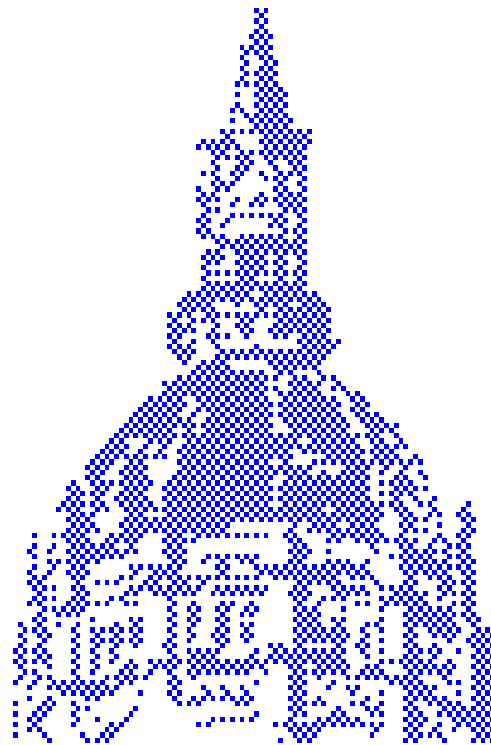


Office of Legislative Research  
Connecticut General Assembly



**OLR ACTS AFFECTING**

**BUSINESS AND JOBS**



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2013-R-0249

August 6, 2013

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## **NOTICE TO READERS**

This report summarizes the laws enacted during the 2013 regular session (i.e., public acts (PAs)) that affect the ability of many different kinds of businesses to expand and create jobs. It does not summarize acts that affect only specific types of businesses.

In summarizing acts affecting business and jobs, the report provides enough information to help readers decide whether to obtain the more detailed OLR analysis of an act or its full text. Readers can obtain the former at [www.cga.ct.gov/olr](http://www.cga.ct.gov/olr); they can obtain the act's full text at [www.cga.ct.gov](http://www.cga.ct.gov) or from the Connecticut State Library or the House Clerk's Office.

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## **ARMED FORCES SERVICE MEMBERS AND VETERANS**

### ***Military Leave***

Employees serving in the state armed forces taking time from their jobs to perform ordered military duty now enjoy the same protections as those serving in the U.S. armed forces reserves or the National Guard. Ordered military duty now includes any such duty, not just meetings and drills.

([PA 13-49](#), effective October 1, 2013)

### ***Veterans STEP Expanded***

Employers hiring any honorably discharged U.S. armed forces members who served for at least 90 days, regardless of whether that time was spent in combat, now qualify for wage subsidies and training grants under the Labor Department's Unemployed Armed Forces Subsidized Training and Employment Program.

([PA 13-63](#), effective upon passage)

### ***Veteran-Owned Small Business Registry***

DECD must establish and maintain a registry of small businesses owned and controlled by veterans, including those with service-related disabilities.

([PA 13-247, § 134](#), effective upon passage)

## **BUSINESS LAW AND PRACTICE**

### ***Professional Engineer Licenses***

Consumer Protection Department regulations must now allow licensed professional engineers to (1) surrender their licenses to the State Board of Examiners for Professional Engineers and Land Surveyors while living and working outside Connecticut and (2) get a new license without having to pay the annual \$225 renewal fee for the hiatus period if they return and want to resume working here.

([PA 13-216](#), effective upon passage)

### ***Diesel Sales***

Under a new law, anyone selling diesel must publicly display and maintain the minimum cetane number on each diesel pump or other dispensing device intended as fuel for motor boats or vehicles or risk paying a fine that can range from \$50 to \$250.

([PA 13-270](#), effective January 1, 2014)

## ***Citing Statutory Authority for Regulatory Actions***

All state agencies taking certain regulatory actions under the Uniform Administrative Procedure Act must cite the legal authority for their actions.

([PA 13-279](#), effective October 1, 2013)

## **CAMPAIGN FINANCING**

The changes made to the campaign finance laws include:

1. authorizing persons, not only individuals, entities, and committees, to make unlimited independent expenditures (IEs);
2. authorizing persons to accept unlimited covered transfers;
3. changing reporting and disclaimer requirements for IEs and establishing them for covered transfers;
4. specifying that political committees do not have to register with State Elections Enforcement Commission (SEEC) if they will make only IEs;
5. expanding contribution and expenditure exemptions;
6. raising various contribution limits;
7. increasing maximum penalties for failure to file IE reports and knowing and willful campaign finance violations; and

8. authorizing SEEC to waive penalties associated with certain reports that were due in January 2012 and modifying what constitutes a timely filing.

