daily, doubles, exactas and quinellas); and 25% on the more "exotic" form of wagering (wagering on three or more animals in the same race or in two or more races). The Division of Special Revenue annually made transfers to the General Fund all of funds retained net of operating expenses. Towns where off-track betting parlors are found receive 1% of the gross handle wagered at the facility.

Lottery - In 1972, the State introduced a weekly lottery that brought in more than \$10 million in revenue until it was eliminated in 1985. With the introduction of the instant lottery, funds derived from the sale of Instant Lottery tickets for FY 76 and FY 77 were distributed to towns for the Educational Equalization Grant. Therefore of the \$18.6 million received in FY 76 from the Instant Lottery \$7.4 million was paid out to towns and did not go into the General Fund. Approximately \$10 million of the total \$11 million received in FY 77 was paid out to towns and did not go into the General Fund. Beginning with FY 78 proceeds from the Instant Lottery was deposited into the General Fund. Presently, the state conducts five different lottery games: instant, daily numbers, Lotto, Cash Lotto and Powerball. The state recently began offering Powerball to Connecticut lottery players after joining the Multi-State Lottery Association. Approximately 52% of the gross sales of each game are paid as prize money to winning ticket holders, 7% is used for lottery expenses, and the remaining 41% is transferred to the General Fund.

Lotto is similar to Bingo: the player selects six numbers from a field of forty-four. Two games are played each week and winners share a parimutuel pool. (C.G.S. Sec. 12-568 to 12-570) Cash Lotto, is similar to Lotto but is played only once a week and winners matching three to five numbers (field of forty numbers) receive a lump sum prize from \$10 to \$100,000. Powerball, whose game structure is similar to Lotto, is organized and operated by a consortium of small states with the goal of generating very large jackpots that are generally unattainable by smaller states.

Before July 1, 1996, the Division of Special Revenue operated the State Lottery. Pursuant to PA 96-212, Lottery operations were transferred to the newly created Connecticut Lottery Corporation (CLC) on July 1, 1996. The CLC is a quasi-public corporation established to operate the State's Lottery subject to Division of Special Revenue Regulations. All revenue generated from the Lottery sales net of prizes and expenses will be transferred to the State's General Fund.

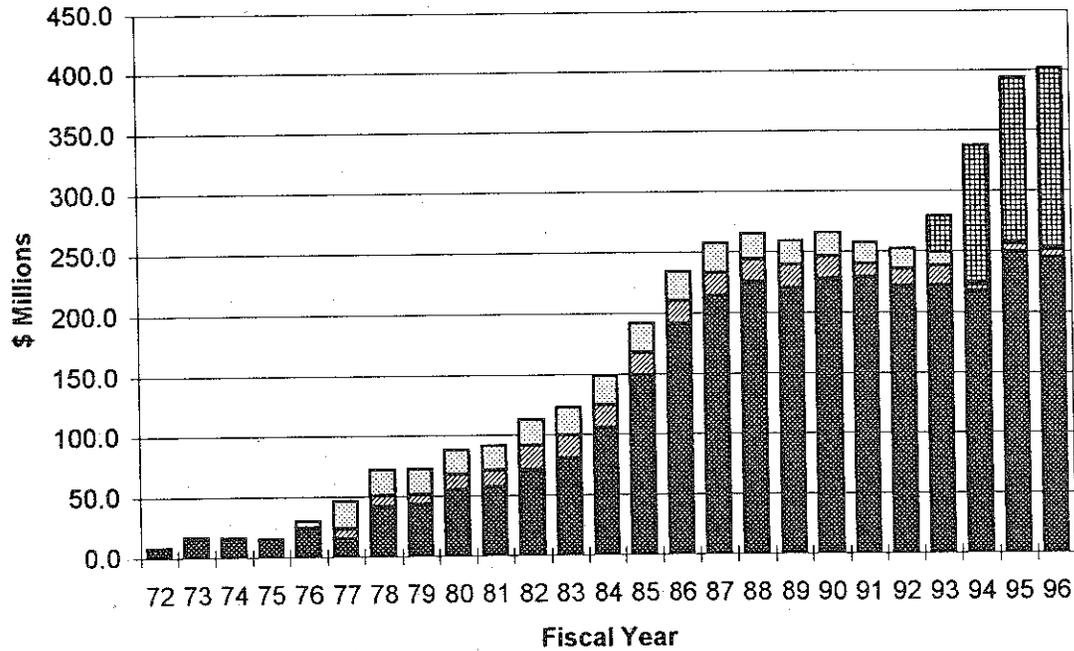
Charitable Games - This area includes bingos, bazaars, raffles and games of chance. All organizations conducting bingo are subject to a 5% tax on their gross receipts from bingo less prizes. The State, from the money it collects from bingo makes payments to municipalities in which bingo games are conducted. The payment is equal to one-quarter of 1% of the total money wagered less prizes within the town. The remainder of the tax revenue is transferred to the General Fund. Organizations authorized to sell sealed tickets (similar to the State's instant lottery tickets) must pay to the State an amount equal to 10% of their resale value. (C.G.S. Sec. 7-169 to 7-186p)

Indian Gaming Payments - On January 13, 1993 (later amended on April 30, 1993) a Memorandum of Understanding was signed between the State of Connecticut and the Mashantucket Pequot Tribe. The Memorandum gave the Tribe the exclusive right to operate slot machines within Connecticut, and in exchange the Tribe agreed to make an annual contribution to the State.

The Memorandum (as amended) required the Tribe to contribute a minimum of \$30 million for FY 93, a minimum of \$113 million in FY 94, and 25% of the gross operating revenue or \$100 million, whichever is greater, for FY 95 and thereafter.

On April 25, 1994 the State, the Mashantucket Pequot Tribe, and the Mohegan Tribe all agreed to allow the Mohegan Tribe to operate slot machines. The agreement between the three parties calls for the Mashantucket Pequots to continue to make annual contributions of 25% of the gross revenue from slot operations or \$80 million, whichever is greater, until the Mohegan's begin to operate slot machines. In October 1996, the Mohegan's opened the Mohegan Sun Casino, therefore beginning in FY 97 and each year thereafter each tribe will contribute 25% of the gross revenue from their slot machine operations or \$80 million, whichever is greater.

## Annual Gambling Revenues By Source FY 72 - FY 96



Lottery
  OTB
  Betting
  Indian Gaming Payments

### GENERAL FUND REVENUES SINCE INCEPTION (Millions \$)

Fiscal Year	Total Gambling	Lottery						Betting			Indian Payments
		Weekly	Daily	Instant	Cash Lotto	Lotto	Power Ball	Off-Track Betting	Dog Racing	All Jai-Alai	
1972	8.2	8.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
1973	16.5	16.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
1974	16.0	16.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
1975	15.0	15.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
1976	30.0	13.5	NA	11.0	NA	NA	NA	NA	4.9	0.6	NA
1977	46.5	9.4	4.2	11.7	NA	NA	NA	8.0	9.9	13.3	NA
1978	72.2	8.2	15.4	18.2	NA	NA	NA	8.8	8.1	13.5	NA
1979	72.8	3.9	21.0	18.2	NA	NA	NA	7.8	7.9	14.0	NA
1980	88.3	3.5	33.3	17.8	NA	NA	NA	13.1	7.2	13.4	NA
1981	91.2	1.5	34.7	21.5	NA	NA	NA	13.5	7.5	12.6	NA
1982	112.8	2.4	46.8	21.8	NA	NA	NA	20.2	8.1	13.5	NA
1983	122.5	4.1	53.6	22.8	NA	NA	NA	19.0	9.3	13.7	NA
1984	148.0	3.0	59.0	24.7	NA	18.8	NA	18.8	9.8	14.0	NA
1985	191.8	NA	64.5	31.3	NA	53.0	NA	18.7	9.9	14.4	NA
1986	234.1	NA	67.7	30.5	NA	92.6	NA	18.9	9.6	14.7	NA
1987	257.7	NA	73.1	33.6	NA	107.4	NA	18.7	9.5	15.3	NA
1988	265.7	NA	78.9	31.0	NA	115.1	NA	18.8	7.9	13.5	NA
1989	259.1	NA	84.2	30.1	NA	105.4	NA	19.6	7.9	11.9	NA
1990	265.8	NA	90.0	39.0	NA	98.7	NA	18.3	7.0	12.8	NA
1991	257.2	NA	85.5	47.9	NA	95.2	NA	10.9	5.9	11.8	NA
1992	252.3	NA	88.2	38.7	1.2	93.2	NA	14.4	5.3	11.3	NA
1993	279.2	NA	93.5	33.2	10.9	84.2	NA	16.2	2.5	8.7	30.0
1994	337.5	NA	91.1	49.4	12.0	64.8	NA	4.8	0.7	1.7	113.0
1995	393.4	NA	88.0	76.3	14.5	70.8	NA	6.1	0.6	1.4	135.7
1996	419.0	NA	81.6	86.7	17.4	59.0	17.3	6.6	0.7	1.0	148.7

Note on audits:

1. The Division of Special Revenue audits "non" state-owned facilities only (i.e., Plainfield dog track and Jai-Alai Frontons).
2. The State's auditors audit OTB and the Division itself each 2 years (including lotteries). However certain segments of OTB are audited on an ongoing basis to facilitate the more detailed audit every two years.

## GAMBLING REVENUES

Fiscal Year	Amount \$000	Yearly % Change	Base/Rate Changes
1972	8,150	-	Weekly lottery established.
1973	16,500	102.5	
1974	16,000	(3.0)	
1975	15,000	(6.3)	
1976	30,034	100.2	Instant lottery added to fund education equalization grants
1977	46,530	54.9	(1) Daily lottery game established and mandated that \$1 million be allocated to the Department of Social Services for an Emergency Food Relief Program for persons eligible under AFDC (The \$1 million allocation was repealed by PA 77-3 and 77-517. (2) Jai Alai and dog racing added.
1978	72,243	55.3	(1) Off-track betting added: tax of 17% on feature bets, 25% on exotics. (2) Rates on Jai Alai and dog racing handles increased: (a) Tax rate on Jai Alai increases to 6.75% from 5.25%. (b) Tax rate on dog racing is changed from a graduated schedule (ranging from 5.75% to 8.25%) to a flat rate of 8%. (c) The percentage that hosting towns receive increases to: (1) 1% from .25% for towns with population of 50,000 and over and (2) .5% from .25% for towns with population under 50,000. (d) Take-out percentage (amount not returned to bettors) increases to 18% from 17%. (3) Instant lottery proceeds are directed into the General Fund. (The direct tie-in of of instant lottery proceeds with the educational equalization grand is removed and proceeds from the instant lottery go into the General Fund (as do all other gaming revenues). A General Fund appropriation of a like amount is made for the equalization grant.
1979	72,831	0.8	The Commission on Special Revenue is given statutory power to collect delinquent accounts of lottery agents. A 10% penalty on the delinquent amount is provided as well as an interest rate charge of 1% per month on the delinquent amount until paid.
1980	88,260	21.8	
1981	91,177	3.3	
1982	112,849	23.8	(1) Sundays are included in the meeting dates for racing and Jai Alai (with approval of legislative body of towns). Facilities can open no more than six days per week. (2) An accounting change results in direct operating expenses within the Personal Services, Other Expenses, and Equipment accounts within the Daily and Instant Lottery funds being paid with General Funds appropriations. Direct operating expenses from the OTB fund will also be paid with General Fund appropriations (effective 1/1/81).
1983	122,492	8.6	(1) The takeout on feature bets at OTB is increased to 19% from 17%. (2) The tax on dog racing increased to 8.25% from 8%, with the .25% going to the dog owners. (3) Interest from late payments from lottery agents and other gaming licenses is increased to 1.5% per month from 1.25% per month. A minimum fee of \$10 is also established.

## GAMBLING REVENUES

Fiscal Year	Amount \$000	Yearly % Change	Base/Rate Changes
			<ul style="list-style-type: none"> <li>(4) Licensing and registration fees administered by the Division are increased.</li> <li>(5) The game of Lotto is added as a state lottery beginning 11/83.</li> </ul>
1984	147,966	20.8	<ul style="list-style-type: none"> <li>(1) Increase the takeout from 18.5% to 19%.</li> <li>(2) Increase the amount of gross wagering receipts paid to state from 8.25% to 8.5%.</li> <li>(3) Increase the amount of gross wagering receipts allocated to purses from .25% to .5%.</li> <li>(4) Treatment program for chronic gamblers ends 12/31/84 (funding mechanism 6/30/84). Funding mechanism is through fees:               <ul style="list-style-type: none"> <li>(a) \$135 on each licensee for each performance of jai alai or dog racing, maximum \$45,000 per year per licensee.</li> <li>(b) \$25 on each supplier of pari-mutuel equipment to teletrack facilities.</li> </ul> </li> <li>(5) Municipal share of revenues from OTB increases to .4% from .25%.</li> <li>(6) Sunday OTB is permitted on harness or thoroughbred racing events.</li> <li>(7) The Saturday evening performances of Jai Alai or racing events may conclude by 1 a.m. Sunday without municipal approval.</li> <li>(8) A statement indicating the chances of winning when advertising state lottery tickets is limited to advertisements in newspapers, magazines, brochures and posters, and television and radio ads at least 30 seconds in duration.</li> <li>(9) The moratorium on new gambling facilities and pari-mutuel licenses is extended from July 1, 1983 to June 30, 1985. Pari-mutuel license renewals and new betting facilities contracted prior to 5/23/79 are not affected</li> </ul>
1985	191,823	29.6	
1986	234,058	22	<ul style="list-style-type: none"> <li>(1) The moratorium on new gambling facilities and pari-mutuel licenses is extended from July 1, 1985 to June 30, 1987 (7/1/85).</li> <li>(2) Wagering on make-up performances at off-track betting facilities, including tele-track, is allowed when requested by the facility and authorized by the Executive Director (7/1/85).</li> <li>(3) A special fund is established to pay for the testing of greyhound urine by UCONN's lab. The Fund will receive 1/4 of 1% of all money wagered at dog racing events (previously these costs were paid by the Plainfield Track). Any revenue exceeding actual costs (as determined by an audit every two years) will be returned to the General Fund, (7/1/85).</li> <li>(4) The Weekly lottery game is eliminated effective 7/1/85.</li> <li>(5) As of April, 1986, rules of the Lotto game was changed to reflect a choice of six numbers from a field of 40.</li> <li>(6) There was an increase in weekly drawings from one on Friday evening to two (one on Tuesday and one on Friday evenings).</li> <li>(7) A prize was established in Lotto for matching three numbers.</li> </ul>
1987	257,653	10.1	<ul style="list-style-type: none"> <li>(1) The authority to regulate bingo, bazaars, raffles and games of chance is transferred from the Commissioner of Public Safety to the Division of Special Revenue. The following is also provided for:               <ul style="list-style-type: none"> <li>(a) A 5% tax on gross receipts from bingo is established and payable annually by organizations having annual gross receipts in excess of \$25,000, (10/1/87).</li> </ul> </li> </ul>

## GAMBLING REVENUES

Fiscal Year	Amount \$000	Yearly % Change	Base/Rate Changes
			<ul style="list-style-type: none"> <li>(b) The municipal share of gross receipts from bingo is 0.25%. Bingo permit fees are decreased (10/1/87).</li> <li>(c) The sale of sealed tickets by bingo permittees is legalized. Nonprofit organizations with liquor permits may also sell sealed tickets for a one year trial period (10/1/87).</li> <li>(d) Volunteer fire companies conducting bazaars are allowed to award cash prizes not exceeding \$25 for money-wheel games, (10/1/86).</li> <li>(e) A legalized gambling investigative unit is created within the Division of State Police.</li> </ul>
			(2) The municipal share of revenue from OTB is increased to 1% from four-tenths of one percent of the gross amount wagered. (1/1/87)
			(3)(a) Eliminates the separate daily and instant lottery funds and creates one lottery fund.
			<ul style="list-style-type: none"> <li>(b) Changes the transfer of funds from the lottery fund to "from time to time" rather than December and June.</li> <li>(c) Authorities may permit games of chance in the same location twice, rather than once, every three weeks.</li> <li>(d) The Chronic Gamblers' Program and the funding mechanism are made permanent (see 1984 (4) above for fees).</li> </ul>
1988	265,661	3.1	<p>PA 87-528 - Extended the moratorium on new gambling facilities until 6/30/89. The Division is authorized to substantially upgrade one OTB branch facility. The total number of OTB branch facilities is reduced to 18 from 20 facilities.</p> <p>PA 87-542 - A number of changes regarding the use and payment of proceeds from dog racing are made as follows:</p> <ul style="list-style-type: none"> <li>(a) Tax rate reduced to 7.25% from 8.5%.</li> <li>(b) Increases the amount that licenses must allocate to purses by one-half of one percent of total money wagered to 3.5% from 3.0%.</li> <li>(c) Requires licensees to allocate one-quarter of one percent of the handle to capital expenditures and one-quarter of one percent of the handle to promotional marketing. (Quarterly financial statements to the division are required) (7/1/87).</li> </ul> <p>PA 87-121 - The state's OTB vendor is authorized to accept wagering on any type of racing event and not just thoroughbred and harness horse racing. Different types of racing may be offered in the same program.</p>
1989	259,069	(2.5)	PA 88-363 - A number of changes concerning the operation of bingo and sealed tickets are made.
1990	266,761	2.9	<p>PA 89-390 - Extended the moratorium on new gambling facilities to 6/30/91. In addition, the Division was authorized to provide simulcasting in a total of three OTB OTB branch facilities (including the Windsor Locks Teletheater).</p> <p>PA 89-214 - New fees were established for equipment dealers for games of chance and for organizations to sell sealed tickets.</p>

## GAMBLING REVENUES

Fiscal Year	Amount \$000	Yearly % Change
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### Base/Rate Changes

PA 89-355 - Provided that a total of \$1 million will be transferred from the Unclaimed Lottery Prize Fund to the Department of Education for the Interdistrict Co-operation Grant Program (\$700,000) and for a pilot program in training paraprofessionals for teaching (\$300,000).

A change was made in the Lotto game to increase the field of number from 40 to 44.

The number of instant games per year will be increased from two to four per year with two games operating concurrently in the Spring and then again, in the Fall.

1991	258,900	(3.0)
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PA 90-325 - Legalized the use of animals for cow-chip bingo but because of statutory restrictions, permits must be issued for each event and no cash prizes may be awarded.

1992	254,100	(1.9)
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PA 91-281 mandates lottery agents to deposit collections from lottery sales into a special account in DRS's name, and file reports documenting lottery receipts and transactions to DRS.

PA-309 makes various changes in the laws concerning dog track operations.

(a) Authorizes the conversion of one of current operating Jai Alai frontons into a dog track.

(b) Authorizes a simulcasting theater at Plainfield's dog track.

(c) Increases the takeout rate from 19% to 20%.

(d) Replaces the fixed 7.25% tax rate on gross wagers with a sliding scale ranging from 5.0%-8.5%.

(e) Beginning in fiscal year 1992-93 Plainfield's municipal share increases from .5% to .8%.

PA 91-320 removes location limitations on towns wishing to host Las Vegas nights.

PA 91-366 extends the moratorium on new gambling facilities and para-mutual licenses for an additional two years, until June 30, 1993.

PA 91-409 subjects gambling winnings to state capital gains tax laws.

1993	249,212	(1.9)
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PA 92-17(MSS) expands or changes a number of gaming laws and regulations.

(a) Creates a Class C bingo permit which allows between 15-40 games per year.

(b) Makes permanent the temporary moratorium on additional OTB facilities and authorizes one additional simulcasting facility at the current Bridgeport site.

(c) Increases the Jai Alai takeout rate from 18% to 20% until June 1994, after which it reverts back to 18%.

(d) Establishes a task force to study the feasibility of authorizing additional casino gambling in the state.

## GAMBLING REVENUES

Fiscal Year	Amount \$000	Yearly % Change	Base/Rate Changes
1994	244,493	(1.9)	<p>PA 93-332:</p> <ul style="list-style-type: none"> <li>(a) Instructed the DSR to sell the right to operate the state's off-track betting system to a private licensee. A 3.5% (1% to the host municipality) tax is imposed on the licensee based on the total amount wagered, effective 7/1/93.</li> <li>(b) The tax rate on Jai Alai is reduced from a flat rate of 6.75% to a sliding scale ranging from 2% - 4%, effective 7/1/93.</li> <li>(c) The tax rate on Dog Racing is reduced from 5% - 8.5% to 2% - 4% (Bridgeport Dog Track will be taxed a flat 2% when opened), effective 7/1/93</li> </ul> <p>PA 93-13 increases the limit that a special bingo grand prize can accumulate from 12 weeks or a maximum of \$1,500 to 16 weeks or a maximum of \$2,000, effective 10/1/93.</p>
1995	257,783	5.4	<p>PA 94-223 allows the State's OTB facilities to accept wagering on jai alai games.</p> <p>PA 94-1(MSS) levies a fee of \$25 per performance on the State's four teletheaters for the Chronic Gamblers Treatment Fund.</p>
1996	270,361	4.9	<p>PA 95-160:</p> <ul style="list-style-type: none"> <li>(a) Allows the state to participate in multi-state lottery games (Powerball)</li> <li>(b) Required the Office of Policy and Management and the Division of Special Revenue to prepare a plan for partial or total privatization of the state lottery.</li> </ul> <p>PA 95-59:</p> <ul style="list-style-type: none"> <li>(a) Allows organizations conducting a bazaar to hold the event in a municipality other than the one that granted it.</li> <li>(b) Clarifies duck-race raffles and requires the division to adopt regulations that establish duck racing procedures. Duck racing raffles are defined as one in which artificial ducks (usually the yellow species) are numbered consecutively to correspond to the tickets sold. The ducks are placed in a naturally moving stream of water at the designated starting point. The winning ticket is the one corresponding to the first duck to pass the designated finish line.</li> <li>(c) Allows organizations to apply for a bazaar or raffle permit after six months existence instead of one year.</li> </ul> <p>PA 95-61 exempts crane game machines or devices and redemption machines from the prohibition of gambling devices.</p>
1997	NA	NA	<p>PA 96-102 allows bazaar and raffle permittees to rent equipment from a dealer who does not have a principal business place in Connecticut provided the dealer is registered with the Department of Special Revenue and an in-state dealer is unavailable. Under prior law permittees could rent bazaar and raffle equipment from only a dealer registered with the Department of Special Revenue and with a principal business place in state. The annual registration fee continues to be \$300.</p>

## GAMBLING REVENUES

Fiscal Year	Amount \$000	Yearly % Change
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Base/Rate Changes

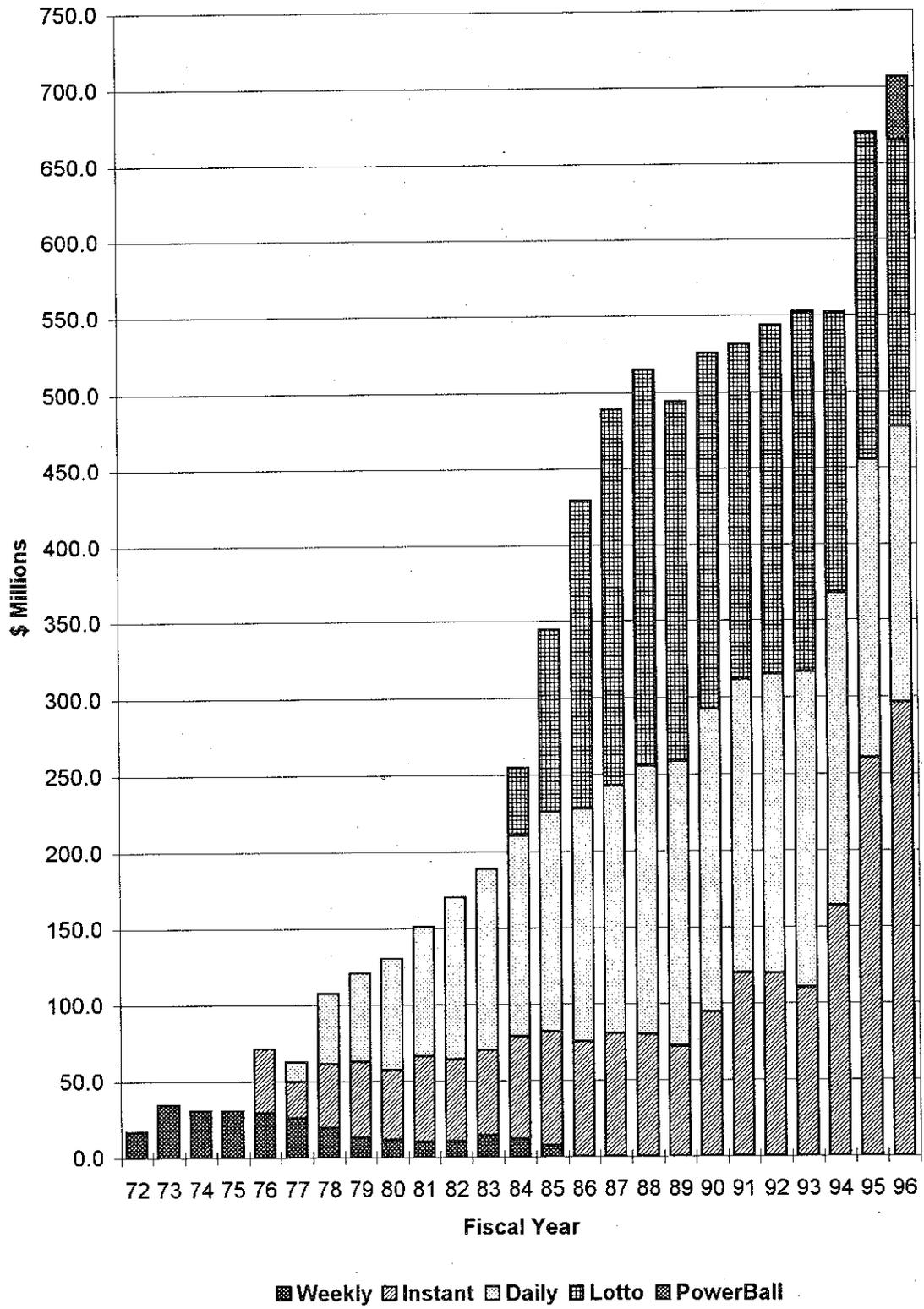
PA 96-151:

- (a) Eliminates certain restrictions on the operating hours and days of jai alai, racing, and off-track betting (OTB) facilities. Allows operation 7 days a week.
- (b) Allows jai alai and dog track licensees to keep unclaimed prize money instead of paying it to the Department of Special Revenue for deposit into the General Fund.
- (c) Requires dog track licensees to submit annual, instead of quarterly, financial statements showing allocation of money for purses, capital improvements and promotional marketing.

PA 96-212 transferred Lottery operations to the newly created Connecticut Lottery Corporation (CLC) on July 1, 1996. The CLC is a quasi-public corporation established to operate the State's Lottery subject to Division of Special Revenue Regulations. All revenue generated from the Lottery sales net of prizes and expenses will be transferred to the State's General Fund.

PA 96-236 prohibits anyone from assigning lottery winnings except to (1) the estate of the deceased winner, (2) anyone entitled to such winnings as specified by judicial order, or (3) for satisfaction of a delinquent child support obligation.

# Annual Lottery Sales By Type of Game FY 72 - FY 96



**LOTTERY REVENUES**  
**COMPARISON OF GROSS SALES WITH AMOUNTS**  
**TRANSFERRED TO THE GENERAL FUND**  
(Millions \$)

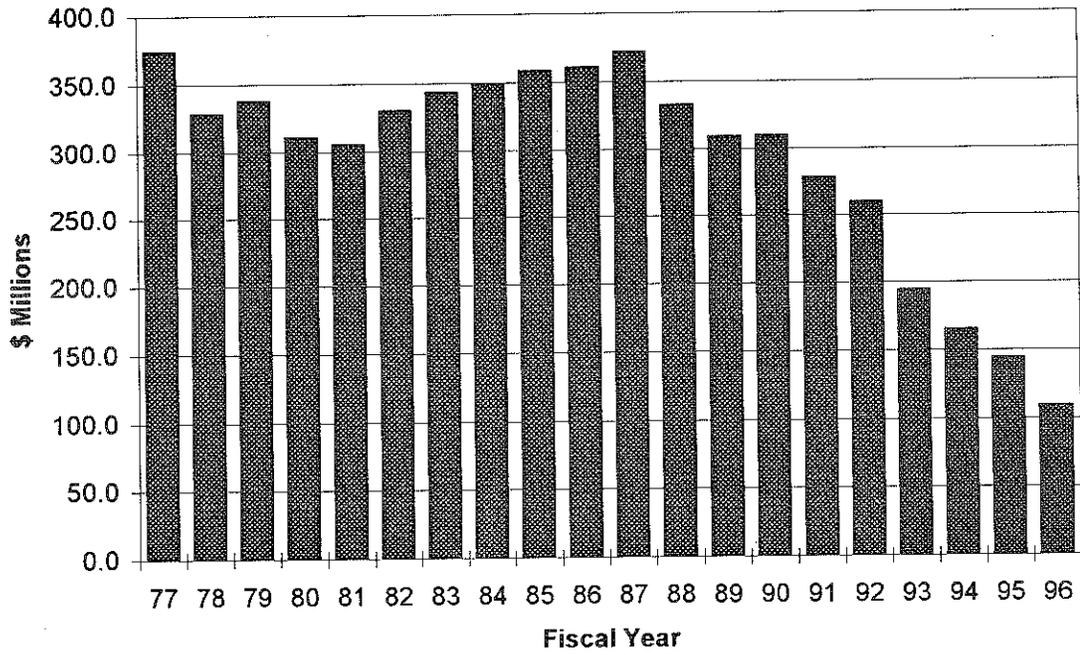
<u>Fiscal Year</u>		<u>Gross Sales</u>	<u>Transfers to General Fund</u>	<u>Percent</u>
1971-72	Weekly	\$17.20	\$8.10	47.1
1972-73	Weekly	34.7	16.5	47.6
1973-74	Weekly	30.8	16.0	51.9
1974-75	Weekly	30.9	15.0	48.5
1975-76	Weekly	29.5	13.5	45.8
	Instant	<u>41.9</u>	<u>18.4</u>	<u>43.9</u>
		<b>71.4</b>	<b>31.9</b>	<b>44.7</b>
1976-77	Weekly	25.8	9.4	36.4
	Instant	23.8	11.7	49.2
	Daily	<u>13.1</u>	<u>4.2</u>	<u>32.1</u>
		<b>62.7</b>	<b>25.3</b>	<b>40.4</b>
1977-78	Weekly	19.2	8.2	42.7
	Instant	41.9	18.2	43.4
	Daily	<u>46.4</u>	<u>15.4</u>	<u>33.2</u>
		<b>107.5</b>	<b>41.8</b>	<b>38.9</b>
1978-79	Weekly	12.9	3.9	30.2
	Instant	49.8	18.2	36.5
	Daily	<u>58.2</u>	<u>21.0</u>	<u>36.1</u>
		<b>120.9</b>	<b>43.1</b>	<b>35.6</b>
1979-80	Weekly	11.5	3.5	30.4
	Instant	45.5	17.7	38.9
	Daily	<u>73.2</u>	<u>33.3</u>	<u>45.5</u>
		<b>130.2</b>	<b>54.5</b>	<b>41.9</b>
1980-81	Weekly	10.1	1.5	14.9
	Instant	56.2	21.5	38.3
	Daily	<u>84.7</u>	<u>34.6</u>	<u>40.9</u>
		<b>151.0</b>	<b>57.6</b>	<b>38.1</b>
1981-82	Weekly	10.4	2.4	23.1
	Instant	53.8	21.8	40.5
	Daily	<u>105.8</u>	<u>46.8</u>	<u>44.2</u>
		<b>170.0</b>	<b>71.0</b>	<b>41.8</b>
1982-83	Weekly	14.2	4.1	28.9
	Instant	56.0	22.8	40.7
	Daily	<u>118.5</u>	<u>53.6</u>	<u>45.2</u>
		<b>188.7</b>	<b>80.5</b>	<b>42.7</b>

<u>Fiscal Year</u>		<u>Gross Sales</u>	<u>Transfers to General Fund</u>	<u>Percent</u>
1983-84	Weekly	11.8	3.0	25.4
	Instant	67.0	24.7	36.9
	Daily	131.5	59.0	44.9
	Lotto	<u>44.1</u>	<u>18.8</u>	<u>42.6</u>
		<b>254.4</b>	<b>105.5</b>	<b>41.5</b>
1984-85	Weekly[1]	7.3	0.0	0.0
	Instant	74.4	31.3	42.1
	Daily	144.2	64.5	44.7
	Lotto	<u>118.5</u>	<u>53.0</u>	<u>44.7</u>
		<b>344.4</b>	<b>148.8</b>	<b>43.2</b>
1985-86	Instant	75.4	30.5	40.5
	Daily	152.5	67.7	44.4
	Lotto	<u>201.2</u>	<u>92.6</u>	<u>46.0</u>
		<b>429.1</b>	<b>190.8</b>	<b>44.5</b>
1986-87	Instant	80.8	33.6	41.6
	Daily	162.1	73.1	45.1
	Lotto	<u>246.4</u>	<u>109.4</u>	<u>44.4</u>
		<b>489.3</b>	<b>216.1</b>	<b>44.2</b>
1987-88	Instant	80.0	31.0	38.8
	Daily	175.3	78.9	45.0
	Lotto	<u>259.3</u>	<u>115.1</u>	<u>44.4</u>
		<b>514.6</b>	<b>225.0</b>	<b>43.7</b>
1988-89	Instant	72.3	30.1	41.6
	Daily	186.2	84.2	45.2
	Lotto	<u>236.0</u>	<u>105.4</u>	<u>44.7</u>
		<b>494.5</b>	<b>219.7</b>	<b>44.4</b>
1989-90	Instant	94.7	39.0	41.2
	Daily	197.8	90.0	45.5
	Lotto	<u>233.0</u>	<u>98.7</u>	<u>42.4</u>
		<b>525.5</b>	<b>227.7</b>	<b>43.3</b>
1990-91	Instant	120.0	47.9	39.9
	Daily	191.6	85.5	44.6
	Lotto	<u>219.5</u>	<u>95.2</u>	<u>43.4</u>
		<b>531.1</b>	<b>228.6</b>	<b>43.0</b>
1991-92	Instant	119.8	38.7	32.3
	Daily	195.2	88.2	45.2
	Lotto	219.9	93.2	42.4
	Cash Lotto	<u>8.9</u>	<u>1.2</u>	<u>13.5</u>
		<b>543.8</b>	<b>221.3</b>	<b>40.7</b>

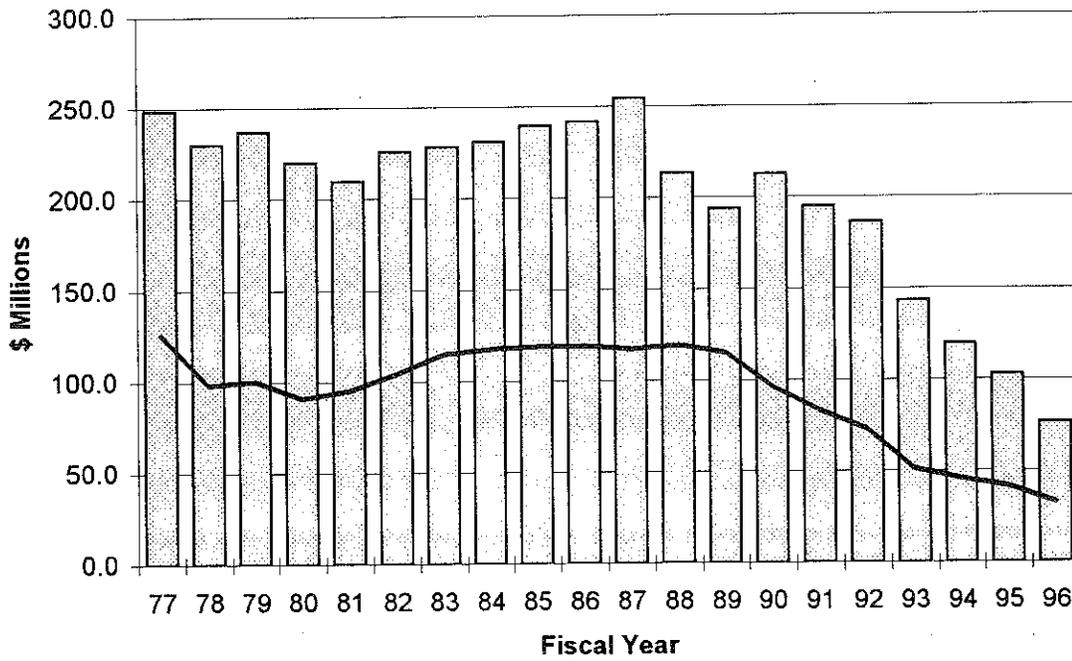
<u>Fiscal Year</u>		<u>Gross Sales</u>	<u>Transfers to General Fund</u>	<u>Percent</u>
1992-93	Instant	110.2	33.2	30.1
	Daily	206.5	93.5	45.3
	Lotto	202.6	84.2	41.6
	Cash Lotto	<u>33.3</u>	<u>10.9</u>	<u>32.7</u>
		<b>552.6</b>	<b>221.8</b>	<b>40.1</b>
1993-94	Instant	163.4	49.4	30.2
	Daily	204.4	91.1	44.6
	Lotto	153.5	64.8	42.2
	Cash Lotto	<u>30.7</u>	<u>12.0</u>	<u>39.1</u>
		<b>552.0</b>	<b>217.3</b>	<b>39.4</b>
1994-95	Instant	260.1	76.3	29.3
	Daily	195.1	88.0	45.1
	Lotto	170.1	70.8	41.6
	Cash Lotto	<u>45.0</u>	<u>14.5</u>	<u>32.2</u>
		<b>670.3</b>	<b>249.6</b>	<b>37.2</b>
1995-96	Instant	296.2	86.7	29.3
	Daily	181.2	81.6	45.0
	Lotto	139.5	59.0	42.3
	Cash Lotto	48.1	17.4	36.2
	Power Ball	<u>41.6</u>	<u>17.3</u>	<u>41.6</u>
		<b>706.6</b>	<b>262.0</b>	<b>37.1</b>

[1] The Weekly game was eliminated on 7/1/85.

## Jai Alai and Dog Track Handle FY 77 - FY 96



■ Total Handle



□ Jai Alai Frontons — Plainfield Dog Track

**JAI ALAI AND DOG TRACK REVENUES  
COMPARISON OF HANDLE WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND**

	Take Out Rates		Tax Rates	
	Jai Alai	Dog Track	Jai Alai	Dog Track
1977	18.00%	18.00%	5.25%	5.75%-8.25%
1978	18.00	18.00	6.75	8.00
1979	18.00	18.00	6.75	8.00
1980	18.00	18.00	6.75	8.00
1981	18.00	18.00	6.75	8.00
1982	18.00	18.00	6.75	8.00
1983	18.50	18.00	6.75	8.25
1984	19.00	18.00	6.75	8.50
1985	19.00	18.00	6.75	8.50
1986	19.00	18.00	6.75	8.50
1987	19.00	18.00	6.75	8.50
1988	19.00	18.00	6.75	7.25
1989	19.00	18.00	6.75	7.25
1990	19.00	18.00	6.75	7.25
1991	19.00	18.00	6.75	7.25
1992	19.00	20.00	6.75	5.0-8.50
1993	20.00	20.00	6.75	5.0-8.50
1994	20.00	20.00	2.0-4.00	2.0-4.00
1995	20.00	20.00	2.0-4.00	2.0-4.00
1996	20.00	20.00	2.0-4.00	2.0-4.00
1997	20.00	20.00	2.0-4.00	2.0-4.00

Fiscal Year	Facility	Handle	% of Handle Transferred to the General Fund	
			Transfers To General Fund [1]	Fund
1975-1976	Bridgeport	\$8,817,984	\$225,333	2.6
	Hartford	11,828,615	384,241	3.2
	Plainfield	<u>64,877,042</u>	<u>4,924,536</u>	<u>7.6</u>
		\$85,523,641	\$5,534,110	6.5
1976-1977	Bridgeport	\$143,282,563	\$7,539,664	5.3
	Hartford	81,955,826	4,215,515	5.1
	Milford	22,924,682	949,904	4.1
	Plainfield	<u>125,554,151</u>	<u>9,897,029</u>	<u>7.9</u>
	\$373,717,222	\$22,602,112	6.0	
1977-1978	Bridgeport	\$80,355,797	\$4,850,208	6.0
	Hartford	74,909,044	4,708,105	6.3
	Milford	74,834,590	4,556,746	6.1
	Plainfield	<u>\$97,983,478</u>	<u>\$8,119,339</u>	<u>8.3</u>
	\$328,082,909	\$22,234,398	6.8	

<u>Fiscal Year</u>	<u>Facility</u>	<u>Handle</u>	<u>Transfers To General Fund [1]</u>	<u>% of Handle Transferred to the General Fund</u>
1978-1979	Bridgeport	\$85,290,424	\$5,092,827	6.0
	Hartford	72,942,500	4,199,321	5.8
	Milford	78,605,961	4,416,805	5.6
	Plainfield	<u>100,421,789</u>	<u>7,806,377</u>	<u>7.8</u>
		\$337,260,664	\$21,515,330	6.4
1979-1980	Bridgeport	\$79,237,640	\$4,739,781	6.0
	Hartford	66,250,611	4,188,854	6.3
	Milford	74,280,918	4,738,019	6.4
	Plainfield	<u>90,672,151</u>	<u>7,176,368</u>	<u>7.9</u>
		\$310,441,320	\$20,843,022	6.7
1980-1981	Bridgeport	\$77,774,090	\$4,659,929	6.0
	Hartford	64,345,696	3,930,327	6.1
	Milford	67,491,423	4,096,218	6.1
	Plainfield	<u>95,088,262</u>	<u>7,517,524</u>	<u>7.9</u>
		\$304,699,471	\$20,203,998	6.6
1981-1982	Bridgeport	\$74,928,969	\$4,479,313	6.0
	Hartford	82,564,493	4,934,239	6.0
	Milford	68,414,263	4,090,059	6.0
	Plainfield	<u>104,240,017</u>	<u>8,145,684</u>	<u>7.8</u>
		\$330,147,742	\$21,649,295	6.6
1982-1983	Bridgeport	\$73,761,454	\$4,412,450	6.0
	Hartford	80,742,255	4,845,766	6.0
	Milford	73,840,305	4,479,478	6.1
	Plainfield	<u>114,441,553</u>	<u>9,253,891</u>	<u>8.1</u>
		\$342,785,567	\$22,991,585	6.7
1983-84	Bridgeport	\$76,023,172	\$4,545,535	6.0
	Hartford	80,161,353	4,883,719	6.1
	Milford	74,934,748	4,519,901	6.0
	Plainfield	<u>117,337,700</u>	<u>9,791,910</u>	<u>8.3</u>
		\$348,456,973	\$23,741,065	6.8
1984-85	Bridgeport	\$73,251,677	\$4,385,626	6.0
	Hartford	86,417,900	5,218,887	6.0
	Milford	80,131,514	4,843,054	6.0
	Plainfield	<u>118,501,313</u>	<u>9,875,591</u>	<u>8.3</u>
		\$358,302,404	\$24,323,158	6.8

<u>Fiscal Year</u>	<u>Facility</u>	<u>Handle</u>	<u>Transfers To General Fund [1]</u>	<u>% of Handle Transferred to the General Fund</u>
1985-86	Bridgeport	\$90,631,000	\$5,276,000	5.8
	Hartford	86,064,000	5,006,000	5.8
	Milford	64,879,000	3,779,000	5.8
	Plainfield	<u>118,981,000</u>	<u>9,657,000</u>	<u>8.1</u>
		\$360,555,000	\$23,718,000	6.6
1986-87	Bridgeport	\$83,847,000	\$4,876,000	5.8
	Hartford	90,011,000	5,239,000	5.8
	Milford	81,254,000	4,728,000	5.8
	Plainfield	<u>117,036,000</u>	<u>9,209,000</u>	<u>7.9</u>
		\$372,148,000	\$24,052,000	6.5
1987-88	Bridgeport	\$52,318,000	\$3,414,498	6.5
	Hartford	73,934,000	4,526,011	6.1
	Milford	87,224,000	5,295,122	6.1
	Plainfield	<u>118,902,000</u>	<u>8,174,977</u>	<u>6.9</u>
		\$332,378,000	\$21,410,609	6.4
1988-89	Bridgeport	\$60,355,000	\$3,648,252	6.0
	Hartford	53,752,000	3,360,573	6.3
	Milford	79,697,000	4,891,112	6.1
	Plainfield	<u>114,900,000</u>	<u>7,919,128</u>	<u>6.9</u>
		\$308,704,000	\$19,819,065	6.4
1989-90	Bridgeport	\$63,221,802	\$3,820,124	6.0
	Hartford	71,461,646	4,257,677	6.0
	Milford	78,104,807	4,743,205	6.1
	Plainfield	<u>96,456,310</u>	<u>6,957,953</u>	<u>7.2</u>
		\$309,244,565	\$19,778,959	6.4
1990-91	Bridgeport	\$61,423,111	\$3,728,412	6.1
	Hartford	64,935,222	3,931,354	6.1
	Milford	68,477,618	4,157,985	6.1
	Plainfield	<u>83,084,933</u>	<u>5,936,699</u>	<u>7.1</u>
		\$277,920,884	\$17,754,450	6.4
1991-92	Bridgeport	\$56,898,759	\$3,430,594	6.0
	Hartford	66,291,926	3,987,895	6.0
	Milford	63,177,675	3,843,258	6.1
	Plainfield	<u>72,991,808</u>	<u>5,259,612</u>	<u>7.2</u>
		\$259,360,168	\$16,521,359	6.4

<u>Fiscal Year</u>	<u>Facility</u>	<u>Handle</u>	<u>Transfers To General Fund [1]</u>	<u>% of Handle Transferred to the General Fund</u>
1992-93	Bridgeport	\$42,800,000	\$2,632,772	6.2
	Hartford	48,500,000	2,962,939	6.1
	Milford	51,500,000	3,138,557	6.1
	Plainfield	<u>51,000,000</u>	<u>2,578,114</u>	<u>5.1</u>
		\$193,800,000	\$11,312,383	5.8
1993-94	Bridgeport	\$30,372,842	\$446,604	1.5
	Hartford	37,070,024	519,205	1.4
	Milford	51,745,646	713,048	1.4
	Plainfield	<u>45,380,106</u>	<u>682,389</u>	<u>1.5</u>
		\$164,568,618	\$2,361,246	1.4
1994-95	Bridgeport	\$23,923,294	\$350,990	1.5
	Hartford	29,420,709	412,212	1.4
	Milford	49,200,399	639,706	1.3
	Plainfield	<u>41,332,668</u>	<u>592,446</u>	<u>1.4</u>
		\$143,877,070	\$1,995,354	1.4
1995-96	Bridgeport [2]	\$12,640,660	\$210,335	1.7
	Hartford [3]	4,130,458	141,034	3.4
	Milford	59,612,616	858,996	1.4
	Plainfield	<u>32,571,426</u>	<u>490,421</u>	<u>1.5</u>
		\$108,955,160	\$1,700,786	1.6

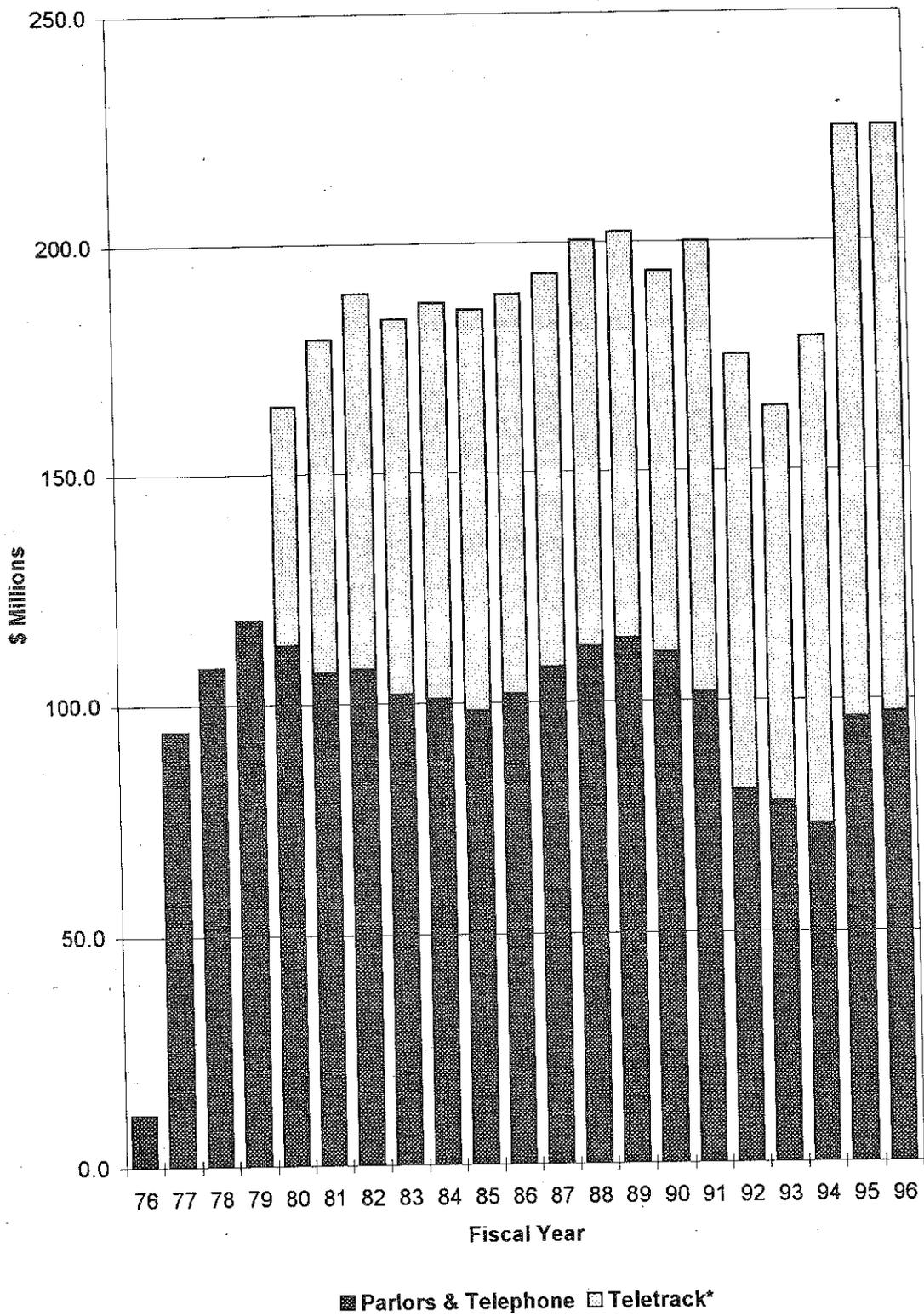
[1] Transfer of money to the state occurs monthly

[2] Bridgeport Jai Alai Fronton converted to a dog track.

Dog track operations began November 1995.

[3] Hartford Jai Alai Fronton closed September 1995.

## Annual Off-Track Betting Sales FY 76 - FY 96



\*Teletrack includes Windor Theater and Plainfield Simulcast.

**OTB SALES AND TRANSFERS OF REVENUE TO THE GENERAL FUND**

	Take-Out Rates			Take-Out Rates		
	Pari-mutuel	Feature	Exotic	Pari-mutuel	Feature	Exotic
1972-1976	NA	NA	NA	NA	NA	NA
1977-1982	17%	17%	25%	17%	17%	17%
1983-present	17%	19%	25%	17%	19%	19%

Fiscal Year		Gross Sales	Transfers To General Fund	Transfers as a Percent of Gross Sales
1975-76 [1]	Branches & Telephone	\$11,298,654	-	
1976-77	Branches & Telephone	93,966,692	\$8,000,000	8.5%
1977-78	Branches & Telephone	108,028,104	8,800,000	8.2
1978-79	Branches & Telephone	118,518,835	7,800,000	6.6
1979-80	Branches & Telephone Teletrack [2]	112,701,932 <u>52,190,000</u> 164,891,932	13,100,000	7.9
1980-81	Branches & Telephone Teletrack	106,550,169 <u>72,615,000</u> 179,165,169	13,500,000	7.5
1981-82	Branches & Telephone Teletrack	107,529,651 <u>81,655,000</u> 189,184,651	20,200,000	10.7
1982-83	Branches & Telephone Teletrack	101,755,729 <u>81,792,562</u> 183,548,291	19,000,000	10.4
1983-84	Branches & Telephone Teletrack	100,811,001 <u>86,253,642</u> 187,064,643	18,800,000	10.1
1984-85	Branches & Telephone Teletrack	98,054,407 <u>87,535,235</u> 185,589,642	18,700,000	10.1
1985-86	Branches & Telephone Teletrack	101,654,000 <u>87,128,000</u> 188,782,000	18,900,000	10.0

Fiscal Year		Gross Sales	Transfers To General Fund	Transfers as a Percent of Gross Sales
1986-87	Branches & Telephone	107,625,000		
	Teletrack	<u>85,635,000</u>		
		193,260,000	18,700,000	9.7
1987-88	Branches & Telephone	112,114,000		
	Teletrack	<u>88,226,000</u>		
		200,340,000	18,800,000	9.4
1988-89	Branches & Telephone	113,639,017		
	Teletrack	<u>88,482,000</u>		
		202,121,017	19,600,000	9.7
1989-90	Branches & Telephone	110,469,000		
	Teletrack	<u>82,959,000</u>		
		193,428,000	18,300,000	9.5
1990-91	Branches & Telephone	101,637,000		
	Teletrack	65,903,000		
	Windsor Locks [3]	<u>32,384,000</u>		
		199,924,000	10,900,000	5.5
1991-92	Branches & Telephone	80,277,872		
	Teletrack (Old)	34,798,887		
	Teletrack (Coliseum) [4]	6,659,252		
	Windsor Locks	43,958,038		
	Plainfield [5]	<u>9,628,467</u>		
		175,313,875	14,400,000	8.2
1992-93	Branches & Telephone	77,800,000		
	New Haven Teletrack	18,300,000		
	Windsor Locks	43,900,000		
	Plainfield	12,100,000		
	Bridgeport [6]	<u>11,800,000</u>		
		163,900,000	16,200,000	9.9
1993-94	Branches & Telephone	73,000,000		
	New Haven Teletrack	16,000,000		
	Windsor Locks	45,000,000		
	Plainfield	15,000,000		
	Bridgeport	<u>30,000,000</u>		
		179,000,000	4,900,000	2.7

Fiscal Year		Gross Sales	Transfers To General Fund	Transfers as a Percent of Gross Sales
1994-95	Branches & Telephone	95,900,000		
	New Haven Teletrack	23,000,000		
	Windsor Locks	51,000,000		
	Plainfield	18,000,000		
	Bridgeport	<u>37,000,000</u>		
			224,900,000	6,130,000
1995-96	Branches & Telephone	97,000,000		
	New Haven Teletrack	45,000,000		
	Windsor Locks	53,000,000		
	Plainfield	18,000,000		
	Bridgeport	<u>31,000,000</u>		
			244,000,000	6,000,000

[1] FY 1975-1976 covers the period from April 29, 1976 through June 30, 1976.

[2] First year operations for Teletrack are October 24, 1979 - June 30, 1980

[3] Windsor Locks (Bradley Teletheater) opened on 10/24/90.

[4] The New Haven Teletrack moved into its existing sight, the New Haven Coliseum, on 3/1/92.

[5] PA 91-309 authorized a simulcast theater at Plainfield's dog track.

Simulcasting at Plainfield began on 11/1/91.

[6] PA 92-17 (MSS) authorized a simulcast theater at the Bridgeport facility.

Simulcasting at Bridgeport began 12/26/92.

Source: OTB Revenues, Comparison of Gross Sales with Amounts Transferred to the General Fund, The Division of Special Revenue.

**SUMMARY OF PAYMENTS TO MUNICIPALITIES  
OFF-TRACK BETTING AND PARI-MUTUELS**

Fiscal Year	Off Track Betting[1]			Pari-mutuel [2]			Grand Total
	Total OTB	Branches	Teletheaters	Total Pari-mutuel	Jai Alai	Dog Track	OTB and Pari-mutuels
1979	\$292,645	\$292,645	\$0	\$2,870,499	\$2,368,389	\$502,110	\$3,163,144
1980	410,667	278,136	132,531	2,651,053	2,197,691	453,362	3,061,720
1981	445,094	263,131	181,963	2,571,554	2,096,112	475,442	3,016,648
1982	470,236	265,657	204,579	2,780,300	2,259,099	521,201	3,250,536
1983 [3,4]	474,547	264,539	210,008	2,855,650	2,283,441	572,209	3,330,197
1984	756,795	410,703	346,092	2,897,883	2,311,193	586,690	3,654,678
1985	750,577	399,622	350,955	2,990,578	2,398,071	592,507	3,741,155
1986	763,615	414,065	349,550	3,011,431	2,415,729	595,702	3,775,046
1987 [5]	2,026,622	1,420,722	605,900	3,135,501	2,551,119	584,381	5,162,123
1988	2,028,253	1,142,652	885,601	2,729,241	2,134,241	595,000	4,757,494
1989	2,045,946	1,157,595	888,351	2,512,539	1,938,038	574,501	4,558,485
1990	1,957,983	1,068,503	889,480	2,610,166	2,127,883	482,283	4,568,150
1991	2,020,420	1,034,651	985,799	2,363,786	1,948,360	415,426	4,384,206
1992 [6]	1,753,079	871,190	881,889	2,228,645	1,863,685	364,960	3,981,724
1993 [7]	1,638,314	1,031,866	606,448	1,835,565	1,427,451	408,114	3,473,879
1994	1,782,472	661,734	1,120,738	1,645,679	1,191,887	453,792	3,428,151
1995	2,217,434	902,593	1,314,841	1,438,771	1,025,445	413,326	3,656,205
1996	2,440,071	1,460,160	979,911	1,089,532	637,431	452,101	3,529,603

[1] Municipal share of revenue from OTB is 1.0% (effective 1/1/87).

[2] The tax rates for the Pari-mutuel facilities are as follows:

Jai Alai - 1% of daily handle

Greyhound - 1/2% of daily handle

[3] Municipal share of revenue from OTB increased to .4% from .25%, effective June, 1983.

[4] The Off-Track Betting Parlors in New Haven and Meriden were closed on March 31, 1983 and November 30, 1984, respectively.

[5] Effective January, 1987 the Municipal share increases to 1% from .4%.

[6] Includes simulcast figures from Plainfield Dog Track.

[7] As of 1993 dog track figures include the payment of .2% made to the Northeast Economic Alliance.

Note: The municipal share is paid from the amount retained by the state but is levied on total wagers. The transfer of funds to municipalities occurs monthly.

Source: Statement I and OTB statement of sales and payments to municipalities.

**MUNICIPAL SHARE OF REVENUES  
FROM STATE GAMBLING [1]**

Fiscal Year	Dog Track/Jai Alai		OTB
	Population		
	Under 50,000	Over 50,000	
1981	0.50%	1.00%	0.25%
1982	0.50%	1.00%	0.25%
1983	0.50%	1.00%	0.25%
1984	0.50%	1.00%	0.40%
1985	0.50%	1.00%	0.40%
1986	0.50%	1.00%	0.40%
1987	0.50%	1.00%	1.00% (eff. 1/1/87)
1988	0.50%	1.00%	1.00%
1989	0.50%	1.00%	1.00%
1990	0.50%	1.00%	1.00%
1991	0.50%	1.00%	1.00%
1992	0.50%	1.00%	1.00%
1993 [2]	0.50%	1.00%	1.00%
1994	0.50%	1.00%	1.00%
1995	0.50%	1.00%	1.00%
1996	0.50%	1.00%	1.00%

[1] Municipal share is based on total money wagered.

[2] As of 7/1/92 Plainfield receives .8% and NE Economic Alliance Inc. receives .2%.

Source: Division of Special Revenue

**PAYMENTS TO MUNICIPALITIES BY TOWN  
OFF-TRACK BETTING  
(FISCAL YEARS)**

Town	1990	1991	1992	1993	1994	1995	1996
Meriden (closed 11/84) Reopened 6/87)	\$102,163	\$91,900	\$91,356	\$94,143	\$80,669	70,600	57,765
Bridgeport	113,059	101,975	98,124	216,166	363,966	440,686	491,557
Torrington	44,604	37,166	35,387	35,243	34,419	42,055	38,055
New London[1]	53,550	47,126[4]	-	-	-	-	-
Waterbury[1]	102,077	95,219	111,899	106,549	98,881	102,050	100,915
Waterbury[1]	40,536	33,475[3]	-	-	-	-	-
Norwich[1]	29,224	24,760[3]	-	-	-	-	-
West Haven	61,118	80,396	101,015	99,004	82,478	79,188	43,364
Derby[1]	52,485	39,191[3]	-	-	-	-	-
Bristol	77,409	71,413	59,915	54,447	49,506	51,602	48,521
Killingly[2]	76,202	79,012	16,996	-	-	-	-
Norwalk	113,511	102,465	95,481	94,690	88,528	100,967	107,368
East Haven	86,153	77,918	71,065	78,916	70,555	70,630	52,617
Newington[3]	-	-	-	20,380	28,213	-	-
New Britain	116,371	103,858	81,589	83,992	70,059	75,896	87,592
Telephone Betting-- (New Haven)	57,287	48,780	39,892	15,465	13,612	40,836	239,890
<b>Subtotal</b>	<b><u>1,068,503</u></b>	<b><u>1,034,654</u></b>	<b><u>802,719</u></b>	<b><u>898,995</u></b>	<b><u>980,886</u></b>	<b><u>1,074,510</u></b>	<b><u>1,267,644</u></b>
Teletrack-(New Haven)	832,193	660,857	402,416	166,480	146,532	361,514	445,512
Windsor Locks	-	324,912	439,581	439,968	450,092	500,243	534,399
Plainfield (Sim)	-	-	108,363	132,871	146,536	181,752	176,236
Hartford (Jai Alai Branch)	-	-	-	-	39,818	73,845	120,605
Milford (Jai Alai Branch)	-	-	-	-	18,607	25,570	22,062
<b>Total</b>	<b>1,957,983</b>	<b>2,020,423</b>	<b>1,753,079</b>	<b>1,638,314</b>	<b>1,782,471</b>	<b>2,217,434</b>	<b>2,566,458</b>

[1] New London, Waterbury #12, Norwich, and Derby were all closed effective 5/30/91.

[2] Killingly closed effective 10/27/91.

[3] Newington opened on 10/1/92. Closed 5/94.

Source: The Division of Special Revenue.

**CHARITABLE GAMBLING  
(BINGO, BAZAARS, RAFFLES, GAMES OF CHANCE AND SEALED TICKETS)**

PA 86-419 made a number of significant changes in the way charitable gaming is conducted and regulated in Connecticut. The highlights of this act are outlined below:

1. Creates a legalized gambling investigative unit in the Division of State Police effective 10/1/86.
2. Transfers authority to regulate bingo, bazaars, raffles and games of chance from the Commissioner of Public Safety to the Division of Special Revenue beginning 10/1/87.
3. Transfers the authority to license bingo from municipalities to the Division of Special Revenue commencing 10/1/87.
4. Imposes a 5% tax on the gross receipts from bingo for organizations having annual gross receipts in excess of \$25,000 beginning 10/1/87.
5. Requires that municipalities that allow bingo receive one-quarter of one percent of gross bingo receipts in lieu of receiving bingo permit fees.
6. Raises individual bingo prize limits to \$500 from \$125.
7. Eliminates one of three types of bingo permits and reduces permit fees.
8. Legalizes the sale of sealed tickets by bingo permittees and nonprofit organizations that have liquor permits (one year trial period for nonprofits) effective 10/1/87.

PA 88-363 eliminates the requirement that an organization file financial reports up to four times per year.