([PA 13-180](#), effective upon passage)

## **CONSUMER PROTECTION**

### ***Price Gouging***

The legislature extended the ban on excessive price increases to goods and services sold during any state-proclaimed weather emergency. The ban applies to goods and services necessary for consumer health, safety, or welfare and used primarily for personal, family, or household purposes. The ban does not apply to gasoline stations and other energy resource sellers already covered under a different price gouging law.

([PA 13-175](#), effective upon passage)

### ***Consumer Protection***

The legislature made many unrelated changes to the consumer protection laws, including:

1. allowing online posting of regulations and rosters of certain registered or licensed professionals to fulfill certain publishing and distribution requirements,

2. allowing permit and license applicants with lapsed licenses to apply for reinstatement to the appropriate Department of Consumer Protection board,
3. extending certain consumer protections to buying clubs that offer services, and
4. imposing home improvement contractor penalties on people who propose or offer to do work without a certificate.

([PA 13-196](#), effective upon passage)

## **ECONOMIC DEVELOPMENT**

### ***Collateral Requirement***

Under a new law, businesses awarded grants under the Small Business Express and other economic development programs no longer have to provide collateral.

([PA 13-45](#), effective upon passage)

### ***Electronic Business Portal***

Under a new law, any electronic business portal the Department of Economic and Community Development (DECD) creates must, among other things, complement the online business assistance information the Connecticut Economic Resource Center provides and allow municipalities to promote

their economic development resources.

([PA 13-46](#), effective October 1, 2013)

### ***Encouraging Exports***

DECD can give priority for economic development assistance to businesses seeking to export their products or services to foreign markets.

([PA 13-56](#), effective October 1, 2013)

### ***Bonds for Economic Development***

The legislature authorized up to (1) \$100 million in bonds for the Small Business Express (Loan) Program (\$50 million effective July 1, 2013 and \$50 million effective July 1, 2014) and (2) \$30 million in bonds for brownfield remediation (\$20 million effective July 1, 2013 and \$10 million effective July 1, 2014).

([PA 13-239](#))

### ***Bioscience Innovation***

The legislature established the Connecticut Bioscience Innovation Fund to finance a wide range of commercially viable bioscience projects and authorized up to \$200 million in bonds over 10 years to fund them.

([PA 13-239, §§ 70-73](#), effective upon passage)



### ***Property Tax Incentives for New Development***

The legislature reduced, from \$25,000 to \$10,000, the minimum investment a developer must make to qualify for a property tax exemption municipalities may offer, and made it easier for them to designate areas where they can defer increases in property values attributable to new construction.

([PA 13-246](#), effective October 1, 2013)

### ***“First Five” Program Extension***

The legislature extended the First Five Program by two years, from June 30, 2013 to June 30, 2015. Under the program DECD can provide substantial financial assistance for business development projects that can create jobs and invest funds within specified timeframes.

([PA 13-247, § 132](#), effective July 1, 2013)

### ***Filming Permit***

A new law allows the transportation commissioner to issue permits for filming movies on state highway right-of-way or property in Transportation Department custody or control. The state is not liable for injuries or damages to any person or property resulting from these activities.

([PA 13-277, § 4](#), effective October 1, 2013)

### ***Brownfield Remediation***

A new law consolidating and reorganizing the state’s brownfield cleanup programs allows developers to use funds to reduce blight and relieves them of the statutory penalties for (1) relocating out of Connecticut within 10 years after receiving economic development assistance and (2) failing to create or retain the number of jobs stipulated in the assistance agreements.

([PA 13-308](#), most provisions effective July 1, 2013; see Land Use and Environment for other brownfield related laws)

## **ENERGY**

### ***Commercial Property Assessed Clean Energy Program Expansion***

District heating and cooling and solar thermal or geothermal system projects now qualify for financing under the Commercial Property Assessed Clean Energy (C-PACE) program.