PA 92-17(MSS) created a "Class C" bingo permit. The addition of the class C permit makes three different bingo permits (A,B,C) which are available through the Division of Special Revenue.

PA 93-13 increased the special grand prize for Class A bingo to accumulate for up to 16 weeks or \$2,000 instead of up to 12 weeks or \$1,500.

PA 95-59 allows organizations conducting a bazaar to hold the event in a municipality other than the one that granted the permit for conducting it. The act also clarifies duck-race raffles and requires the division to adopt regulations that establish duck racing procedures. Duck racing raffles are defined as one in which artificial ducks (usually the yellow species) are numbered consecutively to correspond to the tickets sold. The ducks are placed in a naturally moving stream of water at the designated starting point. The winning ticket is the one corresponding to the first duck to pass the designated finish line. It also allows organizations to apply for a bazaar or raffle permit after six months existence instead of one year.

Bingo: Municipal Approval: Bingo is authorized by vote of individual municipalities (C.G.S. 7-969(b)). If, prior to September 1 of any year, a petition containing 5% of the electors is submitted, a vote will be taken. If the vote is affirmative, bingo is legalized for a period of one year, at which time a new vote is taken. If affirmative, bingo is then permanently accepted in the town until a petition of 5% of the electors is submitted for a repeal of the law.

Operation of Bingo Games: Bingo games must be sponsored by charitable, fraternal, educational, civic, veterans', or religious organizations, volunteer fire departments or granges. These organizations must have been in existence for at least two years before applying for a bingo permit. In addition, certain elderly organizations are exempt from the bingo permit, tax, and reporting requirements.

Bingo Permits: Application for a bingo permit must be filed with the Division of Special Revenue (prior to 10/1/87 application was made to the State Police and local police departments, or first selectman if no such local department existed). Permits are of three classes, A,B,C :

Class A - an annual permit which allows organizations to conduct at least 15 but not more than 40 bingo games one-day-per-week.

Class B - annual permits which allow organizations to conduct at least 15 but not more than 40 bingo games per day for a maximum of ten successive days. Only one class B permit will be issued to any organization in any twelve month period.

Class C - an annual permit which allows organizations to conduct at least 15 but not more than 40 bingo games one-day-per-month.

Under the old law there were three classes of permits allowed: Class A, B and C. PA 86-419 eliminated the Class A permit which was valid for one day. The act renamed the permits previously called B and C as the new Class A and B. PA 92-17 (MSS) added a new class C permit.

Bingo Permit Fees: Bingo permit fees under PA 86-419 were \$75 for Class A and \$50 for Class B. The fee established for the new class C bingo permit under PA 92-17 (MSS) is \$50. All revenue from bingo permit fees goes to the General Fund.

#### Bingo Tax

1. The bingo tax applies to all organizations.
2. A 5% rate is applied to receipts remaining after prizes are paid instead of to all gross receipts (as it was prior to 1986).
3. Bingo organizations must pay the tax with their 10 day return.

#### Bingo Prize Structure

1. Organizations have the option of making the first and last games in a day winner-take-all games. Such games may have a maximum prize of \$500 per game. The game could be one game or a series of games until all of the money wagered has been won in prizes. The following example is an illustration:

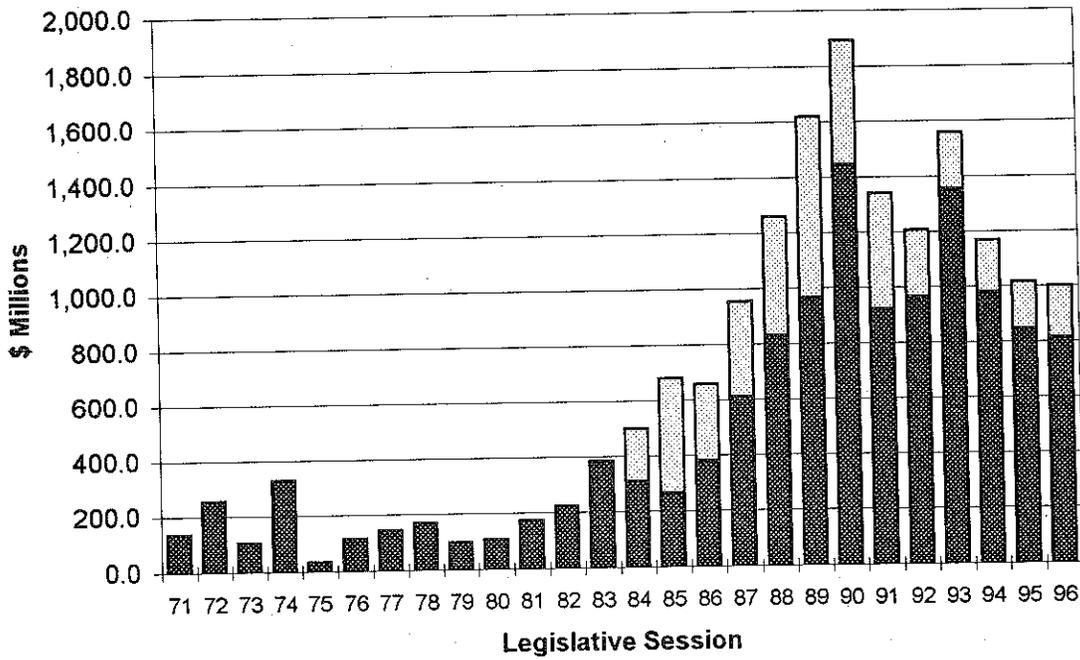
WINNER-TAKE-ALL-GAME	
Gross Wager	\$2,000
5% State Tax	<u>-100</u>
Amount available for prizes	\$1,900

2. Organizations may offer a series of three \$500 prize games and one \$400 prize game.
3. Individual prizes for all other games are limited as follows:  
two \$200 prizes - \$200 prize each game  
four \$100 prizes - \$100 prize each game  
All other prizes - not to exceed \$50
4. Door prizes valued at up to \$200. More than one door prize may be awarded per day but the total value may not exceed \$200, the limit on the single door prize's value.
5. Prizes may be paid in cash, merchandise, lottery tickets or personal property.

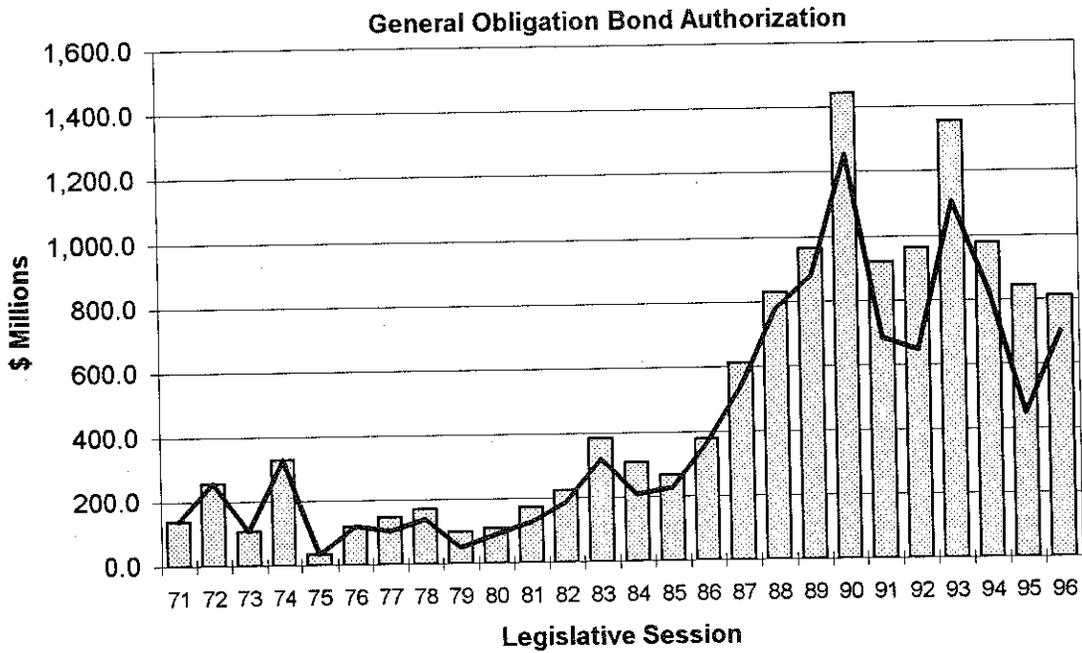
Sealed Tickets: "Sealed ticket" sales were legalized by P.A. 86-419. A sealed ticket is a card with pull tabs that expose various symbols. The ticket entitles the holder to a prize if the symbols match a winning combination. Permittees and organizations which hold a club permit or nonprofit club liquor permit, but which are not authorized to conduct bingo are authorized to sell tickets. A minimum profit of 10% must be retained from ticket sales. Tickets must still be purchased from the Division for 10% of their resale value. PA 89-214 allows such bingo permittees and organizations to operate money wheels and provide 50-50 coupon games. The permit fee is as follows:

Class A bingo permit	\$50
Class B bingo permit	\$ 5 per day
Club or nonprofit club permit	\$75

# Bond Authorizations Legislative Sessions 1971 - 1996



■ General Obligation    □ Special Tax Obligation



□ General Obligation Bond Authorization  
— General Obligation Bond Authorization Net of Reductions

**GENERAL OBLIGATION BOND AUTHORIZATIONS  
FISCAL YEAR 1972-1996  
(\$ Millions)**

Fiscal Year	Legislative Session	Total Authorizations	Tax Supported	Self Liquidating	C. Water Rev. Bonds	Reductions	Net (Tot. - Red.)
1972	1971	\$137.0	\$137.0	\$0.0	\$0.0	\$0.0	\$137.0
1973	1972	256.8	256.8	0.0	0.0	0.0	256.8
1974	1973	106.1	106.1	0.0	0.0	0.0	106.1
1975	1974	328.3	328.3	0.0	0.0	0.0	328.3
1976	1975	34.4	34.4	0.0	0.0	0.0	34.4
1977	1976	117.4	117.4	0.0	0.0	0.0	117.4
1978	1977	145.1	145.1	0.0	0.0	41.8 [1]	103.3
1979	1978	169.8	166.6	3.2	0.0	32.0	137.8
1980	1979	98.0 [2]	82.3	3.6	0.0	47.9	50.1
1981	1980	108.4	105.3	3.1	0.0	19.8	88.5
1982	1981	172.4	160.7	11.7	0.0	46.2	126.2
1983	1982	223.0	221.138 [3]	1.9	0.0	37.5	185.5
1984	1983[4]	384.2	382.33 [5]	1.9	0.0	65.0	319.2
1985	1984	307.8	296.9	10.9	0.0	100.4	207.3
1986	1985	265.8	262.2	3.5	0.0	39.1	226.6
1987	1986	379.0	371.6	7.4	0.0	15.9	363.1
1988	1987	610.5	585.0	25.5	0.0	70.6	539.9
1989	1988	829.3	804.2	25.2	0.0	51.1	778.2
1990	1989	963.9	953.3	10.6	0.0	82.8	881.1
1991	1990	1,442.5 [6]	1,285.1	57.4	100.0	190.1	1,252.4
1992	1991	920.5	677.7	52.8	200.0	236.7	683.9
1993	1992	964.3	892.1	42.2	30.0	317.9	646.4
1994	1993	1,353.0 [7]	1,254.7	4.5	93.8	247.2	1,105.8
1995	1994	976.8	908.5	16.7	51.6	150.0	826.8
1996	1995	843.8 [8]	718.4	0.0	125.4	396.0	447.8
1997	1995/96	811.0 [8]	735.4	0.0	41.0	112.2	698.8

[1] \$27.7 million tax supported, \$14.4 million self-liquidating

[2] Includes \$12.15 million from the calendar 1979, October Special Session.

[3] Includes \$34 million for various programs related to the June 1982 flood disaster.

[4] Does not include \$100 million in revenue bonding for Bradley International Airport.

[5] Includes \$36.3 million from the Calendar 1983, October Special Session.

[6] Includes \$130.85 million in old projects that were canceled and reauthorized.

[7] Includes \$252.2 million authorized in the September Special Session for a stadium in Hartford.

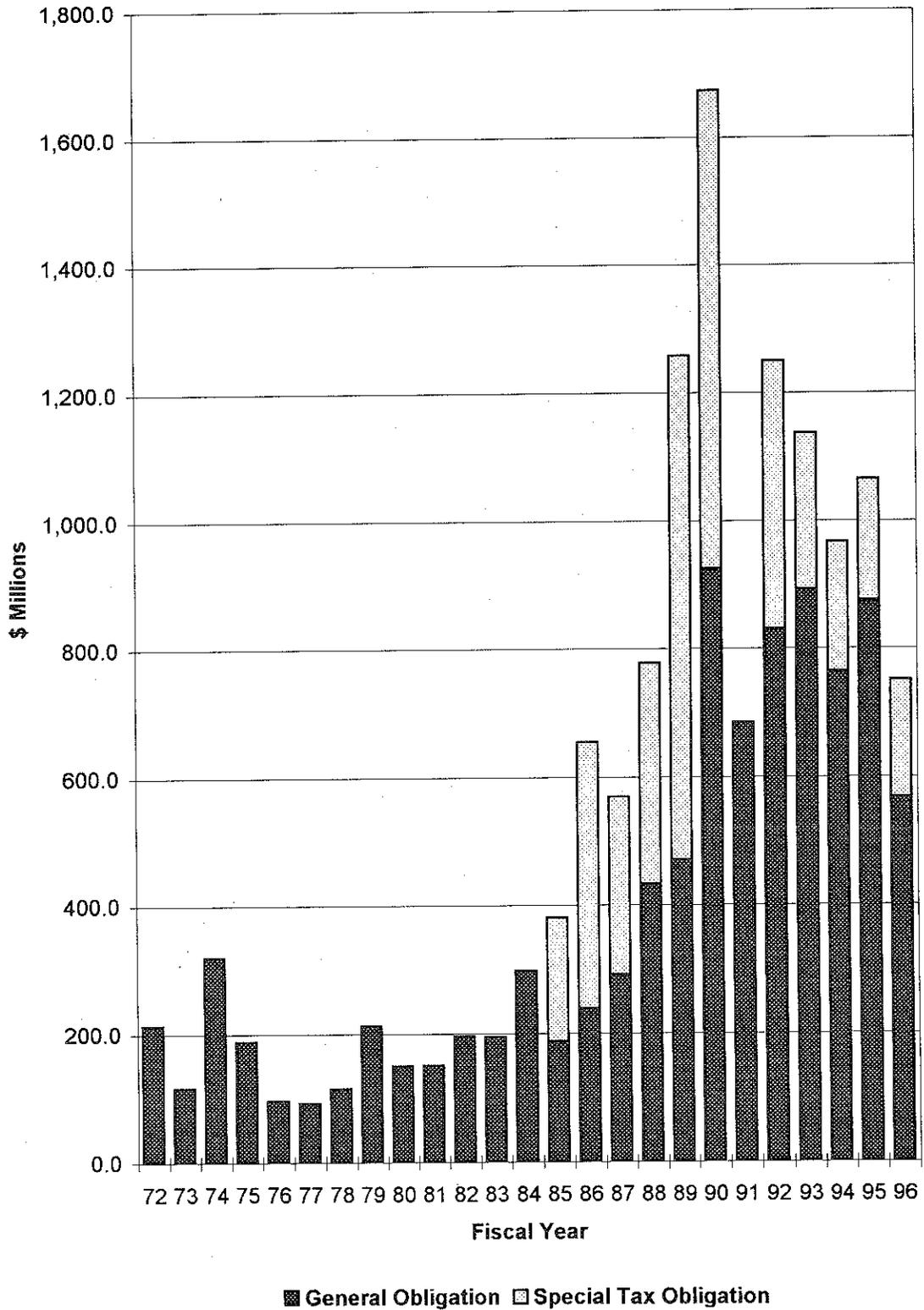
[8] Includes \$112.5 million in FY 96 and \$112 in FY 97 for UConn 2000.

**SPECIAL TAX OBLIGATION BOND AUTHORIZATIONS**

<b>Fiscal Year</b>	<b>Legislative Session</b>	<b>Total Authorization</b>	<b>Reductions</b>	<b>Net (Tot. - Red.)</b>
1985	1984	\$193.1	\$0.0	\$193.1
1986	1985	415.4	0.0	415.4
1987	1986	278.6	0.0	278.6
1988	1987	344.9	0.0	344.9
1989	1988	429.9	0.0	429.9
1990	1989	655.4	0.0	655.4
1991	1990	451.3	0.0	451.3
1992	1991	419.5	0.0	419.5
1993	1992	244.1	0.0	244.1
1994	1993	204.5	32.2	172.3
1995	1993	192.3	1.7	190.6
1996	1995	173.2 [1]	0.0	173.2
1997	1995/96	189.9	0.0	189.9

[1] DOT was authorized to use \$21.1 million in inactive bond funds to supplement projects planned for FY 96.

## General and Special Tax Obligation Bond Allocations FY 72 - FY 96



**BOND COMMISSION ALLOCATIONS  
FISCAL YEAR 1969-1996  
(in millions)**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Transportation Revenue Bonds</u>
1969	\$275.6	
1970	390.5	
1971	367.4	
1972	213.9	
1973	117.3	
1974	319.8	
1975	188.2	
1976	97.0	
1977	94.1	
1978	116.3	
1979	212.4	
1980	150.6	
1981	151.4	
1982	196.1	
1982	195.5 [1]	
1984	298.5	
1985	187.8	\$193.1
1986	238.7	415.4
1987	291.1	278.6
1988	432.3	344.9
1989	469.9	787.9 [2]
1990	925.0	748.7 [3]
1991	684.7	0.0
1992	830.1	419.5
1993	892.2	244.1
1994	762.8	204.5
1995	873.9	190.6
1996	567.4	183.2

[1] Does not include \$100 million in revenue bonding for Bradley International Airport.

[2] A total of \$358 million was authorized and allocated in FY 89.

[3] A total of \$451.3 million was authorized and allocated in FY 90.

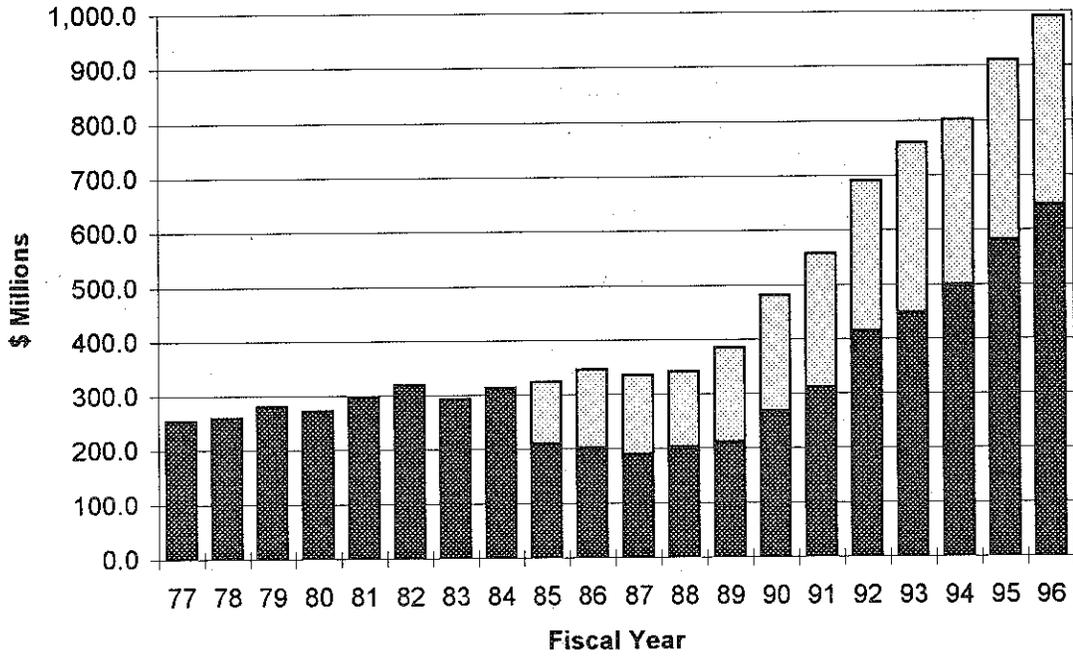
**STATE BOND SALES  
ISSUANCE FY 91 - FY 96  
(Millions \$)**

FY	Month/Year of Issue	Type	Issuance	
			New	Refunding
1991	July 1990	General Obligation	325.0	
	September 1990	General Obligation	200.0	
	November 1990	General Obligation	50.0	
	November 1990	General Obligation-Coll. Savings	86.6	
	December 1990	General Obligation-Taxable	51.6	
	December 1990	Special Tax Obligation	250.0	
	January 1991	Clean Water-Revenue	100.0	
	January 1991	Clean Water-G.O.	32.6	
	March 1991	General Obligation	200.0	
	May 1991	General Obligation	42.0	
	May 1991	General Obligation-Coll. Savings	79.5	
	May 1991	Special Tax Obligation	200.0	
	1992	July 1991	General Obligation	200.0
August 1991		General Obligation	319.3	
September 1991		ERF Notes - Fixed	640.7	
September 1991		ERF Notes - Variable	325.0	
December 1991		General Obligation	25.0	
December 1991		General Obligation-Coll. Savings	70.4	
December 1991		General Obligation		47.6
December 1991		General Obligation-Taxable	54.4	
December 1991		Middletown Courthouse	37.3	
January 1992		Clean Water-Revenue	105.0	
January 1992		Clean Water-G.O.	32.8	
January 1992		Special Tax Obligation		125.7
February 1992		General Obligation-Taxable	10.9	
March 1992		General Obligation	134.7	330.2
May 1992		General Obligation	30.0	332.3
May 1992		General Obligation-Coll. Savings	61.3	
May 1992		General Obligation-Taxable		5.6
1993	September 1992	General Obligation		216.3
	September 1992	Special Tax Obligation	275.0	
	November 1992	General Obligation	180.0	
	November 1992	General Obligation-Coll. Savings	59.0	
	December 1992	General Obligation-Taxable	114.9	
	January 1993	Clean Water-Revenue	50.0	
	January 1993	Clean Water-G.O.	7.2	
	February 1993	General Obligation		389.9
	March 1993	Special Tax Obligation	560.7	
	March 1993	General Obligation	175.0	157.7
	May 1993	General Obligation	65.0	
	May 1993	General Obligation-Coll. Savings	70.0	
	June 1993	General Obligation-Taxable	60.0	

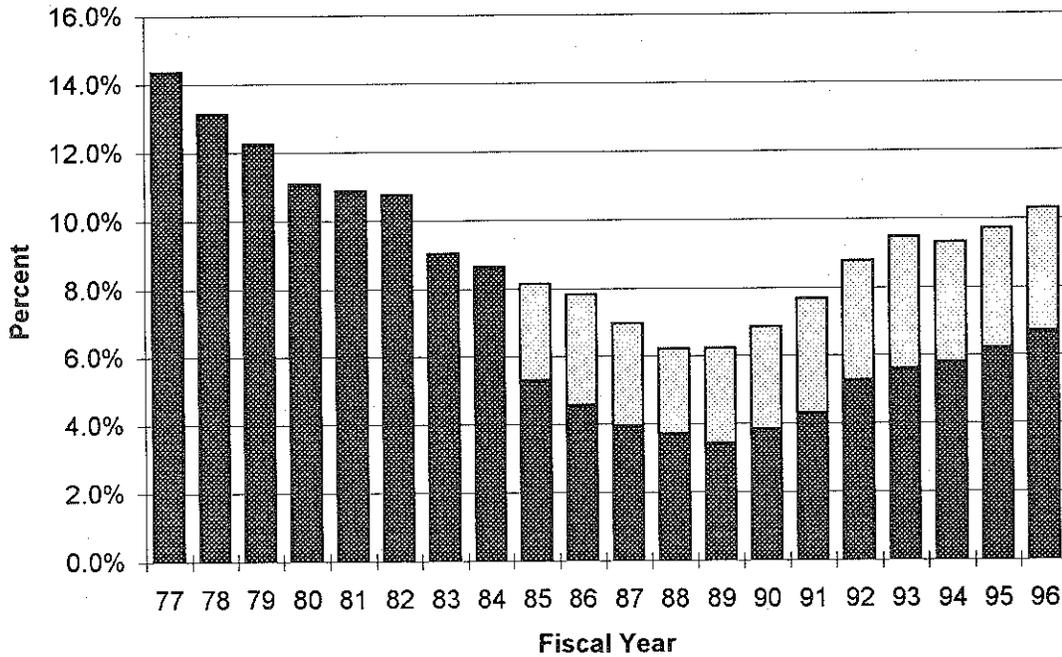
**STATE BOND SALES  
ISSUANCE FY 91 - FY 96  
(Millions \$)**

FY	Month/Year of Issue	Type	Issuance	
			New	Refunding
1994	July 1993	General Obligation	175.0	
	August 1993	Unemployment Revenue Bonds	450.0	
	August 1993	Unemployment Revenue Bonds	235.0	
	August 1993	Unemployment Revenue Bonds	335.7	
	September 1993	Special Tax Obligations		254.8
	October 1993	Special Tax Obligations	175.0	
	October 1993	General Obligation		259.1
	December 1993	General Obligation	65.0	
	December 1993	General Obligation-Coll. Savings	56.1	
	March 1994	Special Tax Obligations	150.0	
	March 1994	General Obligation	230.0	
	May 1994	General Obligation-Coll. Savings	81.4	
	June 1994	Clean Water-Revenue	75.0	
	June 1994	Clean Water-G.O.	5.1	
	1995	August 1994	General Obligation	185.0
September 1994		Special Tax Obligation	200.0	
October 1994		General Obligation-Coll. Savings	70.0	
October 1994		General Obligation	65.0	
December 1994		General Obligation-Taxable	74.3	
March 1995		General Obligation	385.0	54.1
May 1995		Special Tax Obligation	125.0	
1996	October 1995	General Obligation	420.0	
	October 1995	Special Tax Obligation	175.0	160.6
	November 1995	Economic Recovery Notes		236.0
	February 1996	General Obligation - UCONN 2000	83.9	
	March 1996	Clean Water-G.O.	80.0	48.4
	April 1996	General Obligation	300.0	61.3
	May 1996	Unemployment Revenue Bonds		222.7
	June 1996	Special Tax Obligation	150.0	
1997	August 1996	General Obligation	120.0	
	October 1996	Special Tax Obligation	150.0	79.8
	October 1996	Second Injury Fund Bonds	100.0	
	November 1996	General Obligation	159.0	
	December 1996	General Obligation	71.5	

## General Fund and Transportation Fund Debt Service FY 77 - FY 96



■ General Fund □ Transportation Fund



■ General Fund □ Transportation Fund

**GENERAL FUND DEBT SERVICE  
AS A PERCENT OF THE BUDGET  
FY 1982-1995**

<u>Fiscal Year</u>		<u>Debt Service Expenditures</u>	<u>Total State Expenditure</u>	<u>% Debt Service is of Total Budget</u>
1982		\$318.9	\$2,968.6	10.7
1983		292.6	3,241.8	9.0
1984		312.9	3,624.6	8.6
1985 [1]	GF	209.8	3,615.8	5.8
	TF	<u>113.1</u>	<u>348.4</u>	<u>32.5</u>
	Combined	322.9	3,964.2	8.1
1986	GF	200.3	3,962.2	5.1
	TF	<u>145.3</u>	<u>451.6</u>	<u>32.2</u>
	Combined	345.6	4,413.8	7.8
1987	GF	188.5	4,356.2	4.3
	TF	<u>146.6</u>	<u>448.1</u>	<u>32.7</u>
	Combined	335.1	4,804.3	7.0
1988	GF	201.9	4,966.6	4.1
	TF	<u>138.3</u>	<u>504.3</u>	<u>27.4</u>
	Combined	340.2	5,470.9	6.2
1989	GF	210.4	5,596.1	3.8
	TF	<u>174.3</u>	<u>573.8</u>	<u>30.4</u>
	Combined	384.7	6,169.9	6.2
1990	GF	267.6	6,374.2	4.2
	TF	<u>213.1</u>	<u>625.9</u>	<u>34.0</u>
	Combined	480.7	7,000.1	6.9
1991 [2]	GF	310.4	6,639.9	4.7
	TF	<u>247.3</u>	<u>618.4</u>	<u>40.0</u>
	Combined	557.7	7,258.3	7.7
1992	GF	413.1	7,225.2	5.7
	TF	<u>277.1</u>	<u>644.2</u>	<u>43.0</u>
	Combined	690.2	7,869.4	8.8
1993	GF	447.8	7,336.1	6.1
	TF	<u>312.1</u>	<u>692.5</u>	<u>45.1</u>
	Combined	759.9	8,028.6	9.5

**GENERAL FUND DEBT SERVICE  
AS A PERCENT OF THE BUDGET  
FY 1982-1995**

<u>Fiscal Year</u>		<u>Debt Service Expenditures</u>	<u>Total State Expenditure</u>	<u>% Debt Service is of Total Budget</u>
1994 [3]	GF	498.6	7,904.1	6.3
	TF	<u>303.4</u>	<u>721.0</u>	<u>42.1</u>
	Combined	802.0	8,625.1	9.3
1995	GF	580.7	8,616.9	6.7
	TF	<u>330.3</u>	<u>757.6</u>	<u>43.6</u>
	Combined	911.0	9,374.5	9.7
1996	GF	645.7	8,846.1	7.3
	TF	<u>345.5</u>	<u>792.0</u>	<u>43.6</u>
	Combined	991.2	9,638.1	10.3
1997 (Budgeted)	GF	755.3	9,049.4	8.3
	TF	<u>371.5</u>	<u>820.7</u>	<u>45.3</u>
	Combined	1,126.8	9,870.1	11.4

[1] PA 84-254 established a Transportation Fund (TF) from which all transportation-related debt service must be paid.

[2] Includes a \$39 million debt service payment in FY 91 for housing-related bonds by the Connecticut Housing Finance Authority.

[3] The GF and TF totals reflect a \$10 million payment by the GF of transportation related debt service.

## BOND RATINGS FOR THE STATE OF CONNECTICUT

	Standard & Poors		Moody's		Fitch	
	GO	STO	GO	STO	GO	STO
1973 - 5/75	AAA		AAA			
5/75 - 10/75	AA		AAA			
10/75 - 4/76	AA		AA			
4/76 - 10/77	AA		A			
10/77 - 7/81	AA		AA			
7/81 - 10/84	AA		AA			
11/84 - 10/85	AA		AA			
10/85 - 6/86	AA	AA-	AA	A		
6/86 - 3/90	AA	AA	AA	A		
3/90 - 9/91	AA	AA-	AA	A	AA+	AA-
9/91 - present	AA	AA-	AA	A	AA+	AA-

Source: State Treasurer's Office

**Notes:**

[1] Bond rating indicates general obligation bond rating:

- AAA = Best Investment grade
- AA1/AA+ = Better Investment grade
- AA = High Investment grade
- AA- = High Medium investment grade
- A = Better medium investment grade

[2] GO indicates General Obligation Bonds  
 STO indicates Special Tax Obligation Bonds

[3] Fitch Investor Services was added beginning April 1, 1990.

## STATE DEBT LIMITATIONS

Fiscal Year	Statutory Debt Limitation [1] (000)	Aggregate indebtedness [2] (Adjusted) (000)	Margin (000)	Indebtedness as % of Debt Limitation
1974	\$5,248,477	\$2,217,285	\$3,031,192	42.2%
1975	5,223,044	2,259,056	2,963,988	43.3
1976	4,963,052	2,360,892	2,602,160	47.6
1977	6,146,886	2,350,579	3,796,307	38.2
1978	6,090,791	2,293,477	3,797,314	37.7
1979	6,395,749	2,203,002	4,192,747	34.4
1980	7,166,737	2,208,840	4,957,897	30.8
1981	7,670,663	2,205,213	5,465,450	28.7
1982	8,606,735	2,151,086	6,455,649	25.0
1983	9,798,643	2,151,083	7,647,560	22.0
1984	10,720,098	2,113,333	8,606,765	19.7
1985	13,118,713	2,018,563	11,100,150	15.4
1986	14,143,453	1,831,558	12,311,895	12.9
1987	15,404,219	1,776,208	13,628,011	11.5
1988	17,541,103	2,388,707	15,152,396	13.6
1989	19,458,209	2,906,132	16,552,077	14.9
1990	21,315,279	3,089,903	18,225,376	14.5
1991	21,315,279	3,673,170	17,642,109	17.2
1992	7,176,000	5,787,197	1,388,803	80.6
1993	8,967,040	7,720,809	1,246,231	86.1
1994	10,169,920	8,529,758	1,640,162	83.9
1995	10,496,160	8,596,566	1,899,594	81.9
1996	10,534,880	8,928,457	1,606,423	84.8

[1] For years from 1974-1991 Section 3-21 CGS stipulated that when issuing debt (principally bonds and notes) the state could not exceed 4.5 times the total General Fund tax receipts during the previous fiscal year which ended not less than three or more than fifteen calendar months prior to such issuance. For years beginning after 1991 Section 3-21 CGS as amended, set forth the debt limit as 1.6 times the total general fund tax receipts for the fiscal year in which any such authorization will become effective, as estimated by the Joint Standing Committee on Finance, Revenue, and Bonding of the General Assembly in accordance with Section 2-35 CGS.

[2] In computing adjusted aggregate indebtedness for comparison with the debt limitation Sections 3-21 provides for the following additions and deductions to the total debt outstanding:

**Additions:**

1. Bonds and notes guaranteed by state

**Deductions:**

1. Revenue (tax) anticipation notes
2. Refunding or replacing indebtedness
3. Bond anticipation notes
4. Obligations payable solely from revenues of a particular public improvement
5. Aggregate value of cash and securities in debt retirement funds of the state to be used to meet principal of debt outstanding
6. All amounts certified by Secretary of Office of Policy and Management as estimated payments on account of the costs of any public improvement to be reimbursed to the state by the Federal Government and to be used to pay principal.

**A COMPARISON OF GENERAL AND TRANSPORTATION FUNDS [1]  
ORIGINAL APPROPRIATIONS VS. ACTUAL EXPENDITURES  
FISCAL YEARS 1976-1996**

Function of Government	1976			1977		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$6,126,394	\$6,206,832	0.4	\$6,589,710	\$7,353,578	0.4
General Government	124,247,123	113,828,126	6.8	102,682,219	100,746,609	5.7
Regulation & Protection	50,027,538	46,560,545	2.8	48,806,497	49,023,874	2.8
Conservation & Development	14,325,620	13,636,289	0.8	14,470,423	14,357,827	0.8
Health & Hospitals	134,301,896	125,614,297	7.5	128,113,000	128,206,391	7.2
Transportation	116,202,667	110,907,304	6.6	121,302,266	118,235,948	6.7
Welfare	374,758,834	394,898,847	23.5	416,646,000	417,736,438	23.6
Education, Libraries & Museums	461,991,815	463,562,555	27.6	483,731,748	477,278,462	26.9
Corrections	32,122,190	35,558,512	2.1	40,552,700	43,099,796	2.4
Judicial	31,033,609	30,340,511	1.8	32,702,993	31,761,357	1.8
Non-Functional	<u>337,547,344</u>	<u>336,028,941</u>	<u>20.0</u>	<u>396,270,043</u>	<u>383,605,570</u>	<u>21.7</u>
Total General Fund	\$1,682,685,030	\$1,677,142,759		\$1,793,867,599	\$1,771,405,850	
Less: Estimated Lapses	<u>(6,138,000)</u>	-		-	-	
Net General Fund	<b>\$1,676,547,030</b>	<b>\$1,677,142,759</b>	<b>100.0</b>	<b>\$1,793,867,599</b>	<b>\$1,771,405,850</b>	<b>100.0</b>

Function of Government	1978			1979		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$6,870,515	\$6,969,105	0.4	\$8,780,857	\$8,927,408	0.4
General Government	113,254,085	115,976,184	5.8	127,497,300	115,865,888	5.1
Regulation & Protection	57,908,613	58,293,284	2.9	66,061,850	62,866,369	2.7
Conservation & Development	16,530,802	16,881,789	0.9	20,139,300	28,185,933	1.2
Health & Hospitals	141,151,216	148,285,600	7.5	169,296,700	167,989,238	7.3
Transportation	119,259,065	131,587,169	6.6	145,148,600	141,568,631	6.2
Welfare	472,973,489	475,580,762	24.0	508,716,730	537,023,912	23.5
Education, Libraries & Museums	526,926,301	527,415,119	26.6	576,626,390	583,642,034	25.5
Corrections	47,492,665	51,617,717	2.6	87,365,000	83,237,093	3.6
Judicial	34,467,232	35,196,425	1.8	38,841,652	45,361,686	2.0
Non-Functional [2]	<u>466,905,816</u>	<u>416,475,140</u>	<u>21.0</u>	<u>529,539,259</u>	<u>511,751,716</u>	<u>22.4</u>
Total General Fund	\$2,003,739,799	\$1,984,278,294		\$2,278,033,638	\$2,286,419,908	
Less: Estimated Lapses	<u>(20,000,000)</u>	-		<u>(27,000,000)</u>	-	
Net General Fund	<b>\$1,983,739,799</b>	<b>\$1,984,278,294</b>	<b>100.0</b>	<b>\$2,251,033,638</b>	<b>\$2,286,419,908</b>	<b>100.0</b>

Function of Government	1980			1981		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$8,708,618	\$9,229,605	0.4	\$11,424,185	\$11,680,789	0.4
General Government	115,702,337	125,129,970	5.1	134,661,621	134,586,401	4.9
Regulation & Protection	63,399,866	66,153,227	2.7	73,031,116	69,735,878	2.5
Conservation & Development	30,852,053	22,379,298	0.9	22,760,143	23,021,413	0.8
Health & Hospitals	176,879,842	193,960,915	7.9	217,906,171	228,517,205	8.3
Transportation	150,389,207	157,496,214	6.4	157,626,354	163,661,050	6.0
Welfare	588,181,942	598,832,649	24.3	663,678,085	663,537,770	24.2
Education, Libraries & Museums	629,679,962	636,624,268	25.8	727,812,216	722,479,160	26.4
Corrections	88,808,000	93,595,998	3.8	99,934,446	103,669,989	3.8
Judicial	47,699,729	49,781,063	2.0	55,660,442	55,301,675	2.0
Non-Functional [2]	<u>538,491,255</u>	<u>516,056,123</u>	<u>20.9</u>	<u>578,480,223</u>	<u>562,826,185</u>	<u>20.5</u>
Total General Fund	\$2,438,792,811	\$2,469,239,330		\$2,742,975,002	\$2,739,017,515	
Less: Estimated Lapses	<u>(30,000,000)</u>	-		<u>(35,000,000)</u>	-	
Net General Fund	<b>\$2,408,792,811</b>	<b>\$2,469,239,330</b>	<b>100.0</b>	<b>\$2,707,975,002</b>	<b>\$2,739,017,515</b>	<b>100.0</b>

**A COMPARISON OF GENERAL AND TRANSPORTATION FUNDS [1]  
ORIGINAL APPROPRIATIONS VS. ACTUAL EXPENDITURES  
FISCAL YEARS 1976-1996**

Function of Government	1982		Actual as a Percent of Total	1983		Actual as a Percent of Total
	Budgeted	Actual		Budgeted	Actual	
Legislative	\$12,451,489	\$12,479,003	0.4	\$14,994,282	\$14,905,615	0.5
General Government	176,343,279	174,826,186	5.9	189,120,126	186,845,148	5.8
Regulation & Protection	77,390,421	75,223,808	2.5	82,275,987	82,501,635	2.5
Conservation & Development	24,380,228	24,366,801	0.8	27,944,024	28,750,069	0.9
Health & Hospitals	244,586,185	249,039,879	8.4	274,428,215	281,161,585	8.7
Transportation	164,152,703	175,911,090	5.9	171,488,086	172,209,516	5.3
Welfare	729,516,460	716,593,270	24.1	752,927,319	799,212,142	24.7
Education, Libraries & Museums	801,154,048	790,414,374	26.6	886,808,860	894,443,183	27.6
Corrections	119,346,545	112,931,066	3.8	127,563,498	132,515,571	4.1
Judicial	59,427,639	58,498,192	2.0	63,588,250	66,464,334	2.1
Non-Functional	<u>611,327,875</u>	<u>577,614,130</u>	<u>19.5</u>	<u>640,362,039</u>	<u>583,138,457</u>	<u>18.0</u>
<b>Total General Fund</b>	<b>\$3,020,076,872</b>	<b>\$2,967,897,799</b>		<b>\$3,231,500,686</b>	<b>\$3,242,147,255</b>	
Less: Estimated Lapses [3]	<u>(54,551,000)</u>	-		<u>(36,250,000)</u>	-	
<b>Net General Fund</b>	<b>\$2,965,525,872</b>	<b>\$2,967,897,799</b>	<b>100.0</b>	<b>\$3,195,250,686</b>	<b>\$3,242,147,255</b>	<b>100.0</b>
Function of Government	1984		Actual as a Percent of Total	1985		Actual as a Percent of Total
	Budgeted	Actual		Budgeted	Actual	
Legislative	\$16,068,812	\$15,877,024	0.4	\$19,265,450	\$18,597,364	0.5
General Government	219,762,435	236,241,891	6.5	249,832,551	274,485,791	6.9
Regulation & Protection	93,901,782	93,578,529	2.6	103,305,589	103,252,644	2.6
Conservation & Development	31,881,489	31,607,545	0.9	34,122,983	34,404,796	0.9
Health & Hospitals	319,895,093	314,895,066	8.7	351,743,517	349,235,217	8.8
Transportation	186,924,973	186,773,116	5.2	0	8,458,209	0.2
Welfare	891,312,317	893,467,340	24.7	969,715,058	900,522,022	22.7
Education, Libraries, & Museums	1,011,965,689	997,758,173	27.5	1,096,270,185	1,095,610,037	27.6
Corrections	149,130,503	147,920,637	4.1	162,648,952	163,601,952	4.1
Judicial	78,094,822	77,382,535	2.1	85,052,375	85,719,819	2.2
Non-Functional	<u>645,140,825</u>	<u>628,916,447</u>	<u>17.4</u>	<u>637,264,255</u>	<u>581,952,568</u>	<u>14.7</u>
<b>Total General Fund</b>	<b>\$3,644,078,740</b>	<b>\$3,624,418,303</b>		<b>\$3,709,220,915</b>	<b>\$3,615,840,419</b>	
Less: Estimated Lapses	<u>(54,000,000)</u>	-		<u>(49,000,000)</u>	-	
<b>Net General Fund</b>	<b>\$3,590,078,740</b>	<b>\$3,624,418,303</b>	<b>100.0</b>	<b>\$3,660,220,915</b>	<b>\$3,615,840,419</b>	<b>91.2</b>
Transportation				241,114,750	235,236,479	5.9
Non-Functional				<u>96,438,000</u>	<u>113,122,867</u>	<u>2.9</u>
<b>Total Transportation Fund</b>				<b>\$337,552,750</b>	<b>\$348,359,146</b>	
Less: Estimated Lapses				<u>(2,500,000)</u>	-	
<b>Net Transportation Fund</b>				<b>\$335,052,750</b>	<b>\$348,359,146</b>	<b>8.8</b>
<b>Net General &amp; Transportation Fund</b>				<b>\$3,995,273,665</b>	<b>\$3,964,199,565</b>	<b>100.0</b>

**A COMPARISON OF GENERAL AND TRANSPORTATION FUNDS [1]  
ORIGINAL APPROPRIATIONS VS. ACTUAL EXPENDITURES  
FISCAL YEARS 1976-1996**

Function of Government	1986			1987		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$20,123,186	\$19,420,872	0.4	\$22,537,402	\$21,853,621	0.5
General Government	264,978,123	262,867,535	5.9	289,433,722	290,872,754	6.0
Regulation & Protection	115,608,428	119,464,965	2.7	127,302,707	135,253,515	2.8
Conservation & Development	40,171,723	39,388,126	0.9	43,664,209	43,817,993	0.9
Health & Hospitals	429,121,217	405,021,925	9.1	488,146,422	481,665,422	10.0
Transportation	32,000	5,463,628	0.1	0	101,205	0.0
Welfare	999,030,076	979,073,796	22.1	1,059,631,925	1,065,313,342	22.1
Education, Libraries & Museums	1,228,407,093	1,219,007,188	27.5	1,297,964,793	1,309,588,479	27.1
Corrections	186,872,987	187,129,971	4.2	209,531,694	208,352,252	4.3
Judicial	85,574,974	85,491,126	1.9	93,338,429	94,373,481	2.0
Non-Functional	<u>662,360,326</u>	<u>655,129,999</u>	<u>14.8</u>	<u>734,919,722</u>	<u>734,646,804</u>	<u>15.2</u>
Total General Fund	\$4,032,370,133	\$3,977,459,131		\$4,366,471,025	\$4,385,838,868	
Less: Estimated Lapses	<u>(60,000,000)</u>	-		<u>(70,000,000)</u>	-	
Net General Fund	<b>\$3,972,370,133</b>	<b>\$3,977,459,131</b>	<b>89.8</b>	<b>\$4,296,471,025</b>	<b>\$4,385,838,868</b>	<b>90.8</b>
Transportation	\$308,790,398	\$307,700,485	6.9	\$272,732,000	\$291,135,560	6.0
Non-Functional	<u>118,900,000</u>	<u>143,876,446</u>	<u>3.2</u>	<u>166,200,000</u>	<u>151,598,193</u>	<u>3.1</u>
Total Transportation Fund	\$427,690,398	\$451,576,931		\$438,932,000	\$442,733,753	
Less: Estimated Lapses	<u>(2,500,000)</u>	-		<u>(3,200,000)</u>	-	
Net Transportation Fund	<b>\$425,190,398</b>	<b>\$451,576,931</b>	<b>10.2</b>	<b>\$435,732,000</b>	<b>\$442,733,753</b>	<b>9.2</b>
Net General & Transportation Fund	<b>\$4,397,560,531</b>	<b>\$4,429,036,062</b>	<b>100.0</b>	<b>\$4,732,203,025</b>	<b>\$4,828,572,621</b>	<b>100.0</b>
Educational Excellence Trust Fund				\$89,165,496	\$72,509,371	100.0

Function of Government	1988			1989		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$27,092,464	\$27,217,067	0.5	\$31,772,088	\$31,288,874	0.5
General Government	343,411,487	288,893,430	5.3	348,248,419	333,218,080	5.4
Regulation & Protection	159,997,371	156,637,342	2.9	180,941,424	167,454,668	2.7
Conservation & Development	54,087,108	50,882,351	0.9	58,805,505	57,438,577	0.9
Health & Hospitals	583,258,276	578,226,754	10.6	671,294,941	666,704,053	10.8
Transportation	0	0	0.0	67,000	50,000	0.0
Welfare	1,180,756,911	1,212,713,382	22.2	1,362,863,930	1,402,879,298	22.7
Education, Libraries & Museums	1,490,646,689	1,491,514,261	27.3	1,683,260,437	1,654,595,417	26.8
Corrections	241,787,219	246,781,720	4.5	291,080,726	293,871,616	4.8
Judicial	104,076,386	106,186,644	1.9	119,492,770	117,689,093	1.9
Non-Functional [2]	<u>809,800,541</u>	<u>807,498,242</u>	<u>14.8</u>	<u>944,780,538</u>	<u>870,952,379</u>	<u>14.1</u>
Total General Fund	\$4,994,914,452	\$4,966,551,193		\$5,692,607,778	\$5,596,142,055	
Less: Estimated Lapses	<u>(79,200,000)</u>	-		<u>(82,060,000)</u>	-	
Net General Fund	<b>\$4,915,714,452</b>	<b>\$4,966,551,193</b>	<b>90.8</b>	<b>\$5,610,547,778</b>	<b>\$5,596,142,055</b>	<b>90.7</b>
General Government				2,300,000	2,079,972	
Transportation	440,175,900	365,988,685	6.7	332,708,705	348,298,066	5.6
Non-Functional	<u>156,976,000</u>	<u>138,330,830</u>	<u>2.5</u>	<u>203,955,000</u>	<u>223,411,703</u>	<u>3.6</u>
Total Transportation Fund	\$597,151,900	\$504,319,515		\$538,963,705	\$573,789,741	
Less: Estimated Lapses	<u>(3,500,000)</u>	-		<u>(3,500,000)</u>	-	
Net Transportation Fund	<b>\$593,651,900</b>	<b>\$504,319,515</b>	<b>9.2</b>	<b>\$535,463,705</b>	<b>\$573,789,741</b>	<b>9.3</b>
Net General & Transportation Fund	<b>\$5,509,366,352</b>	<b>\$5,470,870,708</b>	<b>100.0</b>	<b>\$6,146,011,483</b>	<b>\$6,169,931,796</b>	<b>100.0</b>
Educational Excellence Trust Fund	\$129,158,793	\$132,603,304	100.0	\$206,713,470	\$204,724,831	100.0

**A COMPARISON OF GENERAL AND TRANSPORTATION FUNDS [1]  
ORIGINAL APPROPRIATIONS VS. ACTUAL EXPENDITURES  
FISCAL YEARS 1976-1996**

Function of Government	1990			1991		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$33,998,012	\$32,976,310	0.5	\$37,353,033	\$33,658,449	0.5
General Government	366,103,778	353,722,388	5.1	331,195,559	313,504,796	4.3
Regulation & Protection	173,318,706	166,000,239	2.4	174,877,409	163,970,570	2.3
Conservation & Development	55,518,166	56,329,031	0.8	55,737,622	53,909,472	0.7
Health & Hospitals	710,279,426	693,827,519	9.9	755,784,692	763,809,217	10.5
Human Services	1,561,190,417	1,664,439,564	23.8	1,856,378,013	2,032,651,386	28.0
Education, Libraries & Museums	1,986,458,544	1,984,330,077	28.3	1,891,815,946	1,881,269,115	25.9
Corrections	357,253,625	346,017,454	4.9	411,106,761	411,307,041	5.7
Judicial	129,260,184	125,772,105	1.8	143,936,257	138,739,390	1.9
Non-Functional	<u>984,560,464</u>	<u>950,746,919</u>	<u>13.6</u>	<u>867,476,070</u>	<u>847,086,760</u>	<u>11.7</u>
Total General Fund	\$6,357,941,322	\$6,374,161,606		\$6,525,661,362	\$6,639,906,196	
Less: Estimated Lapses	<u>(118,642,638)</u>	-		<u>(95,674,353)</u>	-	
Net General Fund	<b>\$6,239,298,684</b>	<b>\$6,374,161,606</b>	<b>91.1</b>	<b>\$6,429,987,009</b>	<b>\$6,639,906,196</b>	<b>91.5</b>
General Government	2,262,680	2,078,203	0.03	934,000	1,071,920	0.01
Transportation	355,062,788	363,210,185	5.2	327,863,757	329,672,449	4.5
Non-Functional	<u>261,932,000</u>	<u>260,577,803</u>	<u>3.7</u>	<u>294,956,000</u>	<u>287,677,166</u>	<u>4.0</u>
Total Transportation Fund	\$619,257,468	\$625,866,191		\$623,753,757	\$618,421,535	
Less: Estimated Lapses	<u>(15,526,134)</u>	-		<u>(5,323,575)</u>	-	
Net Transportation Fund	<b>\$603,731,334</b>	<b>\$625,866,191</b>	<b>8.9</b>	<b>\$618,430,182</b>	<b>\$618,421,535</b>	<b>8.5</b>
Net General & Transportation Fund	<b>\$6,843,030,018</b>	<b>\$7,000,027,797</b>	<b>100.0</b>	<b>\$7,048,417,191</b>	<b>\$7,258,327,731</b>	<b>100.0</b>

Function of Government	1992			1993		
	Budgeted	Actual	Actual as a Percent of Total	Budgeted	Actual	Actual as a Percent of Total
Legislative	\$37,347,158	\$32,996,314	0.4	\$36,567,203	\$34,535,520	0.4
General Government	337,974,683	316,251,930	4.2	366,873,447	351,330,950	4.3
Regulation & Protection	115,775,249	101,889,886	1.3	114,730,958	105,609,041	1.3
Conservation & Development	51,126,028	47,687,001	0.6	41,424,226	40,123,961	0.5
Health & Hospitals	788,713,779	759,608,041	10.0	649,019,646	634,686,304	7.7
Human Services [4]	2,332,377,056	2,180,807,734	28.6	2,528,986,637	2,546,389,732	30.9
Education, Libraries & Museums	2,039,953,279	1,996,930,878	26.2	1,819,380,784	1,808,755,114	22.0
Corrections	457,351,397	438,516,587	5.8	511,984,101	497,481,566	6.0
Judicial	150,482,380	140,664,548	1.8	148,658,451	149,510,047	1.8
Non-Functional [6]	<u>1,246,818,679</u>	<u>958,652,929</u>	<u>12.6</u>	<u>1,321,612,835</u>	<u>1,376,113,094</u>	<u>16.7</u>
Total General Fund	\$7,557,919,688	\$6,974,005,848		\$7,539,238,288	\$7,544,535,329	
Less: Estimated Lapses	<u>(458,723,753)</u>	-		<u>(73,377,102)</u>	-	
Net General Fund	<b>\$7,099,195,935</b>	<b>\$6,974,005,848</b>	<b>91.5</b>	<b>\$7,465,861,186</b>	<b>\$7,544,535,329</b>	<b>91.6</b>
General Government	\$1,100,000	\$1,100,000	0.01	\$1,106,675	\$1,106,675	0.01
Regulation & Protection	38,473,081	35,684,085	0.5	36,683,453	35,970,582	0.4
Transportation	300,978,092	269,854,994	3.5	286,293,469	289,352,631	3.5
Non-Functional	<u>334,230,300</u>	<u>337,561,312</u>	<u>4.4</u>	<u>386,576,780</u>	<u>366,026,942</u>	<u>4.4</u>
Total Transportation Fund	\$674,781,473	\$644,200,391		\$710,660,377	\$692,456,830	
Less: Estimated Lapses	<u>(16,311,894)</u>	-		<u>(6,000,000)</u>	-	
Net Transportation Fund	<b>\$658,469,579</b>	<b>\$644,200,391</b>	<b>8.5</b>	<b>\$704,660,377</b>	<b>\$692,456,830</b>	<b>8.4</b>
Net General & Transportation Fund	<b>\$7,757,665,514</b>	<b>\$7,618,206,239</b>	<b>100.0</b>	<b>\$8,170,521,563</b>	<b>\$8,236,992,159</b>	<b>100.0</b>

**A COMPARISON OF GENERAL AND TRANSPORTATION FUNDS [1]  
ORIGINAL APPROPRIATIONS VS. ACTUAL EXPENDITURES  
FISCAL YEARS 1976-1996**

Function of Government	1994		Actual as a Percent of Total	1995		Actual as a Percent of Total
	Budgeted	Actual		Budgeted	Actual	
Legislative	\$36,558,260	\$35,864,311	0.4	\$38,647,067	\$37,347,064	0.4
General Government	378,004,869	343,985,753	3.9	377,770,333	365,487,789	3.9
Regulation & Protection	88,813,086	82,366,025	0.9	88,417,052	82,470,191	0.9
Conservation & Development	45,316,530	42,856,609	0.5	44,411,837	42,780,149	0.5
Health & Hospitals	662,349,659	646,671,220	7.3	698,014,073	680,964,070	7.2
Human Services [5]	2,721,709,619	2,866,684,381	32.6	3,278,593,479	3,212,039,168	33.9
Education, Libraries & Museums	1,924,635,968	1,928,642,413	21.9	1,995,868,535	1,984,299,342	20.9
Corrections	593,042,253	592,912,915	6.7	692,226,406	653,130,546	6.9
Judicial	168,218,639	168,820,059	1.9	179,053,589	179,204,585	1.9
Non-Functional [2] [6]	<u>1,391,443,650</u>	<u>1,375,115,940</u>	<u>15.6</u>	<u>1,578,880,128</u>	<u>1,493,079,934</u>	<u>15.7</u>
Total General Fund	\$8,010,092,533	\$8,083,919,626		\$8,971,882,499	\$8,730,802,838	
Less: Estimated Lapses	<u>(82,000,000)</u>	-		<u>(82,000,000)</u>	-	
Net General Fund	\$7,928,092,533	\$8,083,919,626	91.8	\$8,889,882,499	\$8,730,802,838	92.0
General Government	\$1,480,751	\$1,480,751	0.02	\$1,430,593	\$1,770,593	0.02
Regulation & Protection	79,436,195	76,577,642	0.9	80,527,486	80,207,218	0.8
Transportation	290,923,382	286,702,075	3.3	284,766,907	288,518,945	3.0
Non-Functional	<u>380,603,000</u>	<u>356,280,657</u>	<u>4.0</u>	<u>397,226,300</u>	<u>387,055,618</u>	<u>4.1</u>
Total Transportation Fund	\$752,443,328	\$721,041,125		\$763,951,286	\$757,552,374	
Less: Estimated Lapses	<u>(6,000,000)</u>	-		<u>(6,000,000)</u>	-	
Net Transportation Fund	\$746,443,328	\$721,041,125	8.2	\$757,951,286	\$757,552,374	8.0
Net General & Transportation Fund	\$8,674,535,861	\$8,804,960,751	100.0	\$9,647,833,785	\$9,488,355,212	100.0

Function of Government	1996		Actual as a Percent of Total
	Budgeted	Actual	
Legislative	\$38,843,742	\$37,759,202	0.4
General Government	411,188,760	387,682,911	4.0
Regulation & Protection	83,909,515	82,267,870	0.8
Conservation & Development	50,545,678	49,937,900	0.5
Health & Hospitals	706,954,504	710,515,735	7.3
Human Services	3,195,755,349	3,234,158,646	33.2
Education, Libraries & Museums	2,050,999,389	2,075,704,712	21.3
Corrections	706,793,465	693,414,061	7.1
Judicial	193,103,231	198,594,194	2.0
Non-Functional [6] [7]	<u>1,593,815,083</u>	<u>1,468,303,654</u>	<u>15.1</u>
Total General Fund	\$9,031,908,716	\$8,938,338,885	
Less: Estimated Lapses	<u>(103,200,000)</u>	-	
Net General Fund	\$8,928,708,716	\$8,938,338,885	91.9
General Government	\$2,426,234	\$2,050,449	0.02
Regulation & Protection	85,909,980	84,812,642	0.9
Transportation	296,823,955	295,213,574	3.0
Non-Functional [7]	<u>428,534,000</u>	<u>409,905,768</u>	<u>4.2</u>
Total Transportation Fund	\$813,694,169	\$791,982,433	
Less: Estimated Lapses	<u>(9,200,000)</u>	-	
Net Transportation Fund	\$804,494,169	\$791,982,433	8.1
Net General & Transportation Fund	\$9,733,202,885	\$9,730,321,318	100.0

**A COMPARISON OF GENERAL AND TRANSPORTATION FUNDS [1]  
ORIGINAL APPROPRIATIONS VS. ACTUAL EXPENDITURES  
FISCAL YEARS 1976-1996**

[1] Budgeted amounts are taken from the original appropriation act(s) and do not include deficiency appropriations or other appropriations made in the following session. Also, carry-forward appropriations from a prior fiscal year are not included unless they are of special significance. Actual amounts may include expenditures from prior year appropriations which were carried forward to the next fiscal year. The Transportation Fund was re-created in FY 85. Actual amounts are taken from the Annual Report of the State Comptroller.

[2] Includes funds from surplus for debt service, in the following years and amounts: FY 78 \$57.9 million, FY 79 \$130 million, FY 80 \$67.9 million, FY 89 \$63.0 million, FY 94 \$52.0 million, and FY 95 \$32 million.

[3] The lapse amount shown for FY 82 includes \$19,551,000 in appropriated funds not to be expended.

[4] Excludes funds provided by FAC to the Department of Income Maintenance for payment to the Department of Mental Health for low income disproportionate share costs in state institutions. These were not part of the original budget. They represent "expenditures" only for purposes of claiming retroactive federal reimbursements. The amounts are as follows: FY 92 \$367,304,000 and FY 93 \$38,500,000

[5] Actual FY 94 includes \$96.1 million expended from the \$104.0 million appropriated for the Disproportionate Share/Emergency Assistance account which replaced the off-budget Uncompensated Care Pool, per PA 94-9, effective April 1, 1994.

[6] Includes the Economic Recovery Fund (ERF) payments on the deficit financing notes as follows: FY 92 Bud. \$130,000,000, Act. \$86,124,948, FY 93 Bud. \$148,200,000, Act. \$136,732,742, plus \$110,181,227 from FY 92 surplus; FY 94 Bud. \$186,000,000, Act. \$179,762,810; FY 95 Bud. \$267,000,000, Act \$263,514,553; FY 96 Bud. \$91,900,000, Act \$92,190,375. Non-functional expenditures as a percent of total without ERF payments are as follows: FY 92 12.7%, FY 93 15.5%, FY 94 15.1%, FY 95 14.5%, and FY 96 15.6%.

[7] Funds appropriated to the Reserve for salary adjustments are budgeted here, but are transferred to the agencies for expenditures as follows: FY 96 Bud. GF \$103,344,000, TF \$6,500,000, Act. Transfers GF \$84,557,776, TF \$4,370,311.

**CONDITION OF THE GENERAL FUND  
FY 84 - FY 96**

	Amount (millions)	Percent
<b>FY 83-84</b>		
FY 1983 Carryover Deficit	\$47.9	22.1%
Transportation Fund	3.3	1.5
Budget Reserve	<u>165.2</u>	<u>76.3</u>
<b>Total Surplus</b>	<b>\$216.4</b>	<b>100.0%</b>

<b>FY 84-85</b>		
Local Infrastructure	\$214.1	54.1%
Plant Purchase	8.0	2.0
Budget Reserve	27.3	6.9
Highway Project	25.0	6.3
Local Revenue Sharing	20.0	5.1
Miscellaneous (SA 85-53)	22.2	5.6
Education	<u>78.9</u>	<u>19.9</u>
<b>Total Surplus *</b>	<b>\$395.5</b>	<b>100.0%</b>

\* Tax reductions estimated at \$27 million were enacted after the passage of the original appropriations act. The tax reductions effectively reduced the total surplus by an estimated \$27 million.

<b>FY 85-86</b>		
Budget Reserve	\$16.2	4.6%
Municipal Infrastructure	70.0	20.0
Transportation Fund	10.0	2.9
Municipal Liability	15.0	4.3
Education Excellence	100.0	28.5
Town Improvement	33.0	9.4
Municipal Solid Waste	10.0	2.9
Tele Access Lines	18.0	5.1
Miscellaneous	27.4	7.8
Debt Service	<u>50.9</u>	<u>14.5</u>
<b>Total Surplus *</b>	<b>\$350.5</b>	<b>100.0%</b>

\* Tax reductions estimated at \$37.9 million were enacted after the passage of the original appropriations act. The tax reductions effectively reduced the total surplus by an estimated \$37.9 million.