([PA 13-116](#), effective upon passage)

### ***Utility Law Changes***

The legislature made several unrelated energy law changes, including:

1. requiring electric suppliers to notify residential customers about rate changes 30 to 60 days before their fixed term expires,

2. imposing disclosure requirements on suppliers offering power generated from renewable energy sources,
3. transferring several regulatory powers from the Department of Energy and Environmental Protection (DEEP) to the Public Utilities Regulatory Authority (PURA),
4. extending PURA's deadline for issuing preliminary findings on utility company employees alleging whistleblower retaliation, and
5. allowing it to hold multiple hearings on proposed rate amendments.

([PA 13-119](#), effective October 1, 2013, except for whistleblower protections and other specified provisions, which take effect upon passage)

### ***Electric Generation Tax***

The legislature extended the temporary tax on electric generation facilities for an additional three months, from July 1, 2013 to October 1, 2013.

([PA 13-184, § 76](#), effective upon passage)

## **FINANCE, INSURANCE, AND REAL ESTATE**

### ***Insurance Coverage for Autism Spectrum Disorders***

A new law requires certain health insurance policies to at least maintain current benefit levels for insureds diagnosed with autism spectrum disorder before the (fifth) edition of the Diagnostic and Statistical Manual of Mental Disorders was released (i.e., May 2013). This requirement applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; and (4) hospital or medical services, including coverage under an HMO plan.

([PA 13-84](#), effective upon passage)

### ***Connecticut Uniform Securities Act Changes***

Among other things, a new law alters which securities are exempt from registering and filing certain sales materials for prospective investors with the banking commissioner and specifies the notice and fee closed-end companies must provide to him when offering securities here.

([PA 13-106](#), effective October 1, 2013)

### ***Property and Casualty Insurance Policies and Public Adjuster Contracts***

A new law (1) bans insurers from declining, cancelling, or failing to renew a homeowner policy or increasing its cost in several circumstances and (2) requires policies covering real property ensure that the replaced surroundings of a damaged item match the item's quality and kind. It also increases the time for insureds to rescind contracts with public adjusters and requires cancellation provisions to appear on a contract's first page.

([PA 13-138](#), effective October 1, 2013)

### ***Deadline for Filing Enterprise Risk Reports***

Insurers have until June 1, 2014 to file their first enterprise risk reports, which, by law, must identify any circumstance involving one or more of their affiliates that could harm an insurer's financial condition or liquidity or that of its holding company system.

([PA 13-147](#), effective upon passage)

### ***Mediation Program for Insurance Claim Disputes***

A new Insurance Department program allows insureds and insurance companies to settle claim disputes involving losses

from catastrophic events occurring during a gubernatorially declared state of emergency.

([PA 13-148](#), effective October 1, 2013)

(See also Taxes and Fees for more laws affecting insurance)

## **GOVERNMENT CONTRACTING**

### ***Municipal Contracting***

A new law gives municipalities more flexibility when procuring goods and services by increasing, from \$7,500 to \$25,000, the maximum value of contracts or purchases they can exempt, by ordinance, from sealed bidding procedures.

([PA 13-71](#), effective October 1, 2013)

### ***Metropolitan District Commission (MDC) Set-aside Contracts***

The Hartford region MDC must now participate in the state's small and minority business set-aside program, and MDC contracts must include the same nondiscrimination provisions used in state contracts.

([PA 13-247, § 24](#), effective July 1, 2013)

## **HOUSING**

### ***Paying Rent by Electronic Transfer***

For residential leases or rental agreements executed on or after October 1, 2013, landlords cannot require tenants to pay rent or security deposits by electronic funds transfer.

([PA 13-35](#), effective October 1, 2013)

## **LABOR**

### ***Income Tax Withholding***

A Connecticut employer can now withhold a portion of an employee's wages as required by another state's income tax laws if the employee (1) works for the employer in the other state or (2) resides in the other state, regardless of whether the other state has a reciprocal agreement with Connecticut.

([PA 13-8](#), effective October 1, 2013)

### ***Expanded Mandated Reporter Protections***

The legislature extended mandated reporter protections by prohibiting employers from hindering or preventing, or attempting to hinder or prevent, covered employees from making good faith efforts to report child abuse or neglect or testify in a proceeding regarding such allegations. It also prohibits employers from discharging,

disciplining, or otherwise penalizing such employees for reporting suspected child abuse or neglect.