<b>FY 86-87</b>		
Municipal Tipping Fees	\$15.0	3.9%
Local Emergency Relief	5.0	1.3
Merrit & Wilbur Cross Parkway Toll Removal	2.7	0.7
Education Excellence	193.0	49.8
Budget Reserve	104.8	27.0
Health Services (A.I.D.S.)	4.3	1.1
Legislative Mgmt. - Studies	0.1	0.0
Debt Retirement	<u>63.0</u>	<u>16.2</u>
<b>Total Surplus</b>	<b>387.9</b>	<b>100.0</b>

**CONDITION OF THE GENERAL FUND  
FY 84 - FY 96**

	Amount (millions)	Percent
<b>FY 87-88</b>		
Operating Deficit	(\$115.6)	
Appropriated from the Budget Reserve Fund	<u>115.6</u>	
<b>Balance</b>	<b>\$0.0</b>	
<b>FY 88-89</b>		
Operating Deficit	(\$28.0)	
Appropriated from the Budget Reserve Fund	28.0	
<b>Balance</b>	<b>\$0.0</b>	
<b>FY 89-90</b>		
Operating Deficit	(\$259.5)	
Balance of Budget Reserve	<u>102.3</u>	
Fund Transferred to Fund Deficit		
<b>Deficit Carryforward</b>	<b>(\$157.2)</b>	
<b>FY 90-91</b>		
Operating Deficit	(\$808.5)	
FY 89-90 Deficit Carryforward	<u>(157.2)</u>	
<b>Total Accumulated Deficit *</b>	<b>(\$965.7)</b>	
* Economic Recovery Notes of \$965.7 million were issued to finance the total accumulated deficit payable over the next five years.		
<b>FY 91-92</b>		
Retirement of Economic Recovery Notes Issued to Fund Deficit	110.1	
Other Uses	<u>0.0</u>	
<b>Total Surplus</b>	<b>\$110.1</b>	
<b>FY 92-93</b>		
Appropriated for FY 93-94 Debt Service	\$52.0	26.3%
Appropriated for FY 94-95 Debt Service	32.0	16.2
Unappropriated surplus earmarked for FY 93-94 Debt Service	<u>113.5</u>	<u>57.5</u>
<b>Total Surplus</b>	<b>\$197.5</b>	<b>100.0</b>

**CONDITION OF THE GENERAL FUND  
FY 84 - FY 96**

	Amount (millions)	Percent
<b>FY 93-94</b>		
Appropriated for Economic Recovery Notes Debt Service Due in FY 94-95	\$149.6	88.4%
Appropriated for FY 94-95 Debt Service	<u>19.7</u>	<u>11.6</u>
<b>Total Surplus *</b>	<b>\$169.3</b>	<b>100.0</b>
* Of the \$169.3 million FY 93-94 surplus \$113.5 million is in effect the carryforward of the previous year's unappropriated surplus, thereby making the surplus from operations \$55.8 million in FY 93-94.		
<b>FY 94-95</b>		
Budget Reserve Fund	<u>80.5</u>	<u>100.0</u>
<b>Total Surplus</b>	<b>\$80.5</b>	<b>100.0</b>
<b>FY 95-96</b>		
Appropriated for Economic Recovery Notes Debt Service Due in FY 96-97	\$89.5	35.8%
Budget Reserve Fund	<u>160.5</u>	<u>64.2</u>
<b>Total Surplus</b>	<b>\$250.0</b>	<b>100.0</b>

## BUDGET RESERVE FUND HISTORY

Surpluses from:	
1983-84	\$165.2
1984-85	27.3
1985-86	16.2
1986-87	104.8
Plus interest earnings[1]	<u>6.1</u>
Balance as of 9/01/87	\$319.6
Less: Transfer to General Fund as Revenue for 1988-89 (per Sec. 14 of SA 88-20)	-73.7
Balance as of 7/02/88	\$245.9
Less: Transfer to General Fund to cover 1987-88 Deficit	-115.6
Balance as of 9/01/88	\$130.3
Less: Transfer to General Fund to cover 1988-89 Deficit	-28
Balance as of 9/01/89	\$102.3
Less: Transfer to General Fund to cover 1989-90 Deficit[2]	-102.3
Balance as of 9/01/90	\$0.0
(Surpluses from 1991-92, 1992-93 & 1993-94 were used to make ERF payments or for Debt Service payments.)	
Surplus from:	
1994-95	80.5
Balance as of 9/01/95	\$80.5
Surplus from 1995-96 of \$250 million less transfer of \$89.5 million to the Economic Recovery Fund (ERF)	160.5
Balance as of 9/01/96	\$241.0

[1] Since 7/01/85, interest earned has been deposited in the General Fund.

[2] The remaining \$157.2 million of the deficit was carried over and added to 1990-91 and then financed with ERF notes ( \$965.7 million total).

**A HISTORY OF GENERAL FUND LAPSE  
BUDGETED VS. ACTUAL**

<b>Fiscal Year</b>	<b>Budgeted Lapse/Savings</b>	<b>Actual Lapse</b>	<b>Additional Lapse (col. 2 - 1)</b>	<b>Percentage Budgeted is of Actual</b>	<b>Percentage Actual Lapse is of Total Budget [1]</b>
1976-77	\$0	\$34,666,035	\$34,666,035	-	2.0
1977-78	20,000,000	41,476,397	21,476,397	48.2	2.1
1978-79	27,000,000	43,182,584	16,182,584	62.5	2.0
1979-80	30,000,000	49,892,404	19,892,404	60.1	2.0
1980-81	35,000,000	51,109,012	16,109,012	68.5	1.8
1981-82	49,551,000 [2]	59,933,046	10,382,046	82.7	1.9
1982-83	36,250,000	59,865,121	23,615,121	60.6	1.8
1983-84	54,500,000	51,238,457	(3,261,543)	106.4	1.4
1984-85	49,000,000	136,626,063	87,626,063	35.9	3.6
1985-86	60,000,000	85,416,471	25,416,471	70.2	2.1
1986-87	70,000,000	62,323,445	(7,676,555)	112.3	1.4
1987-88	79,200,000	73,243,535	(5,956,465)	108.1	1.5
1988-89	82,060,000	152,141,379 [3]	70,081,379	53.9	2.7
1989-90	118,642,638 [4]	101,594,498	(17,048,140)	116.8	1.6
1990-91	95,674,353	129,935,922	34,261,569	73.6	1.9
1991-92	458,723,753 [5]	587,582,508	128,858,755	78.1	7.9
1992-93	223,377,102 [6]	279,301,940	55,924,838	80.0	3.8
1993-94	82,000,000 [7]	223,401,236 [8]	141,401,236	36.7	2.8
1994-95	82,000,000 [7]	256,770,833 [9]	174,770,833	31.9	3.0
1995-96	103,200,000 [10]	158,809,284 [9]	55,609,284	65.0	1.8
<b>20 Year Average</b>	<b>87,808,942</b>	<b>131,925,509</b>	<b>44,116,566</b>	<b>67.6</b>	<b>2.4</b>

[1] Total budget equals Gross General Fund Appropriations plus General Fund Deficiency Appropriations.

[2] This reflects the budgeted lapse of \$30,000,000, plus \$19,551,000 designated "not to be expended".

[3] Includes the \$50,000,000 in pension funds that were directed to lapse via legislative act.

[4] Includes an estimated lapse of \$68,342,638 plus \$50,300,000 in other mandated savings.

[5] Includes an estimated lapse of \$77,659,540 plus \$381,064,213 in other mandated savings.

[6] Includes an estimated lapse of \$73,377,102 plus \$150,000,000 in "collective bargaining savings".

[7] Includes an estimated lapse of \$70,000,000 plus \$12,000,000 in mandated Other Expenses savings.

[8] Includes \$103,490,562 lapse from surplus appropriated to the Debt Service Account.

[9] Includes \$19,654,737 lapse from surplus appropriated to Debt Service Account.

[10] Includes and estimated lapse of \$72,200,000 plus \$12,000,000 in mandated Other Expenses savings, plus \$19,000,000 in savings from a statewide hiring freeze.

**A HISTORY OF GENERAL FUND  
DEFICIENCY APPROPRIATIONS**

<u>Fiscal Year</u>	<u>Deficiency Appropriations</u>	<u>% Deficiency is of Original Net Appropriations</u>
1976-77	\$10,871,830	0.6
1977-78	8,012,389	0.4
1978-79	36,973,836	1.7
1979-80	47,385,000	2.0
1980-81	33,499,476	1.2
1981-82	40,590,400	1.4
1982-83	71,017,900	2.2
1983-84	27,069,000	0.8
1984-85	43,080,000	1.2
1985-86	10,220,000	0.3
1986-87	47,943,000 [1]	1.1
1987-88	38,768,149 [2]	0.8
1988-89	53,996,000	1.0
1989-90	110,009,000	1.8
1990-91	222,519,700	3.5
1991-92	13,095,000	0.2
1992-93	33,563,000	0.5
1993-94	83,463,000	1.1
1994-95	10,496,000 [3]	0.1
1994-95	66,865,000	0.8
<b>20 Year Average</b>	<b>\$50,471,884</b>	<b>1.1</b>

[1] Does not include \$10,000,000 deficiency for the Educational Excellence Trust Fund.

[2] Does not include \$3,460,008 deficiency for the Educational Excellence Trust Fund.

[3] This sum was transferred from the Medicaid account, rather than being provided as an additional appropriation.

**BOATING ACCOUNT BALANCE [5]**  
(in \$000'S)

<b>Fiscal Year</b>	<b>Revenue [1]</b>	<b>DEP Expenses [2]</b>	<b>DMV Expenses [3]</b>	<b>OPM Expenses [4]</b>	<b>Total Expenses</b>	<b>Fund Balance</b>
1987	3,734.0	983.0	220.0	2,390.5	3,593.5	3,889.1
1988	4,103.0	1,160.9	172.6	2,389.9	3,717.4	4,447.1
1989	4,321.0	1,113.9	220.0	2,390.5	3,944.2	5,043.7
1990	4,495.0	1,489.9	220.0	2,390.5	4,100.4	5,438.0
1991	4,329.0	1,743.1	220.0	2,390.5	4,353.6	5,413.4
1992	4,356.0	1,796.0	220.0	2,390.5	4,406.5	5,362.9
1993	4,313.0	1,813.1	535.6	2,390.5	5,050.1	4,535.6
1994	4,824.0	2,497.5	581.7	2,390.5	5,469.7	3,889.9
1995[5]	4,824.1	2,426.5	574.3	2,395.4	5,396.2	3,317.6
1996	4,988.3	2,227.0	588.2	2,390.5	5,205.7	3,100.2

[1] Source: Comptroller's Report, 1994 and previous years, DEP for 1995.

[2] DEP incurs expenses for boating safety educational training programs and enforcement of the boating laws. Source: Comptroller's Report, various years.

[3] DMV incurs expenses for revenue collection. Source: Department of Motor Vehicles

[4] OPM incurs expenses for the reimbursement of towns based on the 1978 list of boats. Source: Office of Policy and Management

[5] PA 94-130 eliminated the Boating Fund and various other funds for consolidation purposes and created the Boating Account within the Environmental Conservation Fund.

## THE BOATING ACCOUNT

Fiscal Year	Collection Amount (000)	% Change	Base Changes
1982	\$2,445	-	PA 81-423: a) Eliminated the property tax on boats for 10/1/81 assessment year b) Revised the annual boat registration fee c) Established grant program [1] to reimburse towns for lost property tax revenue d) Required first \$600,000 in annual revenues go into Boating Fund [2]
1983	4,001	63.6	PA 82-282: Up to 2 vessels owned by a U.S. Coast Guard auxiliary flotilla are exempt from registration requirements  PA 82-436: a) Amount of revenue received by Boating Fund is increased from to \$800,000 b) Registration fees change as follows: 1) Vessels less than 15 ft with motors less than 15 HP - \$15 fee (1/1/83) 2) Canoes with motors greater than 5 HP motors - \$15 fee 3) Vessel of non-profit org. - \$15 fee 4) Pontoon Boat (except house boats) - \$40 fee 5) Marine dealer's registration fee increased to \$25 from \$15
1984	3,907	(2.4)	PA 83-253 clarifies meaning of "use" as applied to vessels subject to registration. It also changes procedures for determination of funds available to reimburse town for enforcement and registration.
1985	3,226	(17.4)	PA 84-495 reduces all registration fees by 25% (except canoes). The amount of revenues received by the Boating Fund is increased to \$1,000,000.
1986	3,394	5.2	PA 86-418 clarifies that any funds remaining in the Boating Fund together with boating fees would be used to fully reimburse towns on the 1978 list.
1987	3,734	10.0	PA 87-289 - An exemption is provided for vessels built by students of an educational institution (5/1/87).
1988	4,103	9.9	PA 88-316 - Owners of boats actively used in US Coast Guard Auxiliary operations are exempted from the first \$180 of the boat's registration fee.
1989	4,321	5.3	PA 89-23 - Owners of stolen, lost or destroyed boats with a Connecticut registration may register another boat in their name for the remainder of the first boat's registration period without paying an additional fee.  PA 89-388 requires operators of vessels and personal water crafts to obtain safe boating or personal water craft certificates. Fees (established by regulation) are to be deposited into the Boating Fund.
1990	4,493	4.0	
1991	4,329	(3.7)	

## THE BOATING ACCOUNT

Fiscal Year	Collection Amount (000)	% Change	Base Changes
1992	4,356	6.2	
1993	4,313	(1.0)	
1994	4,824	10.6	PA 94-130 eliminated various separate Department of Environmental Protection funds for consolidation purposes including the Boating Fund provided that the revenue be deposited into the Conservation Fund and credited to the separate account known as the Boating Account.
1995	4,824	0	PA 95-160 requires that \$250,000 be transferred annually from the Transportation Fund to the Environmental Fund to equally be divided between the Boating Account and the Fisheries Account.
1996	4,988	3.4	PA 96-167 decreased the annual registration fee for a motorized canoe or a vessel owned by a nonprofit organization from \$15 to \$7.50.

[1] Grant Program: Beginning December 30, 1982 towns receive a payment from annual collections equal to the property taxes received from vessels on the October 1, 1978 Grand List. Should the revenue collected be insufficient to reimburse towns at the 100% level, each town will receive a pro rata share.

[2] Boating Fund: Revenues deposited in the Boating Fund will be used to pay expenses incurred by the Departments of Environmental Protection and Motor Vehicles in registering vessels, enforcing boating safety laws and provisions of this act. If additional funds are available they may be used to reimburse towns for expenditures on boating safety or improvements in boating facilities. (Effective October 31, 1981)

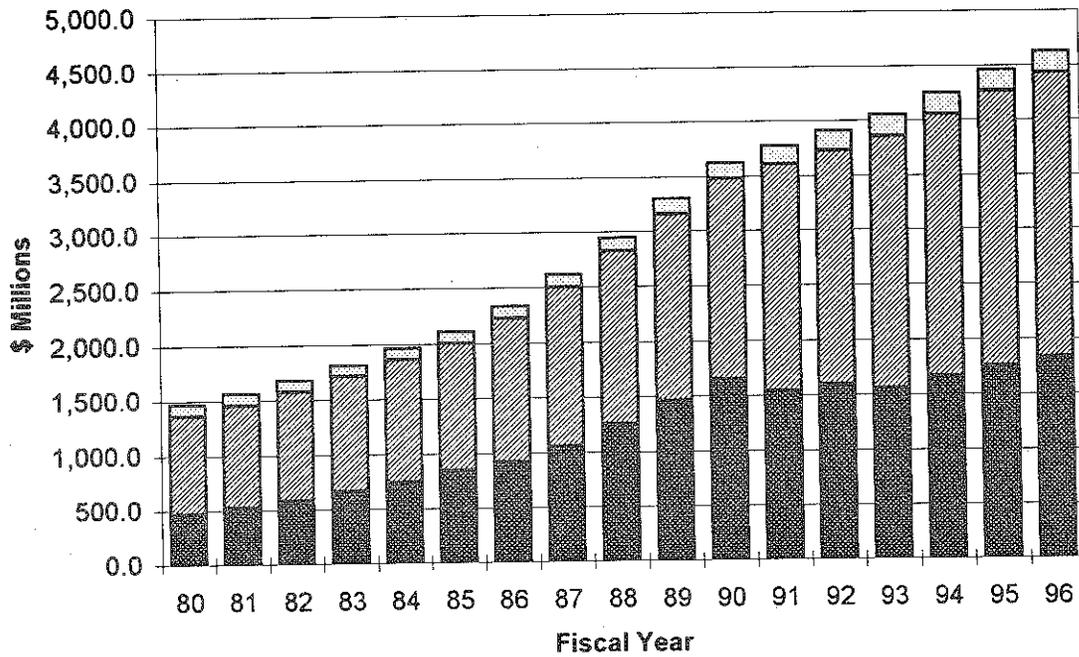
### VESSEL FEE CHART

Fees are determined by the length of the vessel in accordance with the following schedule:

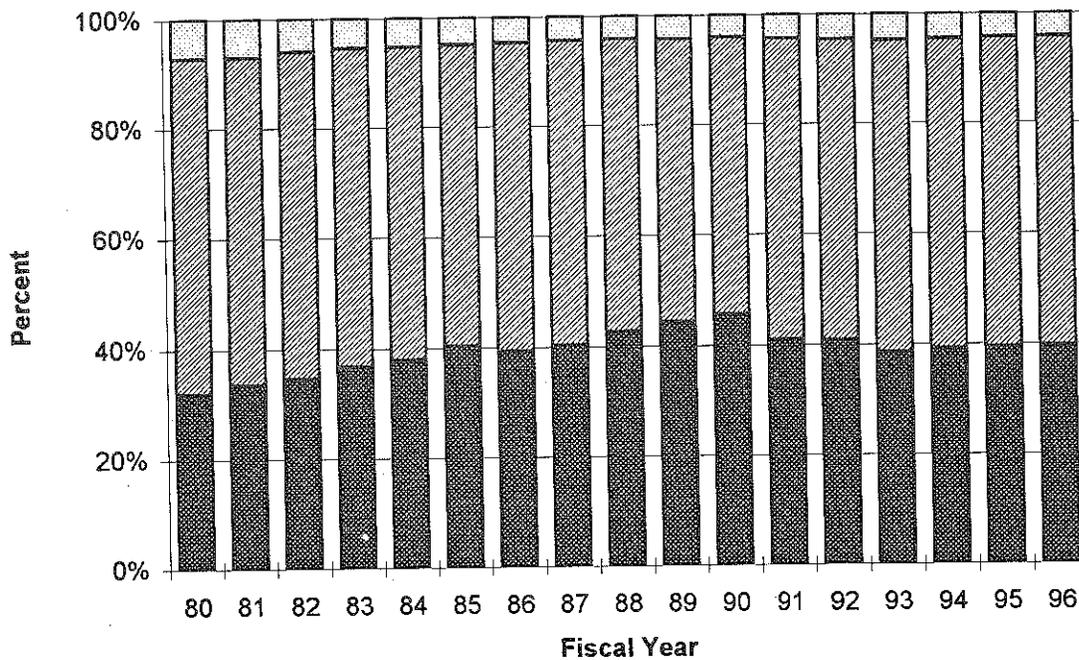
Overall Length in feet:	Fee	Overall Length in feet:	Fee	Overall Length in feet:	Fee
0 to 12	\$ 7.50	31 to 32	\$ 142.50	51 to 52	\$ 382.50
12 to 13	11.25	32 to 33	150.00	52 to 53	390.00
13 to 14	15.00	33 to 34	157.50	53 to 54	397.50
14 to 15	18.75	34 to 35	165.00	54 to 55	405.00
15 to 16	22.50	35 to 36	172.50	55 to 56	412.50
16 to 17	30.00	36 to 37	180.00	56 to 57	420.00
17 to 18	37.50	37 to 38	202.50	57 to 58	427.50
18 to 19	45.00	38 to 39	225.00	58 to 59	435.00
19 to 20	52.50	39 to 40	247.50	59 to 60	442.50
20 to 21	60.00	40 to 41	270.00	60 to 61	450.00
21 to 22	67.50	41 to 42	292.50	61 to 62	457.50
22 to 23	75.00	42 to 43	315.00	62 to 63	465.00
23 to 24	82.50	43 to 44	322.50	63 to 64	472.50
24 to 25	90.00	44 to 45	330.00	64 to 65	480.00
25 to 26	97.50	45 to 46	337.50	65 & Over	525.00
26 to 27	105.00	46 to 47	345.00		
27 to 28	112.50	47 to 48	353.50		
28 to 29	120.00	48 to 49	360.00		
29 to 30	127.50	49 to 50	367.50		
30 to 31	135.00	50 to 51	375.00		

Note: Hull constructed primarily of wood:  
 15-24 years old - 50% of above fee  
 25 & older - 25% of above fee

## Sources of Funds for Primary and Secondary Education Expenditures FY 80 - FY 96\*



■ State Funds    ▨ Local Funds    □ Federal Funds



■ State Funds    ▨ Local Funds    □ Federal Funds

\*FY 96 based on partially audited data.

**SOURCES OF FUNDS  
FOR PUBLIC AND ELEMENTARY AND SECONDARY EDUCATION  
EXPENDITURES  
(\$ Millions)**

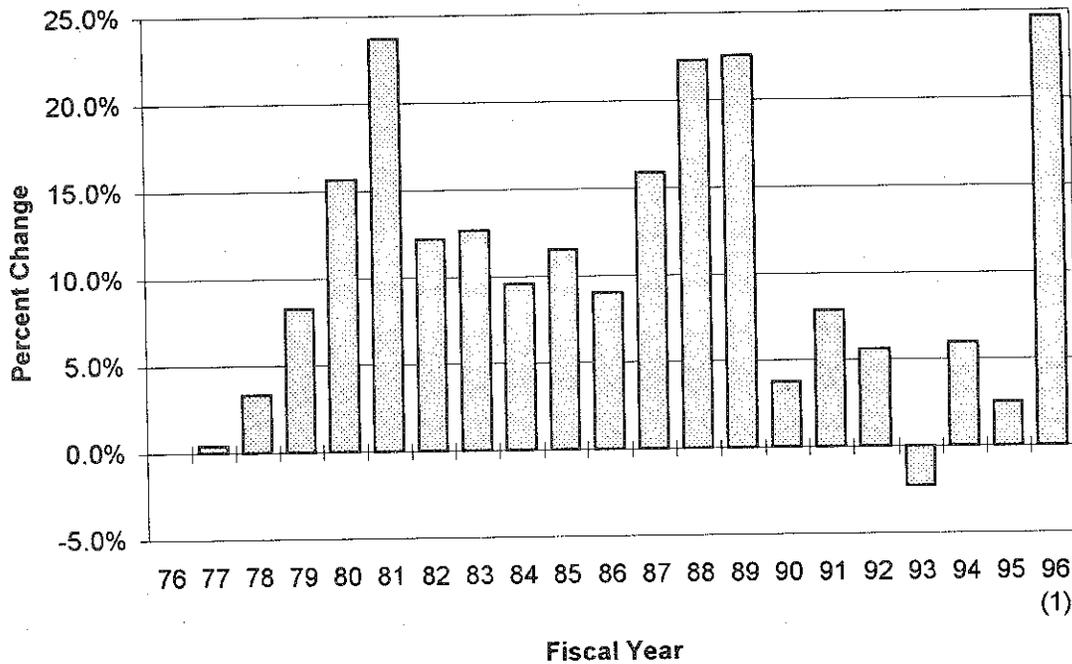
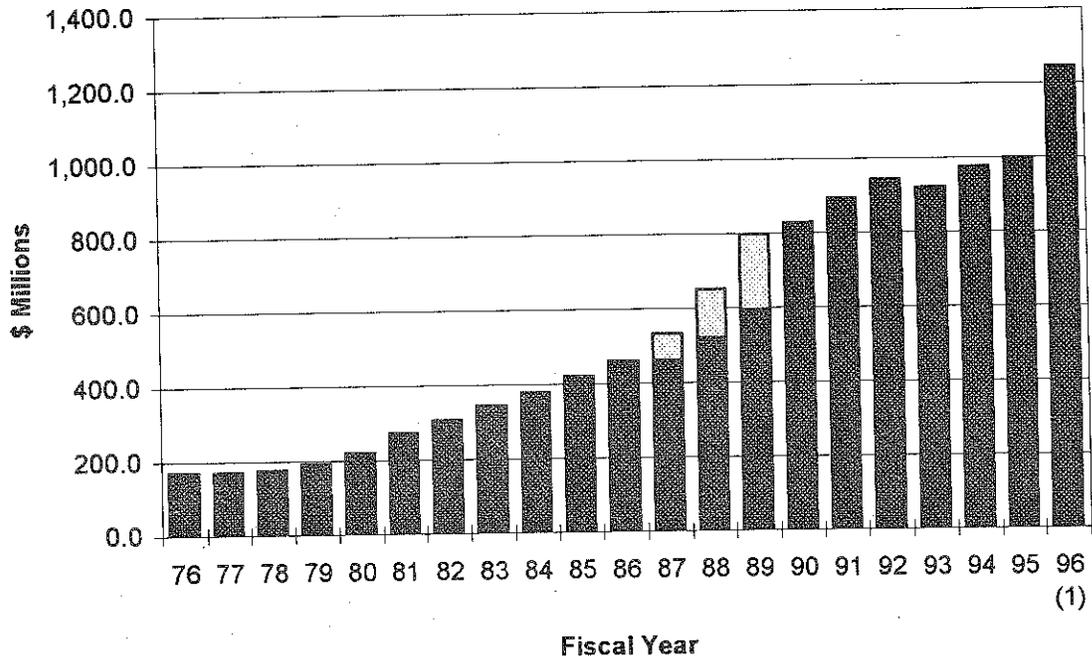
<b>Fiscal Year</b>	<b>State Funds</b>	<b>Local Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
1979 - 1980	466.9	894.4	104.8	7.5	1,473.6
1980 - 1981	525.1	930.9	110.7	9.4	1,576.1
1981 - 1982	582.1	995.7	101.1	8.3	1,687.2
1982 - 1983	666.1	1,049.7	99.4	7.8	1,823.0
1983 - 1984	743.1	1,114.5	104.3	7.4	1,969.3
1984 - 1985	850.2	1,154.5	103.9	7.6	2,116.2
1985 - 1986	917.5	1,305.4	110.6	6.1	2,339.6
1986 - 1987	1,055.2	1,447.1	114.9	5.8	2,623.0
1987 - 1988	1,255.2	1,569.0	122.6	6.5	2,953.3
1988 - 1989	1,462.3	1,698.7	140.6	7.8	3,309.4
1989 - 1990	1,654.0	1,825.5	145.8	8.3	3,633.6
1990 - 1991	1,544.4	2,062.0	167.2	9.6	3,783.2
1991 - 1992	1,593.3	2,136.8	180.6	9.0	3,919.7
1992 - 1993	1,557.1	2,298.2	197.4	9.8	4,062.5
1993 - 1994	1,664.9	2,386.9	195.6	11.1	4,258.5
1994 - 1995	1,756.8	2,505.6	196.5	11.6	4,470.5
1995 - 1996*	1,829.7	2,598.1	196.9	11.6	4,636.3

**Source: Connecticut State Department of Education**

**These figures reflect all state expenditures on behalf of public elementary and secondary education, including state grants and bond funds, and Department expenditures. The latter include the Vocational-Technical Schools, teachers' retirement costs and unified (state) school district expenditures.**

**\*FY96 based on partially audited data.**

## Education Equalization Grants to Towns FY 76 - FY 96



(1) PA 95-226 combines ECS aid with regular special education aid.

**EDUCATION EQUALIZATION GRANTS TO TOWNS  
GUARANTEED TAX BASE (GTB)**

Fiscal Year	Total (000)	Equalization Expenditure (000)	ADM Grant (000)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization Fully Funded Level (000)	Legislative Changes to Education Equalization Grant Program
1976[2]	\$169,792	\$6,861	\$162,931	NA	\$7,100	<p>PA 75-341:</p> <p>1) Established new procedures and formulas for determining additional school aid for towns that had above average tax rates and relatively low levels of tax capacity.</p> <p>2) Limited amount of increased aid to a town under GTB to 5% of state ADM grant.</p> <p>3) All equalization grants were initially paid from funds acquired through the state's Instant Instant Lottery (see PA 77-540) below.</p>
1977	170,449	10,090	160,357	NA	10,000	<p>PA 76-387:</p> <p>1) Raised the limit on the amount of increased aid a town received under GTB to 7.3% from 5% of the ADM grant received by town (see "a" of PA 77-579 below).</p>
1978	176,116	19,939	156,178	NA	9,939	<p>PA 77-540:</p> <p>1) The \$19.939 million was comprised of \$9.939 million appropriated from the General Fund and \$10.0 million earmarked from proceeds of the Instant Lottery. The Educational Equalization program in subsequent years was funded only by General Fund appropriations, not Lottery proceeds.</p> <p>PA 77-579:</p> <p>1) Eliminated the 7.3% cap on the amount of GTB funds a town may receive.</p> <p>2) Altered the method of computing a town's total population for calculating its wealth for GTB ranking.</p> <p>3) Changed GTB distribution formula.</p>
1979	190,655	40,000	150,655	NA	40,000	

**EDUCATION EQUALIZATION GRANTS TO TOWNS  
GUARANTEED TAX BASE (GTB)**

Fiscal Year	Total (000)	Equalization Expenditure (000)	ADM Grant (000)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization	Legislative Changes to Education Equalization Grant Program								
					Fully Funded Level (000)									
1980[3]	220,509	75,885	144,624	56.00%	393,766	<p>PA 79-128:</p> <p>1) Required the state to appropriate 100% of the amount needed to provide for full entitlement to each town in FY 1984 beginning with a phase in as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>56% of full funding</td> <td>1980</td> </tr> <tr> <td>67%</td> <td>1981</td> </tr> <tr> <td>78%</td> <td>1982</td> </tr> <tr> <td>89%</td> <td>1983</td> </tr> </table> <p>These promised phase-in percents were amended each year by bills to implement the budget. For the actual percents phased-in, see the chart - Footnote 1.</p> <p>2) Repealed the average daily membership grant which provided a flat \$250 per pupil although town's ineligible for equalization still received a minimum, "hold-harmless" grant of \$250 per pupil in ADM the preceding year.</p>	56% of full funding	1980	67%	1981	78%	1982	89%	1983
56% of full funding	1980													
67%	1981													
78%	1982													
89%	1983													
1981	272,776	146,024	126,776	66.53%	410,000	<p>PA 80-6:</p> <p>1) Clarified the mathematical formula originally drafted in PA 79-553 by specifying that the formula's first factor, the population of the last decennial census, be added to the product of the remaining factors.</p>								
1982	306,016	167,423	138,593	72.86%	420,000	<p>PA 81-31: [4]</p> <p>1) Made adjustments in the distribution of GTB aid for FY 1981 only by requiring that one-half of the "hold-harmless" aid to eligible towns be withheld from the April, 1981 payment.</p> <p>2) Validated the mistake made by the State Department of Education in calculating the FY 1981 grants. \$10.7 million was over paid in FY 1981 because the Department had mistakenly counted school nutrition programs as part of local education expenses when they should have been considered a state or federal expenditure.</p>								

**EDUCATION EQUALIZATION GRANTS TO TOWNS  
GUARANTEED TAX BASE (GTB)**

Fiscal Year	Total (000)	Equalization Expenditure (000)	ADM Grant (000)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization Fully Funded Level (000)	Legislative Changes to Education Equalization Grant Program
						<p>PA 81-413:</p> <p>1) Substituted an appropriation of a flat \$306 million for the 78% of full funding required by statute. This in effect represents a reduction in the percentage to approximate 72% of full funding.</p> <p>2) The minimum grants which "wealthy" towns receive was reduced (see Footnote [4]).</p>
1983	344,813	0	0	82.00%	419,744	<p>PA 82-91:</p> <p>1) Decreased the percentage of full funding to be appropriated to 81% from 89% for FY 1983. Towns paid a "hold-harmless" grant also receive a lower per student grant: \$203 from \$223 (or \$233 from \$245 in Regional Districts.)</p> <p>PA 82-275:</p> <p>1) Required the Department of Education to submit to the Auditors of Public Accounts for review proposed changes in the method of calculating GTB grants.</p>
1984	377,770	0	0	90%	419,700	<p>PA 83-4:</p> <p>1) Reduced the GTB grant to 90% of full-funding instead of 100% and delayed full funding until FY 1985 ("hold-harmless" grants are therefore lowered from \$250 to \$225 (or \$275 to \$248 for regional districts).</p>
1985[5]	421,284	0	0	95%	443,400	<p>PA 84-490:</p> <p>1) Reduces the GTB grant to 95% of full-funding from 100% and delays full-funding until FY 1986.</p> <p>2) Alters the timing of grant payments so that 25% of grant is paid in October, 25% in January, and the final 50% in April. (Under prior law two installments of 50% each in October and April were made). This change was made to improve the match of state payments to state revenue, reducing the state's use (and interest cost) of short-term debt.</p>

**EDUCATION EQUALIZATION GRANTS TO TOWNS  
GUARANTEED TAX BASE (GTB)**

Fiscal Year	Total (000)	Equalization Expenditure (000)	ADM Grant (000)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization	Legislative Changes to Education Equalization Grant Program
					Fully Funded Level (000)	
1986	459,308	0	0	100%	459,308	<p>PA 85-180:</p> <p>1) Changed the way towns' net current local expenditures (NCLE) are calculated for purposes of the "effort" portion of the GTB grant. The change will be used to calculate grants for FY 88.</p> <p>2) Allowed towns to be eligible for an alternate minimum expenditure requirement (MER) instead of a full MER. The alternate MER allows towns below the state median in wealth and above the state median in school tax rate to match the previous year's expenditures in education and devote all GTB aid to education.</p> <p>PA 85-550:</p> <p>1) Allowed any town which would not be spending a minimum amount per pupil (as required by law under the GTB formula) to increase their net current expenditures by at least 12% and still be eligible for GTB aid.</p> <p>2) Allowed the city of Waterbury to make corrections in its 1982-83 data and receive a corrected GTB grant for FY 1986.</p>
1987	449,668	0	0	100%	449,668	
1988	518,088	0	0	100%	518,088	
1989	592,228	0	0	100%	592,228	<p>PA 88-358:</p> <p>1) Replaced the GTB grant program and the grants established under the Education Enhancement Act (EEA) with a new program, the Education Cost Sharing (ECS) grant beginning in FY 1989-90. [6]</p>
1990	827,048	0	0	21.50%	1,074,261	<p>PA 89-355:</p> <p>1) Decreased both the guaranteed wealth level and hold harmless provisions provided in PA 88-358. The original guaranteed wealth level was defined as twice the median town's wealth. The new level is defined as 1.833 times the median. The original hold harmless levels were 1% and 5%. The new levels are 1/2% and 4 1/2%. [6]</p>

**EDUCATION EQUALIZATION GRANTS TO TOWNS  
GUARANTEED TAX BASE (GTB)**

Fiscal Year	Total (000)	Equalization Expenditure (000)	ADM Grant (000)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization Fully Funded Level (000)	Legislative Changes to Education Equalization Grant Program
1991	891,920	0	0	45%	1,053,174	<p>PA 90-225</p> <p>1) Decreases both the guaranteed wealth level and hold harmless provisions. The new guaranteed wealth level is defined as 1.6651 times the median town's wealth, while the new hold harmless levels are 4% and 0% (level funding).</p> <p>2) Redefines eligibility for each hold harmless level. Previous law had set eligibility based on old GTB data. This act set eligibility by current wealth rank. The sixteen wealthiest towns (except Stamford) are now level funded, while all others receive 4% increases.</p>
1992	941,641	0	0	71%	1,050,025	<p>PA 91-7 JSS</p> <p>1) Decreased hold harmless funding levels by providing that hold harmless towns receive only a sliding scale portion of their hold harmless aid based on AFDC levels and mastery performance rather than guaranteed increases or flat funding.</p>
1993	919,509	0	0	100%	919,509	<p>PA 92-262</p> <p>1) Decreases both the guaranteed wealth level and hold harmless provisions. The new guaranteed wealth level is defined as 1.5361 times the median town's wealth. Hold harmless funding is reduced from a sliding scale portion to decreased levels based on actual AFDC and mastery percentages.</p>
1994	974,254	0	0	100%	974,254	<p>PA 93-145</p> <p>1) Maintained the foundation level of spending at \$9,800 and continued to hold towns harmless to their previous years grants.</p>
1995	998,751	0	0	100%	998,751	<p>PA 94-6 MSS</p> <p>1) Provided that Hartford, New Haven and Bridgeport receive at least a \$1.0 million increase in ECS aid.</p>

**EDUCATION EQUALIZATION GRANTS TO TOWNS  
GUARANTEED TAX BASE (GTB)**

Fiscal Year	Total (000)	Equalization Expenditure (000)	ADM Grant (000)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization	Legislative Changes to Education Equalization Grant Program
					Fully Funded Level (000)	
1996	1,244,906	0	0	100%	1,244,906	PA 95-226 1) Combined ECS aid with regular special education aid and redefined definition of town wealth to include income. Began a phase-out of hold harmless aid.
1997	1,247,101	0	0	100%	1,247,101	PA 96-178 1) Reduced grants to the 42 wealthiest towns by 1.02% and reduced all other towns by 0.56%.

**Footnotes:**

[1] Because of budgetary constraints, the GTB formula was not fully funded until 1986.

Fiscal Year	Legislated Phase-In	Actual Phase-In
1980	56%	56%
1981	67%	67%
1982	78%	72%
1983	89%	81%
1984	100%	90%
1985	100%	95%
1986	100%	100%

[2] The state Superior Court found the method of school financing unconstitutional in 1974 (Horton vs. Meskill) because the state had delegated responsibility for financing public schools to individual towns creating disparities among towns in terms of revenues raised to support education. The ruling was upheld by the state Supreme Court in 1977.

[3] PA 79-128 was passed in response to the 1977 Supreme Court ruling in the Horton vs. Meskill suit. The court established that there was a relationship between funding and equity for purposes of the state's school finance system and that the state was in violation of the equal protection and free public education provisions of the State Constitution.

[4] Under prior law the difference between the minimum grant, \$250 per pupil for towns or \$275 per pupil for regional districts and what a town received under the GTB formula (if less than the minimum) was known as "hold-harmless" aid. Towns that receive less than the minimum grant under GTB were entitled to the entire minimum grant amount.

PA 81-413, in effect created two minimum grants: one for calculating full funding (\$250 or \$275) and one for purposes of determining the actual appropriation. This latter minimum is based upon a percentage equal to the ratio of:

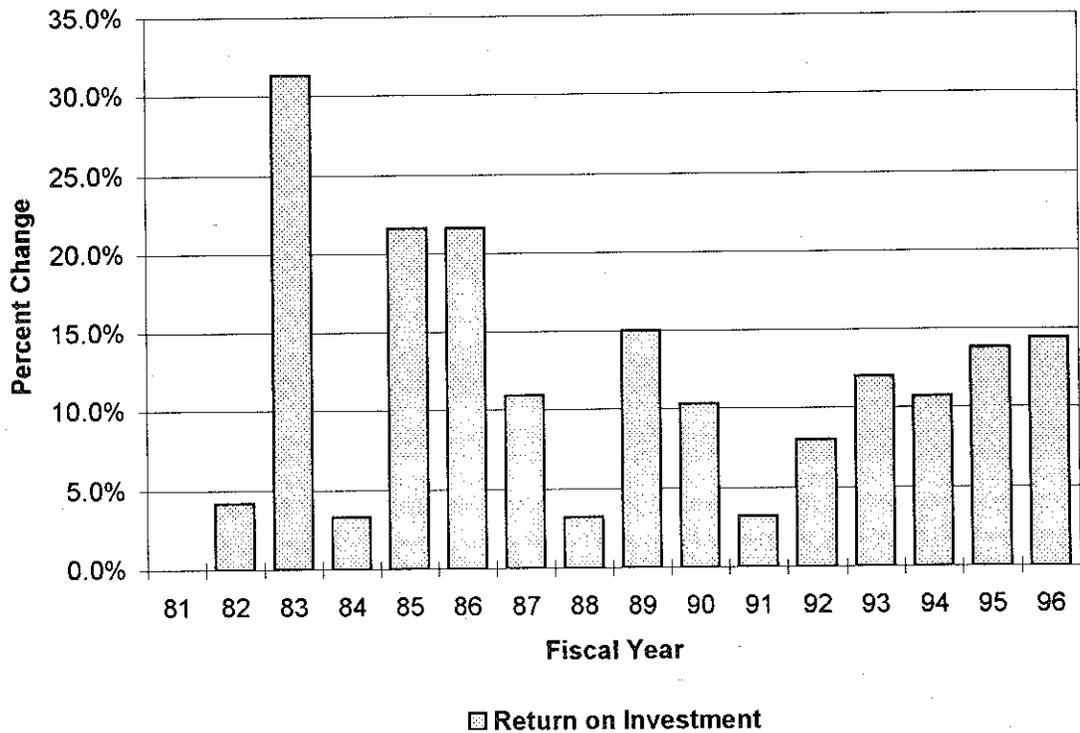
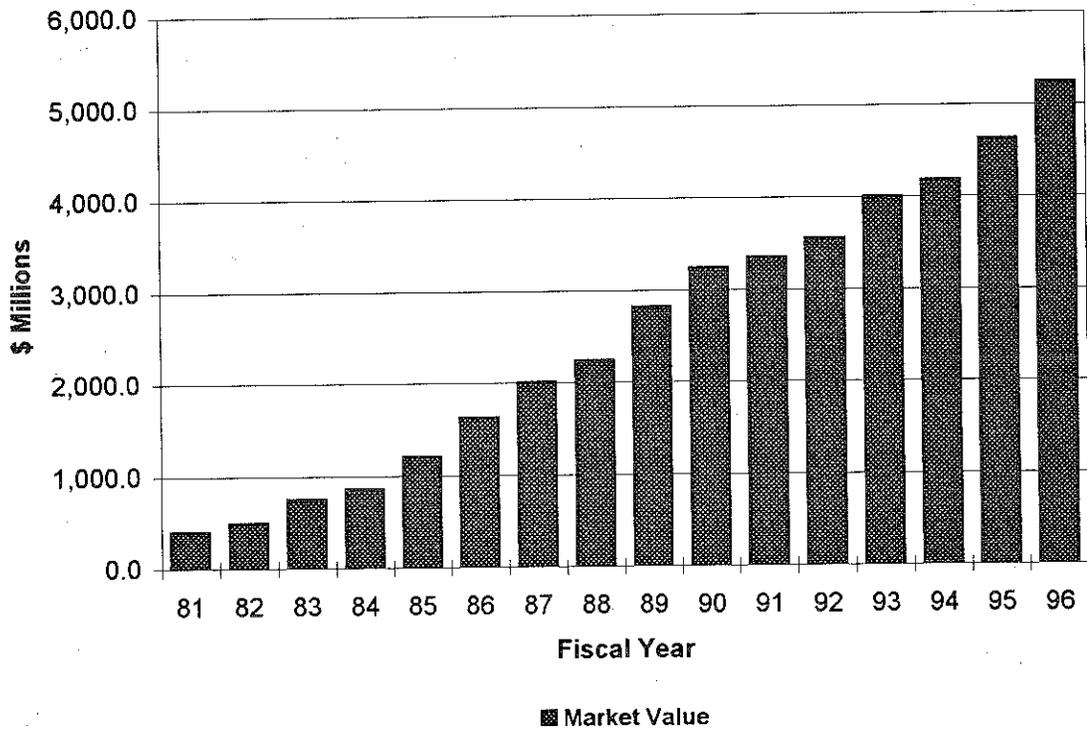
Formula: 
$$\frac{\text{Total GTB Appropriation} \times \$250 \text{ or } \$275}{\text{Total GTB Full Funding}}$$

Example: 
$$\text{Minimum Grant} = \frac{\$360 \text{ million} \times \$250 \text{ or } \$275}{\$420 \text{ million}} = .7286 \times \$$$

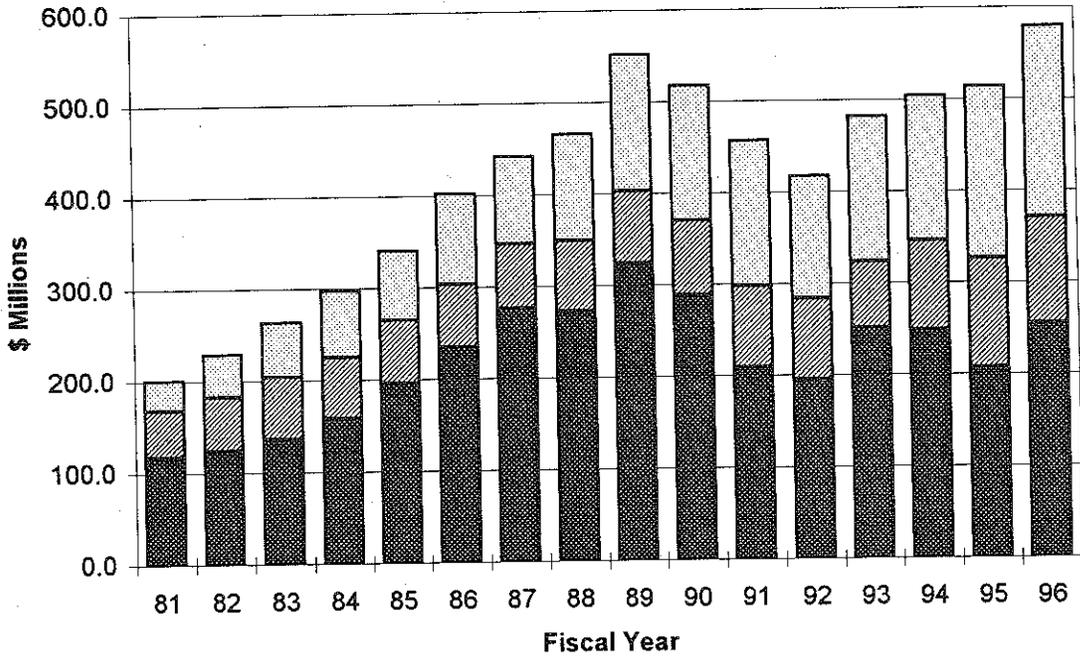
Formerly, towns which received less than the \$250 per pupil (or \$275 for regional school districts) under the GTB formula were granted the full \$250/\$275. Under PA 81-413 all towns receive at least the appropriated minimum and for towns whose grants fall between the appropriated minimum and \$250/\$275, receive the appropriated minimum.

[5] In May, 1984, an additional Superior Court ruling in the Horton vs. Meskill case made the following recommended changes to this grant, which are currently under appeal in the State Supreme Court.

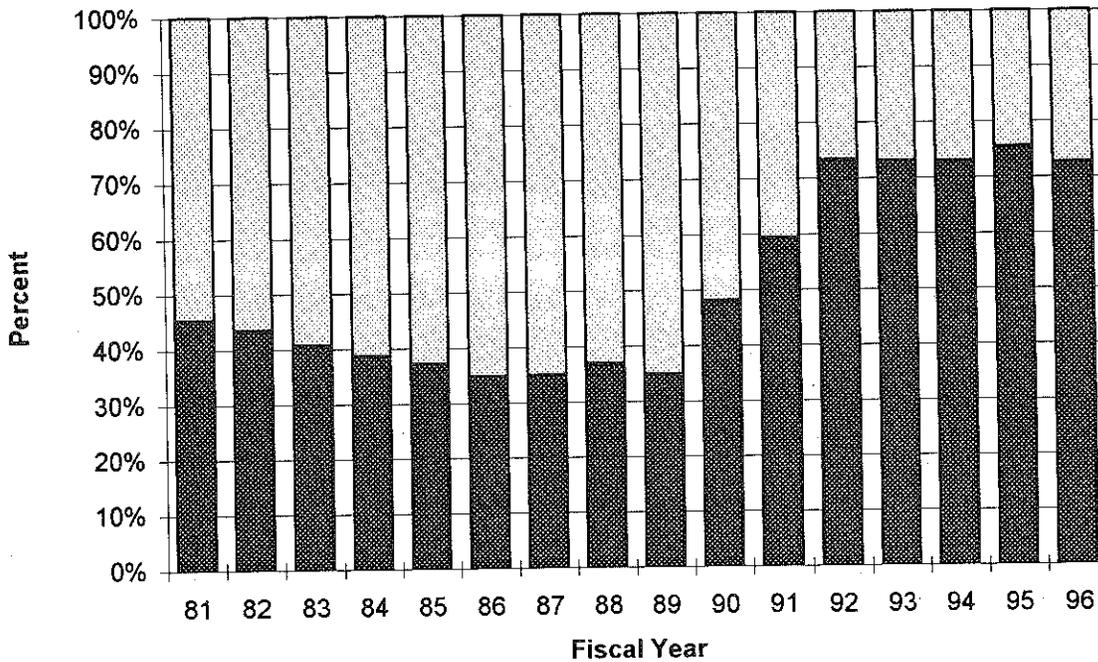
## State Employees' Retirement Fund Assets FY 81 - FY 96



## State Employees' Retirement Fund Income FY 81 - FY 96



■ General and Transportation Fund    ▨ Employee Contribution    □ Investment Income



■ Payments to Retirees    □ Income Less Payments

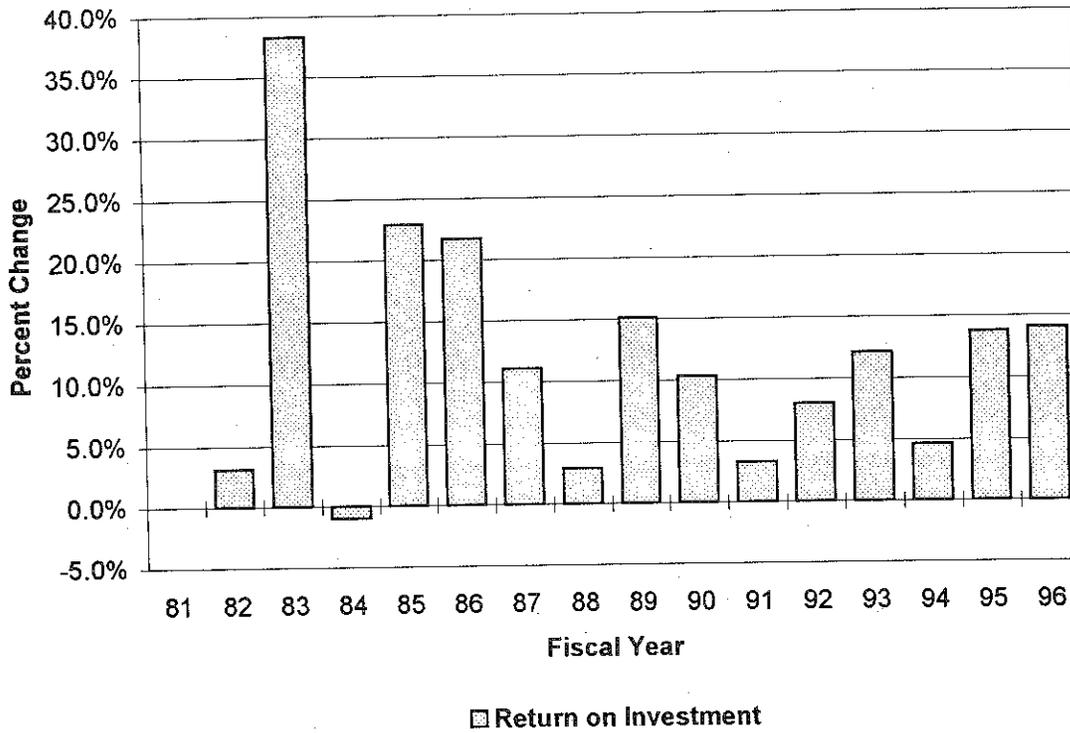
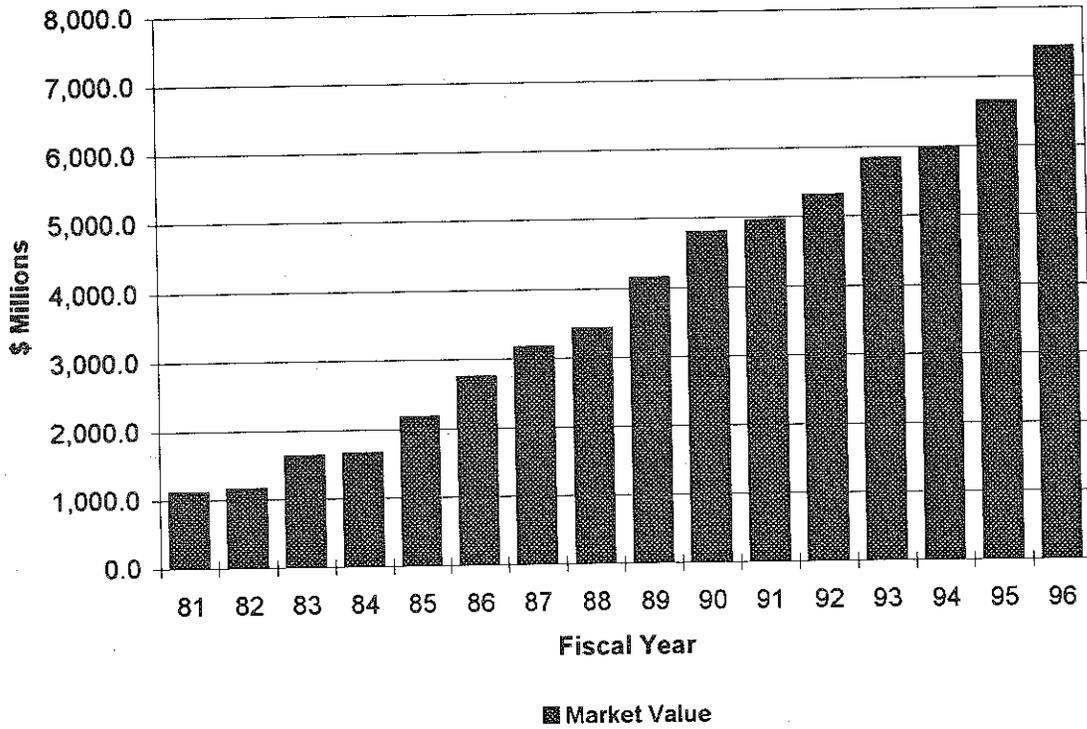
**STATE EMPLOYEES'  
RETIREMENT FUND  
(\$ Millions)**

Fiscal Year	Return on Investment	Market Value	Increase in Portfolio	Sources of Income				Payment to Retirees	Income Less Payments	
				General Fund	Trans. Fund	Federal Contrib.	Employee Contrib.			Investment Income
1981		396.3	85.7	117.3		26.0	25.2	32.1	90.8	109.8
1982	4.2%	492.4	96.1	123.9		33.4	25.7	45.9	99.4	129.5
1983	31.3%	750.4	258.0	136.8		40.2	27.1	59.1	107.2	156.0
1984	3.3%	858.4	108.0	158.8		37.1	29.0	72.6	114.8	182.7
1985	21.6%	1,204.0	345.6	196.2		38.6	30.1	76.0	126.5	214.4
1986	21.6%	1,620.1	416.1	234.2		38.7	30.5	98.5	140.1	261.8
1987	10.9%	2,007.5	387.4	275.8		43.0	27.8	95.7	154.7	287.6
1988	3.2%	2,243.0	235.5	272.2		49.3	28.0	116.0	171.9	293.6
1989	15.0%	2,815.7	572.7	294.3	30.0	50.0	28.7	148.5	192.8	358.7
1990	10.3%	3,233.7	418.0	262.0	26.4	53.0	29.2	146.7	248.7	268.6
1991	3.2%	3,346.1	112.4	192.2	16.6	55.0	33.8	159.0	270.8	185.8
1992	8.0%	3,553.1	207.0	162.1	33.2	55.0	33.2	133.5	305.1	111.9
1993	12.0%	3,998.5	445.4	223.9	26.8	40.1	32.9	158.4	351.8	130.3
1994	10.7%	4,180.0	181.5	227.6	20.9	61.8	35.8	158.2	367.4	136.9
1995	13.8%	4,624.7	444.7	180.5	26.1	84.1	35.5	187.7	387.7	126.2
1996	14.4%	5,235.6	610.9	223.1	31.3	80.6	35.9	208.6	420.0	159.5

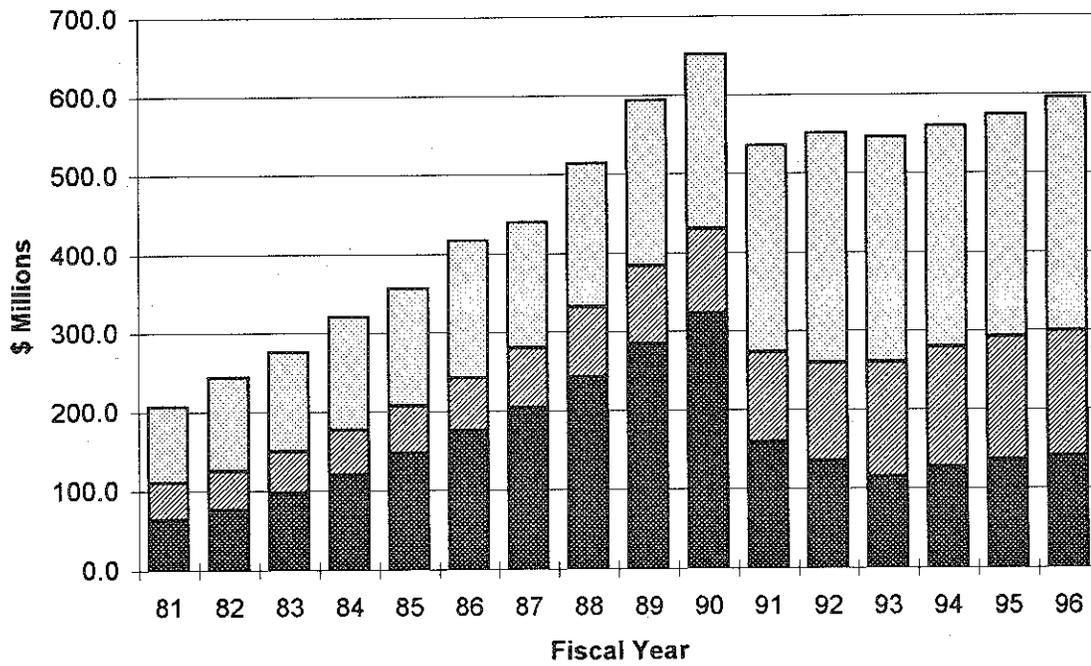
**Source: State Treasurer & Comptroller**

The State Employees' Retirement Fund (SERF) is administered by the State Employees' Retirement Commission. As of June 30, 1996 there were 54,929 active members and 27,835 retired members. Payments into the SERF are made through General and Transportation Fund Appropriations, Federal contributions or by contributions by individual employees. Income is also generated as a result of activity in the Fund's assets. The table above shows these amounts as well as the payments made to the beneficiaries of the fund. The data also indicate the return on investment as calculated by the State's Treasurer.

## Teachers' Retirement Fund Assets FY 81 - FY 96

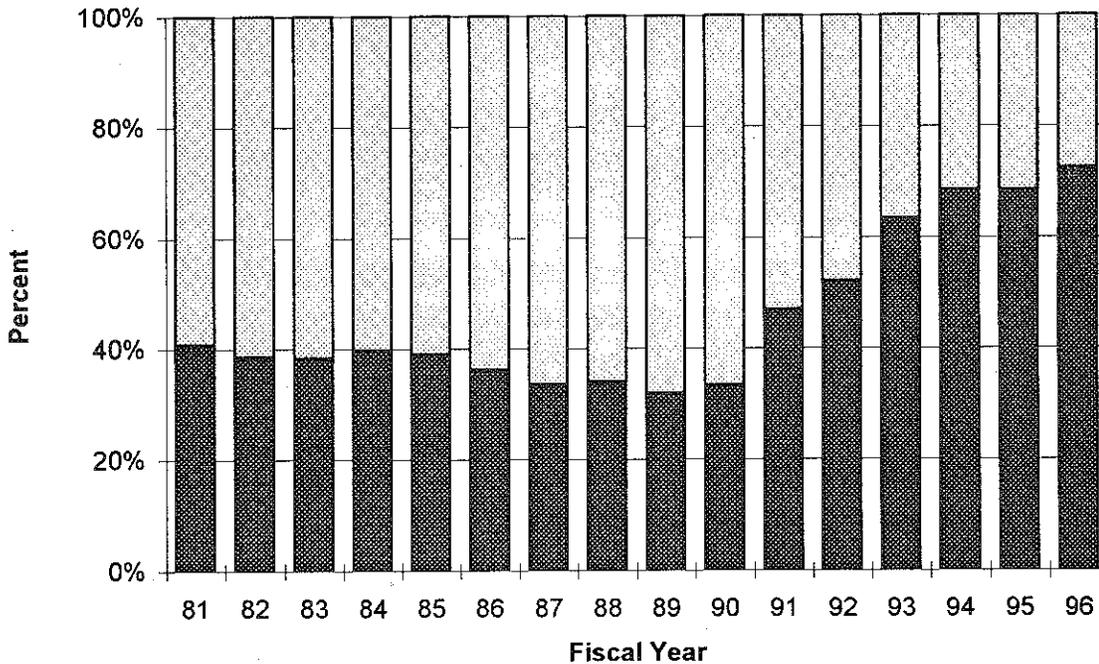


## Teachers' Retirement Fund Income FY 81 - FY 96



■ General Fund    ▨ Employee Contribution    □ Investment Income

### Payment to Retirees as a Percent of Income



■ Payments to Retirees    □ Income Less Payments

**TEACHERS'  
RETIREMENT FUND  
(\$ Millions)**

Fiscal Year	Return on Investment	Market Value	Increase in Portfolio	Sources of Income			Payment to Retirees	Income Less Payments
				General Fund	Employee Contrib.	Investment Income		
1981		1,110.1	60.7	64.2	46.0	97.6	84.6	123.2
1982	3.1%	1,155.9	45.8	75.9	49.1	119.6	94.3	150.3
1983	38.3%	1,634.4	478.5	96.8	53.1	126.1	105.7	170.3
1984	-1.0%	1,660.1	25.7	120.5	56.7	143.3	127.4	193.1
1985	22.9%	2,168.6	508.5	146.4	61.1	149.3	139.3	217.5
1986	21.7%	2,740.8	572.2	175.8	67.1	174.2	151.0	266.1
1987	11.1%	3,157.9	417.1	204.6	75.5	159.8	147.5	292.4
1988	2.9%	3,419.9	262.0	242.6	88.7	182.1	174.5	338.9
1989	15.1%	4,138.9	719.0	284.2	99.1	210.0	189.6	403.7
1990	10.3%	4,790.9	652.0	323.0	106.9	222.0	217.0	434.9
1991	3.3%	4,949.5	158.6	158.4	115.0	261.5	251.1	283.8
1992	8.0%	5,305.9	356.4	134.9	124.9	290.6	286.4	264.0
1993	12.1%	5,832.2	526.3	114.3	145.8	285.5	345.0	200.6
1994	4.6%	5,985.1	152.9	126.4	153.4	278.9	382.1	176.6
1995	13.8%	6,646.8	661.7	135.2	157.2	281.1	392.6	180.9
1996	14.1%	7,419.5	772.7	139.9	159.7	295.2	429.9	164.9

**Source: State Treasurer & Teacher's Retirement Board**

The Teachers' Retirement Fund (TERF) is administered by the Teachers' Retirement Board. The Fund pays benefits to teachers and administrators of Connecticut's public school system. As of June 30, 1995 there were 47,810 active members and 16,923 members receiving benefits. Although municipalities set salary levels for teachers and administrators, they are not required to make contributions to the fund on behalf of their employees. Payments into TERF are made through General Fund appropriations and as a result of employee contributions. Income is also generated as a result of activity in the Fund's assets. The table above shows these amounts as well as the payments made to the beneficiaries of the fund. The data also indicate the return on investment as calculated by the State's Treasurer.

**STATE PENSION SYSTEMS  
RATE OF RETURN ON INVESTMENTS ASSUMPTIONS**

In determining the actuarial accrued liability for the State Employees Retirement System (SERS) and the Teacher's Retirement System (TERS), the actuaries determine the excess of pension fund liabilities over assets. This value is calculated using various assumptions, including an annual assumption for the rate of return on pension fund investments. The annual pension fund contribution the State is required to make is inversely related to the rate of return assumption.

**STATE EMPLOYEES RETIREMENT SYSTEM (SERS)**

The SERS rate of return assumptions are as follows:

<u>Fiscal Year</u>	<u>Rate of Return Assumption</u>	<u>Determined By</u>
1980	6.5%	Actuary
1981	6.5%	Actuary
1982	6.5%	Actuary
1983	6.5%	Actuary
1984	6.5%	Actuary
1985	7.5%	Actuary
1986	7.5%	Actuary
1987	8.5%	Actuary
1988	8.5%	Actuary
1989	8.5%/9.5%	Collectively Bargained (1)
1990	9.5%	Collectively Bargained
1991	8.5%	Collectively Bargained
1992	8.5%	Collectively Bargained
1993	8.5%	Collectively Bargained
1994	8.5%	Collectively Bargained
1995	8.5%	Actuary
1996	8.5%	Actuary
1997	8.5%	Actuary

(1) During the 1990 Legislative Session, the rate of return assumption was increased from 8.5% to 9.5%, effective January 1, 1990. This change was implemented by a Memorandum of Understanding amending the 1989 Pension Arbitration Award between the State of Connecticut and the State Employees Bargaining Agent Coalition (SEBAC). This agreement also provided a formula for calculating the rate of return assumption from FY 1990-91 through FY 1993-94.