([PA 13-53](#), effective October 1, 2013)

### ***Minimum Wage Increase***

The legislature increased the hourly minimum wage from \$8.25 to \$8.70 on January 1, 2014 and from \$8.70 to \$9.00 on January 1, 2015. It also increased the "tip credit" in each of those years to keep the employer's share of (1) hotel and wait staff's wages at its current \$5.69 and (2) bartenders' wages at its current \$7.34.

([PA 13-117](#), effective July 1, 2013)

### ***Miscellaneous Labor Law Changes***

Changes to the labor laws include:

1. requiring the Labor Department to share unemployment information with nonpublic entities hired to administer the unemployment system and third parties with the written consent of the individual or employer to whom the information pertains;
2. eliminating the ban on awarding state contracts to people or businesses the Labor Department listed as violating the National Labor Relations Act or being in

- contempt of court for failing to remedy violations at least three times over five years; and
3. eliminating several reporting requirements, including employer reports on the Family Medical Leave Act's effects.

([PA 13-140](#), effective upon passage)

### ***Electronically Filing Quarterly Unemployment Tax Returns***

Beginning with 2014's first calendar quarter, all employers subject to the state's unemployment law, or their reporting agents, must submit their quarterly wage reports to the Labor Department on magnetic tape, diskette, or other electronic means the department prescribes. Employers or agents that directly reimburse the unemployment system for benefits paid to former employees (e.g., state and local governments) must pay electronically.

([PA 13-141](#), effective January 1, 2014)

### ***Employee Access to Personnel Files***

The legislature set some new ground rules regarding employee files and records. It specified how quickly employers must provide access to personnel files and required them to give employees copies of documents pertaining to any disciplinary action or

termination. It also required employers to notify employees that they can place in their files statements disagreeing with any information in a disciplinary, termination, or evaluation document. Businesses violating these ground rules face penalties of up to \$500 for first violations and up to \$1,000 for subsequent ones.

([PA 13-176](#), effective October 1, 2013)

### ***Employer Electronic Notification***

Employers must electronically notify the labor commissioner within 30 days (1) after becoming subject to the state's unemployment law and (2) acquiring substantially all of the assets of another employer subject to that law. Employers failing to comply with these notice requirements face a \$50 per violation civil penalty.

([PA 13-288](#), effective October 1, 2013)

### ***Quarterly Wage Reports***

Employers must pay a \$25 fee if they fail to submit their required quarterly wage reports under a proper state unemployment compensation registration number. They must already pay a \$25 fee if they fail to submit these reports in a timely manner.

([PA 13-288](#), effective October 1, 2013)

(See Workforce Development for more labor related laws)

## **LAND USE AND ENVIRONMENT**

### ***Selling Locally Grown Poultry in Connecticut Food Markets***

A new law allows certain poultry facilities to sell poultry to grocery stores and other retail food establishments.

([PA 13-38](#), effective upon passage)

### ***Mattress Stewardship Program***

A new law requires mattress producers to take the lead in managing discarded mattresses. Producers must form a nonprofit recycling council for this purpose and cover its costs with the proceeds of a new fee the state imposes on mattresses sold in Connecticut. Producers that do not participate in this program cannot sell mattresses here.

([PA 13-42](#), effective October 1, 2014, except for the fee requirement, which takes effect July 1, 2014)

### ***Promoting Connecticut Food Products***

When purchasing or contracting for beef, pork, lamb, or farm-raised fish, the administrative services commissioner can now give preferences to such products produced or grown in

Connecticut that cost about the same as those produced or grown out of state. Also, the agriculture commissioner can promote, upon request, individual farmers' markets.

([PA 13-72](#), effective upon passage)

### ***Gasoline Vapor Recovery Systems***

In line with new technologies and federal regulatory changes, gas stations and other gasoline dispensing facilities no longer have to install stage II vapor recovery systems and must decommission the ones they have installed. Facilities with vapor I recovery systems must annually test them for pressure decay and comply with DEEP notice requirements.