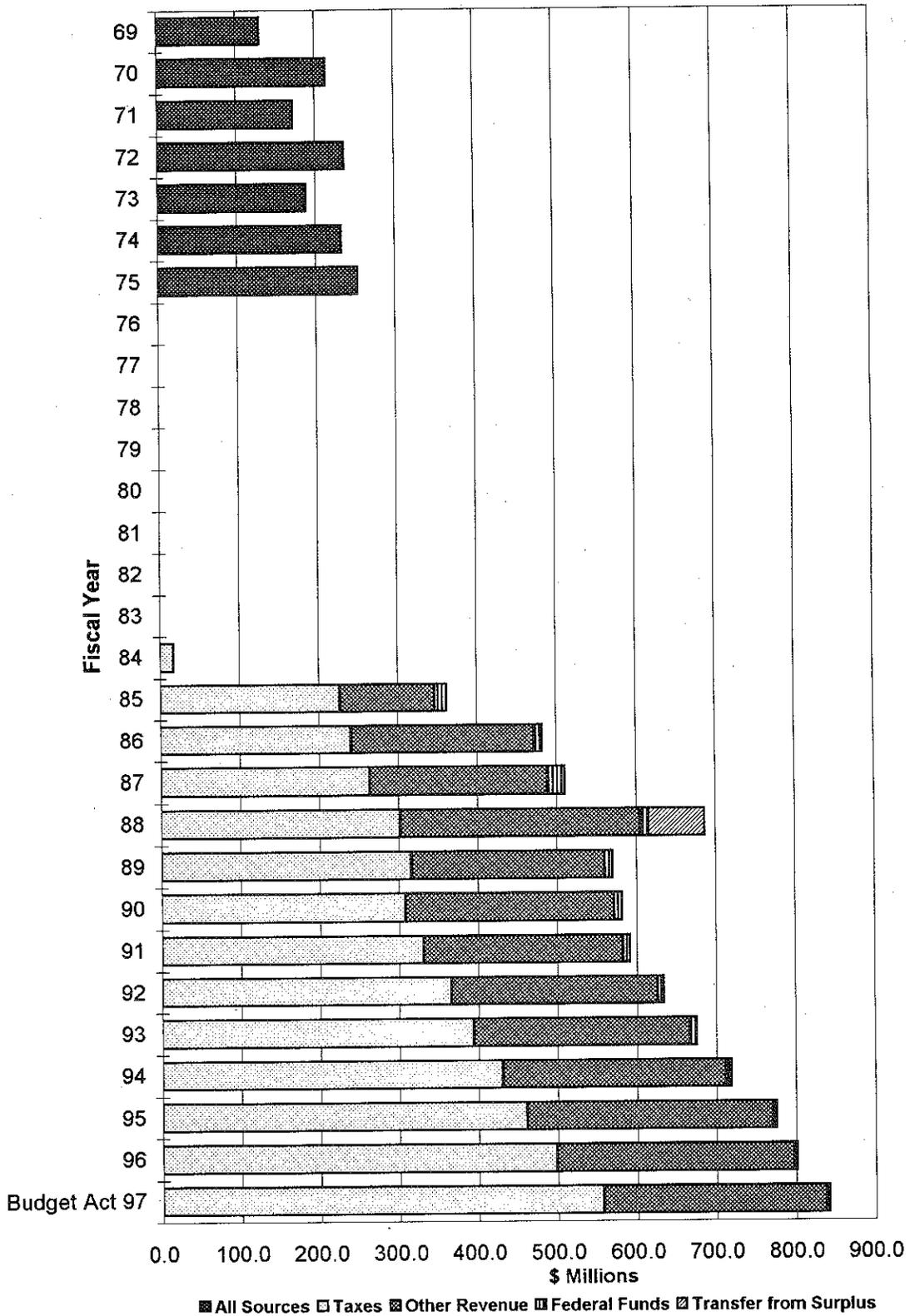
## TEACHERS' RETIREMENT SYSTEM (TERS)

The TERS rate of return assumptions are as follows:

<u>Fiscal Year</u>	<u>Rate of Return Assumption</u>	<u>Determined By</u>
1980	8.0%	Actuary
1981	8.0%	Actuary
1982	8.0%	Actuary
1983	8.0%	Actuary
1984	8.0%	Actuary
1985	8.0%	Actuary
1986	8.0%	Actuary
1987	8.0%	Actuary
1988	8.0%	Actuary
1989	8.5%	Actuary
1990	8.5%	Actuary
1991	9.5%	Legislature (1)
1992	9.5%	Legislature
1993	8.5%	Actuary
1994	8.5%	Actuary
1995	8.5%	Actuary
1996	8.5%	Actuary
1997	8.5%	Actuary

(1) In the absence of legislative action, the actuary for the Teachers' Retirement Board sets the assumptions for the rate of return on pension fund investments. During the 1990 Session, the Legislature increased the rate of return from 8.5% to 9.5% for FY 1990-91 and during the 1991 Session, the rate of return was increased from 8.5% to 9.5% for FY 1991-92. In both cases the change was accomplished through the Appropriation Act.

## Transportation Fund Revenues\* FY 69 - FY 75 and FY 84 - FY 97



\*FY 76 - FY 83 included as part of the General Fund.

## TRANSPORTATION FUND

Fiscal Year	Total Revenues (000,000)	Fund Breakdown (000,000)	Base Changes
1972	237.5		
1973	189.5		
1974	233.4		
1975	254.0		The Highway Fund became the Transportation Fund on 7/1/74
1976	NA		Transportation Fund was eliminated on 6/30/75. All activities were transferred to General Fund accounts.
1984	17.5		<p>1) PA 83-30 established a Special Transportation Fund for the maintenance and construction of state roads and bridges. Revenues are derived from a set aside of one cent of the State Motor Fuels Tax (currently 14 cents/gallon Gasoline and 13 cents/gallon - gasohol). State Treasurer may utilize fund revenues as part of the State's Short Term Investment Fund.</p> <p>2) PA 83-1 (October Special Session) appropriated \$3.333 million of the FY 84 General Fund surplus from operations to the Special Transportation Fund. The appropriated amount is included in the total.</p>
1985	362.6	Taxes 227.0 Other 119.9 Federal 15.7	Special Transportation Fund expanded to include all highway-related state and federal revenues (except tolls).
1986	482.9	Taxes 240.6 Other 232.7 Federal 9.6	1) PA 85-529 changes various motor vehicle fees. 2) PA 85-413 revises surcharges on motor vehicle related fines and penalties.
1987	511.2	Taxes 263.6 Other 225.9 Federal 21.7	1) PA 86-383 changes various motor vehicle registration fees. 2) PA 86-271 increases fees associated with the transfer of a motor vehicle because of a business partial liquidation or reorganization (7/1/86). 3) PA 86-352 allows motor carriers registered with DRS to purchase fuel at designated stations without paying Motor Fuels Tax at the pump. The tax is paid quarterly (10/1/86).
1988	615.6	Taxes 302.3 Other 303.0 Federal 10.3	1) PA 87-329 postpones the motor vehicle fee increase scheduled for 1988 until 1992 and eliminates another increase scheduled for 1992. The fees would have increased 12.9% in 1988 and 14.3% in 1992.
1989	570.4	Taxes 315.7 Other 244.4 Federal 10.3	1) PA 88-249 requires mandatory registration for all motor carriers, in-state and out-of-state, and payment of an annual registration fee of \$10. 2) PA 88-320 sets fines for not stopping at truck weighing areas and littering
1990	582.1	Taxes 308.1 Other 264.0 Federal 10.0	

**TRANSPORTATION FUND**

Fiscal Year	Total Revenues (000,000)	Fund Breakdown (000,000)	Base Changes
1991	591.9	Taxes 330.9 Other 251.8 Federal 9.2	
1992	634.2	Taxes 365.6 Other 260.5 Federal 8.1	1) PA 91-13 (June Special Session) changes various motor vehicle and transportation-related fees.
1993	675.6	Taxes 393.9 Other 273.4 Federal 8.3	1) PA 92-177 (May Special Session) changes various motor vehicle and transportation-related fees. 2) PA 92-136 establishes a motor carrier decal program. 3) PA 92-13 (May Special Session) requires employers in severe air pollution areas to pay fees when filing traffic-management compliance plans.
1994	719.8	Taxes 430.9 Other 281.8 Federal 7.1	1) Towns with aircrafts on their grand list are required to exempt them from the property tax and implement a registration program. Towns will be reimbursed for the tax that would have been collected from aircrafts on their 1992 grand list, less the fees collected under the registration program from the Transportation Fund at 100% in FY 94 and FY 95 and in subsequent years at 90%, 70%, 50%, 30%, 10%.
1995	776.4	Taxes 461.6 Other 310.1 Federal 4.7	PA 94-189 changes various motor vehicle and transportation related fees.
1996	802.2	Taxes 498.4 Other 299.8 Federal 4.0	PA 95-126 eliminates the regulation of the motor carrier industry by the Department of Transportation, except for carriers of household goods.  PA 95-35 redefines a motor carrier subject to the state motor carrier road tax to adopt the definition used under the International Fuel Tax Agreement (IFTA). It requires motor carriers to display two identification markers.
1997	842.5 Budget Act	Taxes 556.8 Other 281.7 Federal 4.0	PA 96-222 makes technical changes to numerous laws to reflect the termination of the federal Interstate Commerce Commission (ICC) and transfer of some of its former functions to other entities.  PA 96-31 eliminates the regulation of certain household goods in the motor carrier industry by the Department of Transportation. Only carriers transporting personal effects and property for homeowners remain regulated. PA 95-126 eliminated the regulation of motor carriers industry except for household goods carriers.

Note: Changes to the Motor Fuels tax may be found in the Excise Tax section.

## THE TRANSPORTATION INFRASTRUCTURE PROGRAM

The Infrastructure Program was established in 1984 and is a continuous program which finances the ongoing requirements of the State infrastructure. The program will be administered by the Department of Transportation.

The cost of the infrastructure program for State fiscal years 1985-2000, to be met from federal, state and local funds, is estimated at \$11.2 billion. All revenues collected will be credited to the Special Transportation Fund. The Special Transportation Fund receives revenues from five sources; three categories include transportation related taxes, fees and charges, one category includes Urban Mass Transit grants (UMTA) received by the state and one includes investment income.

The State's share of the estimated \$11.2 billion total cost of the infrastructure program is estimated to be \$4.7 billion for State fiscal year 1985-2000. Of this amount \$4.2 billion is expected to be financed by special tax obligation bonds while the remaining \$0.5 billion will be financed from current revenues of the state. The issuance of special tax obligation bonds is expected to eliminate the need for the authorization of additional general obligation bonds of the state for transportation purposes.

### Projected Pledged Revenues

The source of payments for the special tax obligation bonds are revenues that have been pledged by the state. All pledged revenues are credited to the Special Transportation Fund. Pledged revenues consist primarily of taxes, fees and charges. The tables on the following pages summarize the tax, fee and charge increases and the level of revenue that each category of pledged revenues.

### Projected Debt Service Coverage

Under the bond covenant, the state has agreed to maintain Pledged Revenues and other receipts to be twice the amount required to cover the bonds' debt service (i.e., principal plus interest payments) in each fiscal year. See the following tables for the projected relationship between Pledged Revenues and Debt Service Requirements.

**THE INFRASTRUCTURE RENEWAL PROGRAM  
TRANSPORTATION FUND  
(\$ MILLIONS)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
Beginning Balance	0.3											
Motor Fuels Taxes, Receipts, Fees	\$339.5	\$422.0	\$473.3	\$523.8	\$542.3	\$547.3	\$556.6	\$593.7	\$640.7	\$689.8	\$729.3	\$764.0
UMTA Grants	15.7	9.6	21.7	10.3	10.3	10.0	9.2	8.1	8.3	7.1	4.7	4.1
Interest Income	7.4	11.6	9.4	13.6	22.7	29.1	30.1	36.8	29.9	25.8	35.2	40.7
Transfer - General Fund Surplus	0.0	25.0	10.0	0.0	0.0	0.0	0.0	0.0	0.6	2.0	0.0	0.0
Transfer - General Fund Tolls	0.0	18.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer - Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)
Release from Reserve Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.2	0.0
<b>Total - Revenues</b>	<b>362.9</b>	<b>486.5</b>	<b>514.4</b>	<b>547.7</b>	<b>575.3</b>	<b>586.4</b>	<b>595.9</b>	<b>638.6</b>	<b>679.5</b>	<b>724.7</b>	<b>783.4</b>	<b>808.6</b>
Refunds of Taxes	0.0	(3.7)	(3.2)	(3.7)	(4.9)	(4.3)	(4.0)	(4.4)	(3.8)	(4.9)	(7.0)	(6.4)
<b>Total - Net Resources</b>	<b>362.9</b>	<b>482.8</b>	<b>511.2</b>	<b>544.0</b>	<b>570.4</b>	<b>582.1</b>	<b>591.9</b>	<b>634.2</b>	<b>675.7</b>	<b>719.8</b>	<b>776.4</b>	<b>802.2</b>
Debt Service & Expenditures:												
Special Tax Obligation Bonds	12.6	26.5	38.9	57.0	91.2	126.4	163.9	204.1	238.5	253.7	271.0	290.7
General Obligation Bonds	105.3	117.0	113.9	94.7	98.9	86.9	85.0	73.0	73.6	49.7	59.3	54.8
<b>Total - Debt Service</b>	<b>117.9</b>	<b>143.5</b>	<b>152.8</b>	<b>151.7</b>	<b>190.1</b>	<b>213.3</b>	<b>248.9</b>	<b>277.1</b>	<b>312.1</b>	<b>303.4</b>	<b>330.3</b>	<b>345.5</b>
DOT Expenditures:	209.0	225.5	240.4	260.8	312.9	329.9	314.3	298.4	268.4	262.0	255.2	283.1
Program Costs paid from current operations	33.5	82.1	60.8	122.9	57.9	58.4	45.6	18.4	10.3	14.2	10.0	10.2
DMV Budgeted Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.7	36.0	39.5	40.4	43.2
Highway Patrol Budgeted Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.5	39.1	41.1
Other Budgeted Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.4	55.6	54.4	58.3	68.0
Defeasance Transfer [1]	0.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total - Expenditures</b>	<b>360.4</b>	<b>451.1</b>	<b>454.0</b>	<b>585.4</b>	<b>560.9</b>	<b>601.6</b>	<b>608.8</b>	<b>642.0</b>	<b>370.3</b>	<b>407.6</b>	<b>403.0</b>	<b>445.6</b>
Projected Excess (Deficiency)	2.5	31.7	57.2	(41.4)	9.5	(19.5)	(16.9)	(7.8)	(6.7)	8.8	43.1	11.1
Cumulative Excess (Deficiency)	2.5	34.2	91.5	50.1	59.6	40.1	23.2	15.4	8.7	17.5	60.6	71.7

[1] In FY 1988, \$50 million of cumulative excess in Transportation Fund was set aside to redeem outstanding bonds, callable in 1995, from a 1984 issue.

Source: The Official Statement, State of Connecticut, Special Tax Obligation Bonds, Transportation Infrastructure Purposes.

## SUMMARY OF ENACTED TAX AND FEE INCREASES

	Motor Fuels Tax Per Gallon Increase	Gasoline Tax	Motor Vehicles Receipts (% Increase) [1]	License Permits & Fees (% Increase) [2]
7/84	1 cent	\$0.15		
7/85	1 cent	0.16	25%	0
7/86	1 cent	0.17	0	50%
7/87	2 cents	0.19	24%	0
7/88	1 cent	0.20	0	0
7/90	2 cents	0.22	0	50%
7/91	1 cent	0.23	0	0
9/91	2 cents	0.25	0	0
1/92	1 cent	0.26	0	0
7/92	0	0.26	0	25%
1/93	2 cents	0.28	0	0
7/93	1 cent	0.29	12.9%	0
1/94	1 cent	0.30	0	0
7/94	1 cent	0.31	0	25%
1/95	2 cents	0.33	0	0
10/95	1 cent	0.34 [3]	0	0
1/96	1 cent	0.35	0	0
4/96	1 cent	0.36	0	0
7/96	1 cent	0.37	0	0
10/96	1 cent	0.38	0	0
1/97	1 cent	0.39	0	0

[1] The percentage increase compares the increased fee rates to the rates in effect during the previous State fiscal year. Included in Motor Vehicle Receipts are motor vehicle registration fees, motor vehicle and motorcycle operator's license fees, certain business license fees, and some DMV administrative fees. PA 87-329 postponed the 12.9% increase originally scheduled for July 1, 1988 to July 1, 1992 and eliminated the 14.3% increase scheduled for July 1, 1992. In addition, PA 91-13 of the June Special Session and PA 92-177 imposed and increased certain motor vehicle fees. These increases are not reflected in the percentages listed in the table above.

[2] Included in Licenses, Permits and Fees are business license and registration fees (for dealers, repairers, junk yards, etc.), permits (motorcycle learner's permit, etc.), various administrative fees (vehicle inspection fees, title fees, driver's license information, etc.), surcharges on motor vehicle-related fines, and penalties. Not included are fees for which federal law establishes a maximum, such as the motor carrier registration fee.

[3] PA 93-74 increases the motor fuels tax by 5 cents per gallon, in 1 cent increments from October 1, 1995 through January 1, 1997.

PA 85-413 repealed the surcharge on motor vehicle fines and penalties scheduled to go into effect July 1, 1985 and reduced other surcharges scheduled to become effective July 1, 1989, 1991, and 1993. However, the increases listed above still apply for other Licenses, Permits and Fees.

**PROJECTED PLEDGED REVENUES - SPECIAL TRANSPORTATION FUND**  
(\$ MILLIONS)

Fiscal Year	Motor Fuels Tax	Motor Vehicle Receipts	LPF Revenue	FTA Grants	Interest Income	Transfers to other Funds	Total	Refund of Taxes	Total Net
1996 [1]	512.0	176.8	75.2	5.9	31.0	0	800.9	(5.5)	795.4
1997	570.2	177.6	78.9	3.0	31.0	(0.2)	860.5	(8.1)	852.4
1998	575.8	174.7	84.9	3.0	32.0	(0.2)	870.2	(8.3)	861.9
1999	581.5	176.4	85.7	2.8	32.5	(0.2)	878.7	(7.1)	871.6
2000	587.3	178.2	86.6	2.5	32.5	(0.2)	886.9	(7.2)	879.7

[1] Beginning in FY 96 \$6.3 million has been removed from the LPF Revenue base to reflect implementation of the International Fuel Tax Agreement under which the state will no longer be able to collect the decal fee on motor carriers registered outside the state.

Source: The Official Statement, State of Connecticut, Special Tax Obligation Bonds, Transportation Infrastructure Purposes, September 1993.

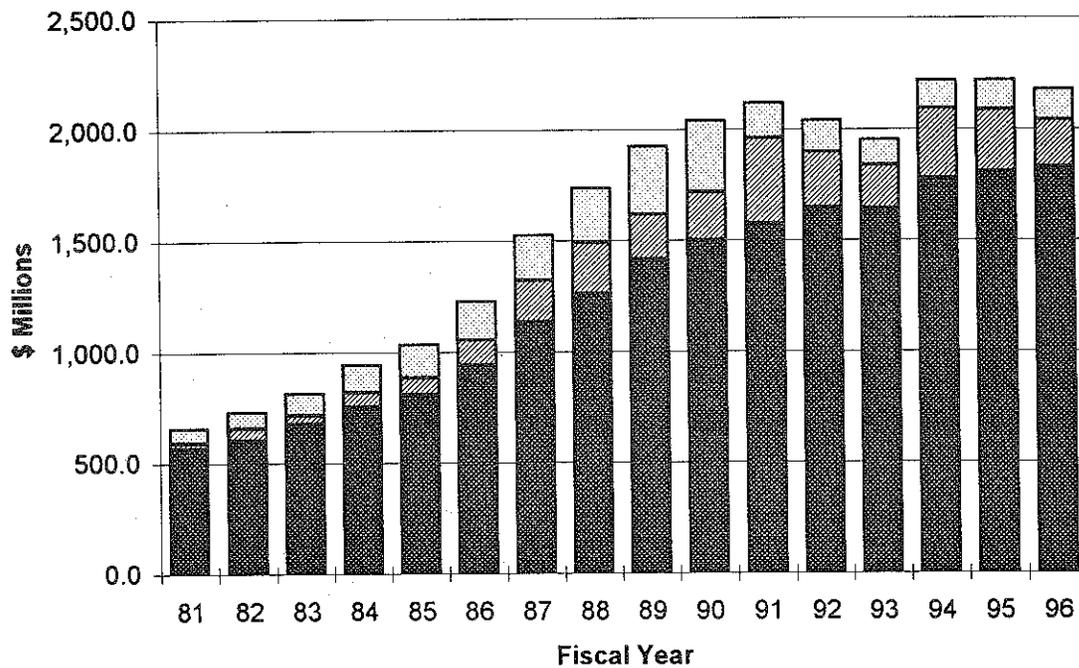
**PROJECTED DEBT SERVICE COVERAGE**  
(\$ MILLIONS)

Fiscal Year	Projected Pledged Revenue	1984-1996 Bonds	Additional Bonds [1]	Total Debt Service	Projected Aggregated Debt Service Ratio
1985	362.9	12.6	0.0	12.6	28.8%
1986	482.9	26.5	0.0	26.5	18.2
1987	511.2	38.9	0.0	38.9	13.1
1988	544.0	57.0	0.0	57.0	9.5
1989	570.4	91.2	0.0	91.2	6.3
1990	582.1	127.4	0.0	127.4	4.6
1991	591.9	155.6	7.6	163.2	3.6
1992	634.2	187.4	14.8	202.2	3.1
1993	675.7	214.5	21.9	236.4	2.9
1994	719.8	227.5	22.7	249.8	2.9
1995	776.4	247.3	22.1	269.4	2.9
1996	802.2	268.4	20.7	289.1	2.8
1997	844.9	292.0	22.3	314.3	2.7
1998	863.2	302.6	22.3	324.9	2.7
1999	871.6	307.8	22.4	330.2	2.6
2000	879.7	308.9	22.4	331.3	2.7

[1] Assumes level debt service over 20 years with principal and interest rates in the following manner:  
FY 98 \$150 million @ 7.5% and \$100 million @ 7.5%, and FY 99 \$225 million @ 7.5%, and  
FY 00 \$200 million @ 7.5%

Source: The Official Statement, State of Connecticut, Special Tax Obligation Bonds, Transportation Infrastructure Purposes, 1996.

## State Aid to Local Governments FY 81 - FY 96



■ Operating Funds    ▨ State Bond Authorizations    □ Teachers' Retirement

### State Aid to Local Governments 1981 - 1996

Fiscal Year	Operating Funds	State Bond Authorizations	Teachers' Retirement Appropriation
1981	567.0	26.3	64.2
1982	603.8	52.8	75.9
1983	677.0	40.3	97.1
1984	753.5	67.6	120.5
1985	808.6	77.9	146.4
1986	939.6	112.7	175.8
1987	1,133.1	188.8	204.6
1988	1,258.3	235.1	242.6
1989	1,416.1	202.1	304.1
1990	1,499.8	215.8	323.0
1991	1,575.6	384.8	158.1
1992	1,645.5	250.8	142.2
1993	1,644.0	191.2	114.1
1994	1,775.9	316.2	127.7
1995	1,805.9	279.9	136.4
1996	1,826.5	211.4	139.9

Source: Office of Fiscal Analysis

State Aid to Municipalities include direct aid to local governments, payments made on behalf of municipalities (i. e. the Teachers' Retirement Fund), committed or potential payments authorized by various Bond Acts and payments which reflect the sharing of state operating funds (i. e. Visitors and Convention Center or Hotel Room Occupancy). The table shown above are amounts of state aid for three categories.

**STATE GRAND LEVIES**  
**FISCAL YEARS 1989-1996**  
(\$ Millions)

Category	FY 89	%	FY 90	%	FY 91	%	FY 92	%
	Levies	Total	Levies	Total	Levies	Total	Levies	Total
Industrial	\$161.7	5.0%	\$172.8	4.9%	\$203.2	4.9%	\$222.0	5.0%
Commercial	513.8	15.8%	556.5	15.7%	688.8	16.7%	746.8	16.9%
Public Utility	48.1	1.5%	50.8	1.4%	54.2	1.3%	24.5	0.6%
Bus. Per. Property	<u>347.1</u>	<u>10.7%</u>	<u>385.2</u>	<u>10.9%</u>	<u>388.3</u>	<u>9.4%</u>	<u>444.3</u>	<u>10.1%</u>
<b>Total</b>	<b>1,070.7</b>	<b>32.9%</b>	<b>1,165.3</b>	<b>32.8%</b>	<b>1,334.5</b>	<b>32.4%</b>	<b>1,437.6</b>	<b>32.6%</b>
Residential	1,836.5	56.5%	2,012.9	56.7%	2,384.5	57.9%	2,565.6	58.2%
Motor Vehicles	290.2	8.9%	313.9	8.8%	327.3	7.9%	328.5	7.5%
Land Use	5.9	0.2%	5.7	0.2%	6.1	0.1%	6.6	0.1%
Vacant Land	<u>46.4</u>	<u>1.4%</u>	<u>52.3</u>	<u>1.5%</u>	<u>66.7</u>	<u>1.6%</u>	<u>69.0</u>	<u>1.6%</u>
<b>Total</b>	<b>342.5</b>	<b>10.5%</b>	<b>371.9</b>	<b>10.5%</b>	<b>400.1</b>	<b>9.7%</b>	<b>404.1</b>	<b>9.2%</b>
<b>Gross Grand Levy</b>	<b>\$3,249.7</b>	<b>100%</b>	<b>\$3,550.1</b>	<b>100%</b>	<b>\$4,119.1</b>	<b>100%</b>	<b>\$4,407.3</b>	<b>100%</b>
Exemptions (1)	(\$31.4)		(\$34.1)		(\$203.2)		(\$223.3)	
<b>Net Grand Levy</b>	<b>\$3,218.3</b>		<b>\$3,516.0</b>		<b>\$3,915.9</b>		<b>\$4,184.0</b>	

Category	FY 93	%	FY 94	%	FY 95	%	FY 96	%
	Levies	Total	Levies	Total	Levies	Total	Levies	Total
Industrial	\$232.9	4.9%	\$229.2	4.8%	\$224.9	4.8%	\$218.3	4.5%
Commercial	852.5	17.8%	820.0	17.1%	812.3	17.2%	755.6	15.6%
Public Utility	30.1	0.6%	37.0	0.8%	37.0	0.8%	32.3	0.7%
Bus. Per. Property	<u>443.1</u>	<u>9.3%</u>	<u>420.6</u>	<u>8.8%</u>	<u>405.5</u>	<u>8.6%</u>	<u>392.4</u>	<u>8.1%</u>
<b>Total</b>	<b>1,558.6</b>	<b>32.6%</b>	<b>1,506.8</b>	<b>31.5%</b>	<b>1,479.7</b>	<b>31.4%</b>	<b>1,398.6</b>	<b>28.8%</b>
Residential	2,852.4	59.6%	2,843.2	59.4%	2,971.0	63.0%	2,965.2	61.1%
Motor Vehicles	288.8	6.0%	282.8	5.9%	314.6	6.7%	342.4	7.1%
Land Use	7.0	0.1%	7.0	0.1%	7.1	0.2%	7.1	0.1%
Vacant Land	<u>78.3</u>	<u>1.6%</u>	<u>76.9</u>	<u>1.6%</u>	<u>80.3</u>	<u>1.7%</u>	<u>78.7</u>	<u>1.6%</u>
<b>Total</b>	<b>374.1</b>	<b>7.8%</b>	<b>366.7</b>	<b>7.7%</b>	<b>402.0</b>	<b>8.5%</b>	<b>428.2</b>	<b>8.8%</b>
<b>Gross Grand Levy</b>	<b>\$4,785.1</b>	<b>100%</b>	<b>\$4,716.7</b>	<b>100%</b>	<b>\$4,852.7</b>	<b>100%</b>	<b>\$4,791.9</b>	<b>100%</b>
Exemptions (1)	(\$441.0)		(\$241.3)		(\$327.0)		(\$205.6)	
<b>Net Grand Levy</b>	<b>\$4,344.1</b>		<b>\$4,475.4</b>		<b>\$4,525.7</b>		<b>\$4,586.3</b>	

Note: (1) Includes assessed values subject to phase-in schedules for certain municipalities.

## REGIONAL TOURISM DISTRICTS

In the 1992 Session, the Legislature passed PA 184 which creates a two-tiered structure consisting of (1) a tourism office in the Department of Economic Development with an 11-member council and (2) 11 regional districts covering the entire state, established as of 7/1/93. It also establishes a special nonlapsing fund to finance tourism promotion and award challenge grants. The fund is supported by a \$1 surcharge on passenger motor vehicles rented or leased for less than 30 days.

The tourism districts are funded by allocating a portion of the 12% Sales Tax paid on hotel and motel room occupancy receipts based on the population of towns in the district. The district keeps 1.5% of the gross receipts in towns under 65,000, 3.5% in towns between 65,000 and 75,000, and 4.5% in towns over 75,000. An exception is made for towns under 65,000 which the state tourism office determines has the most popular tourist attraction in the state. The district in which this town is located can keep 3.5% of the gross receipts in that town.

The act requires the convention and coliseum authorities to receive a portion of the lodgings tax revenue returned to their respective tourism districts. The Hartford-based Connecticut Convention Center Authority receives all of the revenues generated in Hartford, while the New Haven Coliseum Authority, the Norwalk Maritime Center Authority and the Stamford Center for the Arts receive 75% of revenues generated in those cities.

The new districts are:

**Greater Fairfield:** Bridgeport, Darien, Easton, Fairfield, Greenwich, Monroe, New Caanan, Norwalk, Stamford, Stratford, Weston, Westport and Wilton

**Greater Waterbury:** Beacon Falls, Middlebury, Naugatuck, Oxford, Seymour, Thomaston, Waterbury, Watertown and Wolcott

**Greater New Haven:** Ansonia, Bethany, Derby, East Haven, Hamden, Milford, New Haven, North Branford, North Haven, Orange, Prospect, Shelton, Trumbull, West Haven and Woodbridge

**Connecticut Valley:** Branford, Chester, Clinton, Cromwell, Deep River, Durham, East Haddam, East Hampton, Essex, Guilford, Haddam, Killingworth, Madison, Meriden, Middlefield, Middletown, Old Saybrook, Portland, Wallingford and Westbrook

**Southeastern Connecticut:** Bozrah, Colchester, East Lyme, Franklin, Griswold, Groton, Ledyard, Lisbon, Lyme, Montville, New London, North Stonington, Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown and Waterford

**Litchfield Hills:** Barkhamsted, Bethlehem, Bristol, Caanan, Colebrook, Cornwall, Goshen, Hartland, Harwinton, Kent, Litchfield, Morris, New Hartford, New Milford, Norfolk, North Caanan, Plymouth, Roxbury, Salisbury, Sharon, Southbury, Torrington, Warren, Washington, Winchester and Woodbury

**Central Connecticut:** Berlin, Cheshire, New Britain, Plainville and Southington

**Greater Hartford:** Andover, Avon, Bolton, Burlington, Canton, East Hartford, Ellington, Farmington, Glastonbury, Hartford, Hebron, Manchester, Marlborough, Newington, Rocky Hill, Simsbury, South Windsor, Vernon, Tolland, West Hartford and Wethersfield

**Northeast Connecticut:** Ashford, Brooklyn, Canterbury, Chaplin, Columbia, Coventry, Eastford, Hampton, Killingly, Lebanon, Mansfield, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, Union, Willington, Windham and Woodstock

**Housatonic Valley:** Bethel, Bridgewater, Brookfield, Danbury, New Fairfield, Newtown, Redding, Ridgefield and Sherman

**Tobacco Valley:** Bloomfield, East Granby, East Windsor, Enfield, Granby, Somers, Stafford, Suffield, Windsor and Windsor Locks

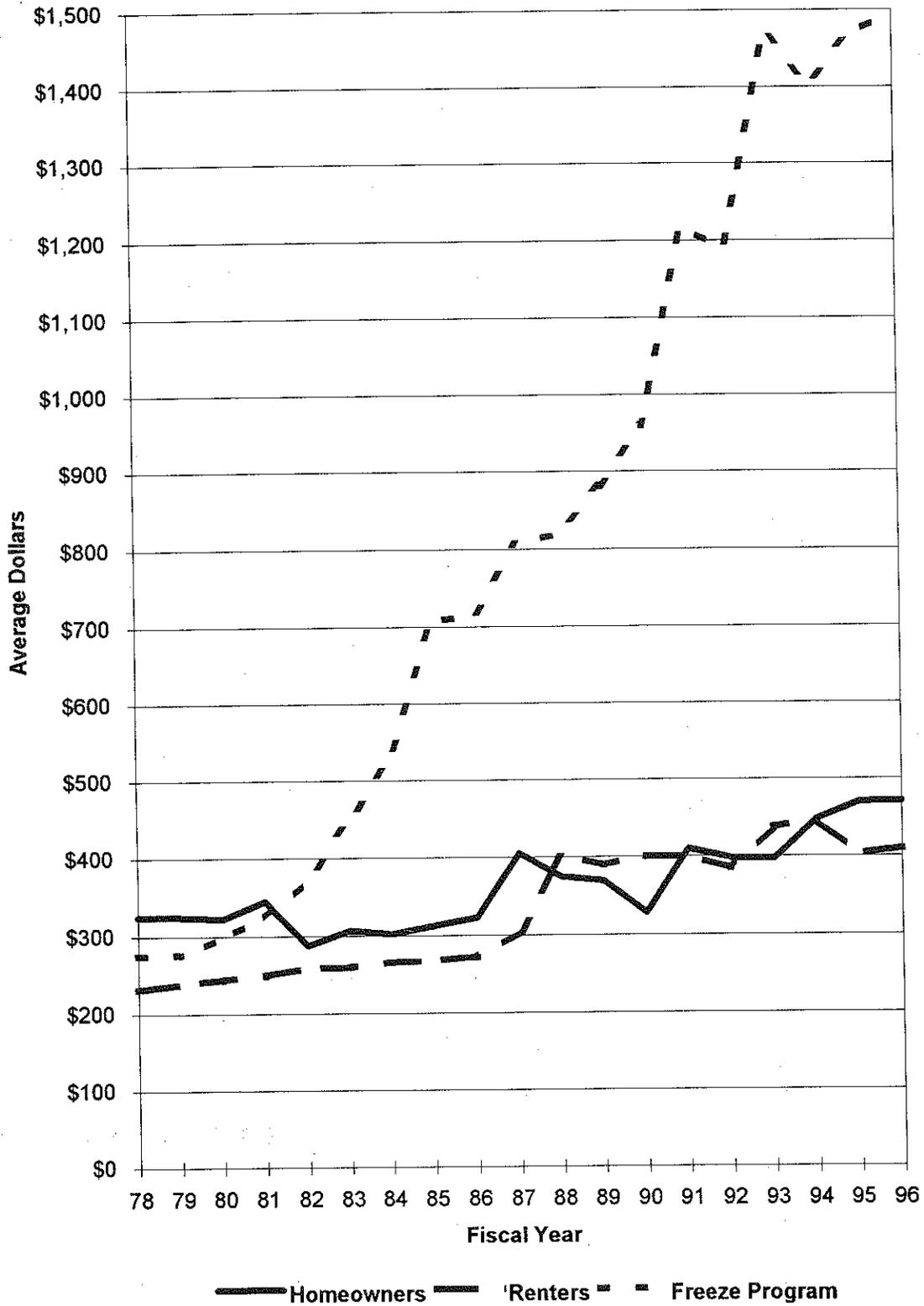
**DISBURSEMENTS TO TOURISM DISTRICTS  
AND OTHER RELATED ENTITIES  
(AMOUNTS IN THOUSANDS)**

District and/or Entity	FY 93[1]	FY 94	FY 95	FY 96
Greater Fairfield District	\$129.3	\$944.8	\$949.7	\$1,074.5
Greater Waterbury District	83.6	351.1	339.9	355.7
Greater New Haven District	157.2	568.8	566.4	612.8
Connecticut Valley District	92.2	356.4	426.4	459.3
Southeastern CT District	244.8	1,081.8	1,199.5	1,280.9
Litchfield Hills District	55.8	209.7	224.2	275.3
Central Connecticut District	29.2	107.3	105.2	115.8
Greater Hartford Tourism District	137.6	540.5	551.9	570.4
Northeast CT Visitors District	11.6	51.3	67.6	73.2
Housatonic Valley District	154.0	580.6	614.5	660.6
CT North Central Tourism Bureau	98.7	389.0	442.7	497.2
CT Convention Center Authority	195.1	664.1	755.9	895.7
New Haven Coliseum Authority	117.7	445.6	403.9	401.2
Stamford Center for the Arts	-	1,027.7	1,074.0	1,165.0
Maritime Center Authority	75.3	345.3	341.4	379.3
<b>Total Revenue to District/Entities</b>	<b>\$1,582.1</b>	<b>\$7,664.0</b>	<b>\$8,063.2</b>	<b>\$8,816.9</b>

[1] FY 93 reflects all amounts paid to the new districts and entities, based on hotel occupancies for the period April 1, 1993 through June 30, 1993. The total amount remitted to the tourism districts coliseum authorities and other entities, under the old and new laws for FY 93 was \$6,404,739.54, which is 10.3% over the amount paid in FY 92. Data for the old law is published in previous editions of this publication (December 1993).

Source: Department of Revenue Services, Annual Report various years.

# Property Tax Relief for the Elderly Circuit Breaker and Freeze Programs Average Benefit Level (\$)



**LOCAL PROPERTY TAX RELIEF FOR THE ELDERLY  
CIRCUIT BREAKER AND FREEZE PROGRAMS**

**Total Expenditures for Both Programs**

Fiscal Year	Total Expenditures	Circuit Breaker Program		Freeze Program
		Homeowners	Renters	
1978	\$29,051,540	\$9,283,350	\$6,730,239	\$13,037,951
1979	29,822,682	9,661,802	7,109,147	13,051,733
1980	30,178,439	9,155,902	7,194,893	13,827,644
1981	31,279,333	9,716,016	6,577,544	14,985,773
1982	31,371,940	7,638,313	6,292,412	17,441,215
1983	29,308,757	7,691,268	6,326,470	15,291,019
1984	30,202,308	7,371,316	5,889,840	16,941,152
1985	28,677,709	7,532,842	5,606,245	15,538,622
1986	29,120,985	7,738,987	5,302,681	16,079,317
1987	28,907,182	9,488,416	5,547,907	13,870,859
1988	31,859,684	9,271,236	8,287,119	14,301,329
1989	31,633,847	10,146,208	9,131,326	12,356,313
1990	33,300,000	10,707,000	10,050,000	12,543,000
1991	37,500,000	14,000,000	10,500,000	13,000,000
1992	36,595,565	14,419,938	10,294,205	11,881,422
1993	38,900,000	15,500,000	11,400,000	12,000,000
1994	41,270,894	18,812,030	11,947,908	10,510,956
1995	40,423,752	21,490,687	9,924,185	9,008,880
1996	41,173,926	22,666,312	10,017,947	8,489,667

**Freeze Program**

Fiscal Year	Appropriation	Expenditure	Number of Applications	Average Payment
1978	\$12,341,000	\$13,037,951	47,531	\$274
1979	14,000,000	13,051,733	47,233	276
1980	13,911,000	13,827,644	46,392	298
1981	14,506,000	14,985,773	46,143	325
1982	17,309,576	17,441,215	47,008	371
1983	15,650,000	15,291,019	33,971	450
1984	14,500,000	16,941,152	32,039	529
1985	17,791,150	15,538,622	21,994	706
1986	16,900,000	16,079,317	22,515	714
1987	15,900,000	13,870,859	17,183	807
1988	15,800,000	14,301,329	17,448	820
1989	14,475,000	12,356,313	14,011	882
1990	12,543,000	12,543,000	13,079	959
1991	13,000,000	13,000,000	10,693	1,216
1992	11,875,000	11,881,422	9,973	1,191
1993	12,000,000	12,000,000	8,151	1,472
1994	10,511,000	10,510,956	7,491	1,403
1995	9,500,000	9,008,880	6,133	1,469
1996	8,500,000	8,489,667	5,685	1,493

**LOCAL PROPERTY TAX RELIEF FOR THE ELDERLY  
Circuit Breaker Program**

Homeowners

Fiscal Year	Appropriation	Expenditure	Number of Applications	Average Payment
1978	\$10,000,000	\$9,283,350	28,564	\$325
1979	10,500,000	9,661,802	29,727	325
1980	11,839,000	9,155,902	28,416	322
1981	10,309,000	9,716,016	28,205	344
1982	11,415,000	7,638,313	26,599	287
1983	10,100,000	7,691,268	25,056	307
1984	8,700,000	7,371,316	24,386	302
1985	7,771,320	7,532,842	24,137	312
1986	8,600,000	7,738,987	23,967	323
1987	9,500,000	9,488,416	23,432	405
1988	9,630,000	9,271,236	24,780	374
1989	10,930,000	10,146,208	27,507	369
1990	10,707,000	10,707,000	32,605	328
1991	14,000,000	14,000,000	34,144	410
1992	14,000,000	14,419,938	36,236	398
1993	15,500,000	15,500,000	39,069	397
1994	18,812,030	18,812,030	42,049	447
1995	21,860,000	21,490,687	45,721	470
1996	24,500,000	22,666,312	48,100	471

Renters

Fiscal Year	Appropriation	Expenditure	Number of Applications	Average Payment
1978	\$6,700,000	\$6,730,239	29,169	\$231
1979	7,329,000	7,109,147	29,917	238
1980	7,690,000	7,194,893	29,601	243
1981	7,444,000	6,577,544	26,467	249
1982	9,133,676	6,292,412	24,343	258
1983	7,500,000	6,326,470	24,408	259
1984	6,900,000	5,889,840	22,171	266
1985	6,490,000	5,606,245	20,951	268
1986	6,355,000	5,302,681	19,456	273
1987	7,000,000	5,547,907	18,278	304
1988	8,500,000	8,287,119	20,651	401
1989	8,900,000	9,131,326	23,464	389
1990	10,050,000	10,050,000	25,063	401
1991	10,500,000	10,500,000	26,257	400
1992	10,575,000	10,294,205	26,800	384
1993	11,400,000	11,400,000	26,054	438
1994	12,200,000	11,947,908	26,799	446
1995	12,450,000	9,924,185	24,685	402
1996	11,500,000	10,017,947	24,434	410

## PROPERTY TAX RELIEF PROGRAMS FOR THE ELDERLY & DISABLED

### Residents of Continuing Care Communities & Homeowner Benefits

Qualifying Income		Tax Reduction as a % of Property Tax	Tax reduction for any Year	
Over	Not Exceeding		Maximum	Minimum
Married Homeowners				
\$0	\$11,200	50%	\$1,250	\$400
11,200	15,200	40	1,000	300
15,200	18,800	30	750	200
18,800	22,400	20	500	100
22,400	27,500	10	250	100
27,500		None	None	None
Unmarried Homeowners				
\$0	\$11,200	40%	\$1,000	\$300
11,200	15,200	30	750	200
15,200	18,800	20	500	100
18,800	22,400	10	250	100
22,400		None	None	None

### Renter Benefits

Qualifying Income		Amount of Grant	
Over	Not Exceeding	Maximum	Minimum
Married Renters			
\$0	\$11,200	\$900	\$400
11,200	15,200	700	300
15,200	18,800	500	200
18,800	22,400	250	100
22,400	27,500	150	50
27,500		None	None
Unmarried Renters			
\$0	\$11,200	\$700	\$300
11,200	15,200	500	200
15,200	18,800	250	100
18,800	22,400	150	50
22,400		None	None

## DESCRIPTION OF PROPERTY TAX RELIEF PROGRAMS FOR THE ELDERLY AND DISABLED

The state provides two programs of local property tax relief for the elderly: the tax freeze program and the circuit breaker program for homeowners and renters.

The circuit breaker program which is also available to disabled of any age provides a property tax credit to homeowners and a grant to renters. The state reimburses towns for the tax credit given to homeowners.

The tax freeze program caps a participant's tax benefit to the amount received for the 1985 assessment year for individuals that received \$2,000 or more in the assessment year commencing 10/1/85. If the tax benefit for the assessment year beginning 10/1/85 was less than \$2,000 it will never exceed the \$2,000 amount in any subsequent year.

### Tax Freeze Program

#### Description:

- a. This program is mandated by the State.
- b. It provides a qualified homeowner a freeze on both the assessed value (minus \$1,000) and on the mill rate.
- c. The municipal tax exemption is reimbursed by the state.

#### Eligibility:

- a. Homeowner must be 65 years of age or over, or the spouse who is living with him/her must be 65 or over.
- b. A surviving spouse over 50 is eligible.
- c. The applicant must occupy the real property as his/her principal place of residence and must have resided in the state for one year before filing a claim.
- d. Qualifying income limit is \$27,500 adjusted gross income plus tax exempt interest (but excluding Social Security or Railroad Retirement Income).

#### Application:

- a. Closed. This grant is available only to elderly persons who applied prior to May 15, 1980.
- b. Reapplication is required every two years.

### Circuit Breaker Program

#### 1. Homeowners:

Description: Homeowners receive a tax credit against their real property tax. The amount of the credit varies inversely with income.

#### Eligibility:

- a. A homeowner must be 65 years of age or over, or the spouse who is living with him/her must be 65 or over, or be under 65 but eligible for permanent total disability benefits under Social Security requirements or a comparable program.
- b. A surviving spouse over 50 is eligible.
- c. The applicant must occupy the real property as his/her principal place of residence and must have resided in the state for one year before filing a claim.

- d. Have qualifying income for the previous year of not more than \$22,400 for unmarried individuals or if married joint income of not more than \$27,500 for homeowners filing between February 1, and May 15, 1996. (Qualifying income is defined as federal adjusted gross income plus social security income and other income not included in federal adjusted gross income. Qualifying income will be adjusted by October 1 of each year to reflect the Social Security inflation adjustment.)

Application:

The deadline is May 15 and reapplication is required every two years.

Property tax credit amount is equal to a specified percentage of property tax up to the maximum amount shown on the table below.

2. Renters:

Description: Renters are entitled to a state grant based on the percent considered to be paid toward property taxes.

Eligibility:

Same as for homeowner.

Application:

Renters must apply between May 15 and September 15. Grant amount is equal to 35% of the total of all charges for rent, electricity, gas, water and fuel used during the preceding calendar year less 5% of qualifying income, up to the maximum amount shown in the table below for renters.

3. Resident of a Continuing Care Community:

Description: The program is open to residents of continuing care communities only if a residents contract: (1) does not confer any ownership interest in the complex or dwelling unit or (2) is not a lease. Residents are entitled to a state grant equal to the product of the portion of the assessed value of the entire complex that is attributable to the dwelling unit and the town's mill rate.

Eligibility:

Same as for homeowners.

Application:

Residents must apply to municipal assessors between February 1, and May 15.

Grant amount is equal to a specified percentage of property tax (see Residents chart).

The schedules on the following page indicate the amount of benefit individuals at the various qualifying income levels may be eligible for under these programs for FY 1996-97. The tables are based on a sliding scales, in which benefits decrease as income increases.

## LOCAL OPTION PROPERTY TAX RELIEF FOR THE ELDERLY

The local option property tax relief for the elderly program was established in 1973 by PA 73-628. The program allows municipalities upon vote of its legislative body on recommendation of its board of finance or equivalent body to provide property tax relief for elderly homeowners.

Prior to approval by the legislative body, the executive authority of the town must appoint a committee of not less than five resident taxpayers to study and report within 60 days the fiscal effect of the relief on the property tax revenue of the town and recommendations on the form and extent of such relief. After initial approval of the relief by the legislative body, any changes may be made by vote of the legislative body without appointment of a study committee. The total abatement of property tax revenue cannot exceed 10 per cent of the total real property tax assessed in the preceding tax year.

The property tax relief for a principal residence may be provided to any resident who:

- (1) is 65 years of age or over, or has a spouse, age 65 or over living in the household, or is a surviving spouse, age 60 or over;
- (2) has been a taxpayer in the town for one year immediately preceding receipt of tax benefits; and
- (3) meets any income criteria which the town may have adopted.

Prior to October 1, 1987, the total amount of tax relief was limited to 75% of the total due. Commencing with the October 1, 1987 assessment year, PA 87-116 expanded the allowable tax relief to 100% provided that when total tax relief exceeds 75% of the tax due, the town must file a lien against the property and charge interest, at a rate determined by the town.

It should be noted that the local option elderly homeowner tax relief benefits program was extended by PA 87-91 of permanently and totally disabled persons, regardless of age commencing with the October 1, 1987 assessment year.

## VETERAN'S PROPERTY TAX EXEMPTION

The veteran's local property tax exemptions were increased by PA 85-573. Beginning with the 1985 assessment year veterans whose gross income is below certain limits are entitled to an additional exemption equal to twice the amount of the basic exemption they have been receiving. In addition, persons eligible for the basic exemption, but who do not meet the income requirements, are entitled to an additional exemption equal to one-half of the base exemption (see Veteran's Exemption Chart). Beginning with the 1989 assessment year and following the completion and implementation of a revaluation, PA 88-342 requires veterans' exemptions to be increased by a rate equal to the increase in the grand list following revaluation.

Reimbursement: Towns continue to bear the cost of the original or basic exemption. The State reimburses towns for any additional tax loss associated with the additional exemptions.

### Eligibility for Basic Exemption:

In order to qualify for one of the basic veteran's exemptions (as described under Section 12-81 subsections (19) through (26) of the C.G.S. a veteran's Honorable Discharge (form DD 214) must be filed in the Town Clerk's Office on or before September 30.

Below is a list of qualifying wars, campaigns, and operation services and their dates:

Spanish-American War	April 21, 1898 to August 13, 1898
Philippine Insurrection	August 13, 1898 to July 4, 1902
Moro Province Engagement	August 13, 1898 to July 15, 1903
Boxer Rebellion	June 20, 1900 to May 12, 1901
Cuban Pacification	September 12, 1906 to April 1, 1909
Nicaraguan Campaigns	August 28, 1912 to November 2, 1913
Haitian Campaign	July 9, 1915 to December 6, 1915
Punitive Exped. to Mexico	March 10, 1916 to April 6, 1917
World War I	April 6, 1917 to November 11, 1918
Service in Russia	April 6, 1917 to April 1, 1920
World War II (Sec.12-86)	December 7, 1941 to December 31, 1947
Korean Hostilities	June 27, 1950 to January 31, 1955
Vietnam Era	December 22, 1961 to July 1, 1975 [1]
Lebanon Mission	September 29, 1982 to March 30, 1984
*Invasion of Grenada	October 25, 1983 to December 15, 1983
Operation Earnest Will	February 1, 1987 to July 23, 1987
*Invasion of Panama	December 20, 1989 to January 31, 1990
Operation Desert Storm	August 2, 1990 to June 30, 1994

\* Campaigns lasting less than ninety days; veteran must have served in combat/combat support role for the duration of the campaign in order to receive exemption.

[1] Public Act 95-300 changed the starting date of the Vietnam era to December 22, 1961 from January 1, 1964.

## VETERAN'S EXEMPTION CHART

Statute Summary:	Benefits with Income Requirement			Benefits with no Income Requirement		
	Unreimbursed Entitlement	PA 85-573 Additional Reimbursed	Total Entitlement	Unreimbursed Entitlement	PA 85-573 Additional Reimbursed	Total Entitlement
<b>Sec. 12-81 (19)</b>						
90 Day service during time of war, or discharge was recorded Prior to Oct., 1977	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81 (20)</b>						
V.A. Rating						
10% - 25%	\$1,500	\$3,000	\$4,500	\$1,500	\$750	\$2,250
26% - 50%	\$2,000	\$4,000	\$6,000	\$2,000	\$1,000	\$3,000
51% - 75%	\$2,500	\$5,000	\$7,500	\$2,500	\$1,250	\$3,750
76% - 100% or Over 65 yrs. and > 10%	\$3,000	\$6,000	\$9,000	\$3,000	\$1,500	\$4,500
<b>Sec. 12-81 (21a)</b>						
Severe disability: VA Rated *	\$10,000	\$20,000	\$30,000	\$10,000	\$5,000	\$15,000
Service-Connected *	\$5,000	\$10,000	\$15,000	\$5,000	\$2,500	\$7,500
* Real Property exemption to be applied on domicile.						
<b>Sec. 12-81 (22)</b>						
Surviving Spouse or minor child if service related death	\$1,000 \$3,000	\$2,000 \$6,000	\$3,000 \$9,000	\$1,000 \$3,000	\$500 \$1,500	\$1,500 \$4,500
<b>Sec. 12-81 (23)</b>						
Surviving Spouse receives annuities or compensation from U. S. (Federal)	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81 (24)</b>						
Active duty service-connected death, surviving spouse receives compensation from V.A.	\$3,000	\$6,000	\$9,000	\$3,000	\$1,500	\$4,500
<b>Sec. 12-81 (25)</b>						
Benefits to single parent of one who left no surviving spouse or when spouse remarried	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81 (26)</b>						
Parents of serviceman receiving pension annuity or compensation from U.S. (Federal)	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81(l) Income requirements for above benefits:</b>						
General:	Less Than: \$27,500 (married) & \$22,400 (unmarried) Income includes: Adjusted gross + any other income			Sec. 12-90(a) No individual entitled to exemption under two or more of subdivisions (19), (20), (22), (23), (25), (26), and (28) of section 12-81 shall receive more than one exemption.		
<b>Sec. 12-81(g)</b>	100% VA Rating: Less Than: \$27,500 (married) & \$22,400 (unmarried) Income includes: Adjusted gross income					

It should be noted that 12-62g allows the amount of veterans exemption to be increased by the amount of change in the grand list in the year of a general revaluation.

[1] Real property exemption to be applied on domicile.

Source: State Office of Policy and Management, Intergovernmental Relations Division.

## PROPERTY TAXATION OF FARM, FOREST AND OPEN SPACE LAND

Enacted in 1963, PA 490 (C.G.S. 12-107a-107c) represents the state's policy of preserving farm, forest, and open space land by preferential taxation by allowing such land to be assessed for tax purposes according to its current use as opposed to its market value. In an attempt to prevent abuse and to help recover abated taxes, a declining conveyance tax was placed on sales occurring during the first ten years.

The classification of land as farm land and forest land is made by the town assessor and the state forester respectively following the submission of a written request from the property owners. The municipal planning commission, in preparing a development plan, may designate areas as open space. The legislative body of the municipality must approve the designation by a majority vote.

For purposes of classification farm land means any tract of land, including woodland and wasteland, constituting a farm unit. Forest land is any tract of land of at least 25 acres or more in an area bearing tree growth. Open Space land means any area of land including forest lands and designated wetlands, the preservation of which would:

1. Maintain and enhance the conservation of natural or scenic resources
2. Protect natural streams or water supply
3. Promote conservation of soils, wetlands, beaches or tidal marshes
4. Enhance the value to the public of abutting or neighboring parks, forests, etc.
5. Enhance public recreation opportunities
6. Preserve historic sites or
7. Promote orderly urban or suburban development

Conveyance taxes are levied on the sale of land which has been classified by the owner as farm, forest or open space as follows:

Land classified as Open Space:

Number of years following classification:										
1	2	3	4	5	6	7	8	9	10	than 10
% Total Sales Price:										
10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

Land classified as Farm or Forest:

Number of years following classification:										
1	2	3	4	5	6	7	8	9	10	than 10
% Total Sales Price:										
10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

## MUNICIPAL PROPERTY TAX EXEMPTIONS

The following property is exempt from taxation: (C.G.S. Section 12-81)

- 1) Property of the United States.
- 2) State property, reservation land held in trust by the state for an Indian tribe.
- 3) County property.
- 4) Municipal property.
- 5) Property held by trustees for public purposes.
- 6) Property of volunteer fire companies and property for public use.
- 7) Property used for scientific, educational, literary, historical or charitable purposes.
- 8) College property.
- 9) Personal property loaned to tax-exempt educational institutions.
- 10) Property belonging to agricultural or horticultural societies.
- 11) Property held for cemetery use.
- 12) Personal property of religious organizations devoted to religious or charitable use.
- 13) Houses of religious worship.
- 14) Property of religious organizations used for certain purposes.
- 15) Houses used by officiating clergymen as dwellings.
- 16) Hospitals and sanitariums.
- 17) Blind persons.
- 18) Property of veterans' organizations.
  - (a) Property of bona fide war veterans' organization.
  - (b) Property of the Grand Army of the Republic.
- 19) Veteran's exemptions.
- 20) Servicemen and veterans having disability ratings.
- 21) Disabled veterans with severe disability.
  - (a) Disabilities.
  - (b) Exemptions hereunder additional to others. Surviving spouse's rights.
  - (c) Municipal option to allow total exemption for residence with respect to which veteran has received assistance for special housing under Title 38 of the United States Code.
- 22) Surviving spouse or minor child of servicemen and veterans.
- 23) Serviceman's surviving spouse receiving federal benefits.
- 24) Surviving spouse and minor child of veteran receiving compensation from Veteran's Administration.
- 25) Surviving parent of deceased serviceman or veteran.
- 26) Parents of veterans.
- 27) Property of grand army posts.
- 28) Property of United States army instructors.
- 29) Property of American National Red Cross.
- 30) Fuel and provisions.
- 31) Household furniture.
- 32) Private libraries.
- 33) Musical instruments.
- 34) Watches and jewelry.
- 35) Wearing apparel.
- 36) Commercial fishing apparatus.
- 37) Mechanic's tools.
- 38) Farming tools.
- 39) Farm produce.
- 40) Sheep, goats and swine.
- 41) Dairy and beef cattle and oxen.
- 42) Poultry.

## MUNICIPAL PROPERTY TAX EXEMPTIONS

The following property is exempt from taxation: (C.G.S. Section 12-81)

- 43) Cash.
- 44) Nursery products.
- 45) Property of units of Connecticut National Guard.
- 46) Watercraft owned by nonresident.
- 47) Carriages, wagons and bicycles.
- 48) Airport improvements.
- 49) Nonprofit camps or recreational facilities for charitable purposes.
- 50) Exemption of manufacturers' inventories.
- 51) Water pollution control structures and equipment exempt.
- 52) Structures and equipment for air pollution control.
- 53) Motor vehicle of serviceman.
- 54) Wholesale and retail business inventory.
- 55) Property of totally disabled persons.
- 56) Active solar energy systems.
- 57) Solar energy electricity generating systems.
- 58) Property leased to a charitable, religious or nonprofit organization.
- 59) Manufacturing facility in a distressed municipality or a targeted investment community.
- 60) Machinery and equipment in a manufacturing facility in a distressed municipality or a targeted investment community.
- 61) Vessels used primarily for commercial fishing.
- 62) Passive solar energy systems.
- 63) Solar energy electricity generating and cogeneration systems.
- 64) Vessels.
- 65) Vanpool vehicles.
- 66) Motor vehicles leased to state agencies.
- 67) Beach property belonging to or held in trust for cities.
- 68) Any livestock used in farming or any horse or pony assessed at less than \$1,000.
- 69) Property of the Metropolitan Transportation Authority.
- 70) Manufacturing and equipment acquired as part of the technological upgrading of a manufacturing process in a distressed municipality or a targeted investment community.
- 71) Any motor vehicle owned by a member of an indigenous Indian tribe or their spouse, and garaged on the reservation of the tribe (PA 89-368).
- 72) New machinery and equipment (acquired after 10/1/91) and newly-acquired machinery and equipment (acquired after 7/1/92) applicable only if the four full assessment years following acquisition (PA 90-270 and PA 92-193). PA 95-283 extends the exemption from four to five years and makes equipment used in producing motion pictures and video and sound recordings eligible for the exemption effective on and after the 10/1/96 assessment year. These exemptions are not to utility companies (PA 94-6 MSS). Property tax exemption claims may be denied if the taxpayer has not paid taxes on his other nonexempt properties (PA 96-208).
- 73) Temporary structures used in seasonal agricultural production, including hoop houses, poly houses, high tunnels, overwintering structures and shade houses (PA 91-257).
- 74) Certain newly purchased and registered large commercial vehicles (GRW in excess of 26,000) and trailer for up to five years (PA 96-265).

Section 12-91 exempts farm machinery valued at less than \$100,000 and houses or ponies used exclusively in farming. To qualify for this exemption, PA 92-64 requires that a person have at least \$15,000 in gross sales or incur at least \$15,000 in expenses from farming during the most recently completed tax year.

PA 89-251 amended C.G.S. Section 12-71 (which describes personal property subject to taxation) by excluding computer software except when included in the purchase price of computer hardware.

**MOBILE MANUFACTURED HOMES  
RECENT LEGISLATION AFFECTING TAXATION**

**PA 85-512**

From October 1, 1985 to June 30, 1986:

1. The sale of 'New' mobile manufactured homes (MMH) 12 feet wide or wider is subject to the sales tax. For purposes of the sales tax, a mobile manufactured home means a home at least twelve feet wide, which cannot proceed under its own power, which is towed or placed on flatbed trucks to be taken to its destination and which requires a limited duration over-size load permit in order to be transported on the highways.
2. The "Resale" of MMH located in licensed mobile home parks or on a single family lot is subject to the real estate conveyance tax.

**PA 86-310**

The provisions of PA 85-512 regarding the imposition of sales tax on new MMH and the imposition of the real estate conveyance tax on the sale of used MMH is made permanent with the following modification: The sales tax on a new MMH applies to 70% of the selling price of a new MMH sold by the manufacturer.

PA 310 also made a number of other tax related changes as follows:

1. A uniform procedure for towns to assess and tax mobile homes is established. 'Beginning with the 10/1/86 grand list MMH occupied as residences and connected to utilities must be assessed as residential real property (i.e., assessed at 70% of true market value). Under certain conditions (see phase-in below) the assessed value may be phased-in over a 5 year period. Prior to this act, there was no uniform statewide procedure for assessing mobile homes and assessors could tax mobile homes as either real or personal property.

Phase-in: The act phases in any increase in the assessed value of mobile homes when, (1) mobile homes are assessed as real property for the first time on or after 10/1/86 and (2) where the assessment results in a tax increase of over 25%. The phase-in occurs over a 5 year period, with 20% of the increased assessment being phased-in on the 10/1/86 grand list and 20% in each of the next four assessment years.

2. The act eliminated the authority of a town to charge a mobile home owner a monthly fee in lieu of property tax.
3. The act renames a 'Mobile Home' a 'Mobile Manufactured Home' and changes the definition with regard to property taxation. A Mobile Manufactured Home is defined as: (1) a detached residential unit having three-dimensional components which are intrinsically mobile, with or without a wheel chassis, or (2) a detached unit built after 6/15/76 in accordance with federal standards. In either case, the home must have sleeping accommodations, electrical connections and be designed for long-term occupancy. As under existing law, a home must have running water, bathing facilities, and a flush toilet.

**PA 87-447 (as amended by PA 87-589)**

PA 87-447 was amended to allow towns, by ordinance, to tax mobile manufactured homes as personal property instead of real property, from 10/1/86 until the first sale of the home. Mobile homes must be taxed as real property on the first assessment date following the first sale. First sale does not include conveyance to an owner's spouse, his sibling who resides in the unit being sold, or an owner who uses the sale proceeds to purchase a mobile home and place it on the same leasehold site as the existing home.

**PA 92-174**

PA 92-174 creates a separate standard for valuing mobile manufactured homes located on leased land, such as those in mobile home parks. It limits the valuation of the home and the leased land on which the home is located, taken together, to no more than what their value would be if the lessee actually owned the land in determining assessment values as residential real property for tax purposes.