([PA 13-120](#), effective upon passage)

### ***Genetically Engineered Food***

Genetically engineered foods intended for human consumption and the seed or seed stock used to produce them must now be labeled as such under a new law, which goes into effect the October following the enactment of similar laws in four other states meeting specified criteria. After the law takes effect, violators face a daily fine of up to \$1,000 per product, but retailers are liable only under certain conditions.

([PA 13-183](#), effective October 1, 2013)

### ***Aquaculture and Seaweed Cultivation***

Aquaculture producers can now cultivate seaweed and other aquatic plants in Connecticut's coastal waters, subject to Department of Agriculture licensing and inspection requirements.

([PA 13-238](#), effective upon passage)

### ***On-site Sewage Disposal Systems***

A new law extends the permit and approval validity period to nine years for certain septic systems with a daily capacity of less than 5,000 gallons issued before July 1, 2011 and that have not expired by July 1, 2013.

([PA 13-257](#), effective upon passage)

### ***Recycling***

Changes to the state's solid waste management laws include:

1. exempting certain solid waste and used material transporters from registration and reporting requirements applicable to solid waste collectors,
2. increasing the information scrap metal processors must provide to the DEEP commissioner to be exempt from needing a solid waste facility permit, and

3. broadening the scope of the law requiring certain organic materials generators to separate the materials from other solid waste and recycle them at composting facilities.

([PA 13-285](#), most provisions effective October 1, 2013)

### ***Mitigating Environmental Hazards***

Among other things, a new law:

1. expands the requirements for notifying DEEP and other parties about different types of environmental hazards,
2. allows property owners to execute and record in local land records a notice of activity and use restrictions,
3. establishes a new program protecting brownfield developers from liability under specified conditions,
4. sets conditions under which the DEEP commissioner must shorten his deadline for deciding whether he will audit a remediated site, and
5. requires him to evaluate DEEP's methods for assessing the risks environmental hazards pose.

([PA 13-308](#), various effective dates)

## TAXES AND FEES

### ***Business Tax Credits and Exemptions***

New laws made many changes to the state's business tax credit programs. They:

1. eliminate the credit for hiring temporary family assistance program recipients ([PA 13-140](#), effective upon passage);
2. extend to 2013 and 2014 the temporary cap on the maximum insurance premium tax liability that an insurer may offset through tax credits, thus reimposing the lower cap on the film production and entertainment infrastructure credits that applied under existing law in 2011 ([PA 13-184, § 70](#), effective July 1, 2013);
3. with one exception, establish a two-year moratorium on film production tax credits for motion pictures for FYs 14 and 15 ([PA 13-247, § 129](#), effective July 1, 2013 and applicable to credits issued on or after that date);
4. allows the DECD commissioner to pay taxpayers holding urban and industrial sites reinvestment tax credits for their credit eligibility certificates and authorizes up to \$40 million in bonds for this purpose, \$20 million of which is available on July 1, 2014. ([PA 13-184 § 95](#), effective July 1, 2013);
5. exempts from the petroleum products gross earnings tax the (a) first sale of cosmetic grade mineral oil sold on or after July 1, 2013 ([PA 232, §§ 3&4](#), effective July 1, 2013) and (b) propane gas used for school bus fuel ([PA 13-247, § 66](#), effective July 1, 2013);
6. extends a credit against the petroleum products gross earnings tax to the first sale of petroleum products to a purchaser who then incorporates them into paint, coating, or adhesive material for use or sale outside Connecticut ([PA 13-232, §§ 3&4](#), effective July 1, 2015 and applicable to quarterly periods beginning on or after that date);
7. establishes the order in which insurers must claim multiple credits in a calendar year ([PA 13-232, § 7](#), effective upon passage and applicable to calendar years beginning on and after January 1, 2013);
8. extend, from 15 years to 25 years, the maximum period for carrying forward the credit for donating land for educational purposes ([PA 13-232, §§ 8&9](#), effective



- July 1, 2013 and applicable to income years beginning on or after January 1, 2013);
9. allows taxpayers to whom film infrastructure tax credits were assigned to carry them forward for up to three years ([PA 13-232, § 10](#), effective upon passage);
  10. allows the DECD commissioner to limit the period for claiming the three-year job expansion tax credits and imposes an aggregate credit cap for the years they may be claimed ([PA 232, § 11](#), effective July 1, 2013);
  11. increases the credit for hiring manufacturing trades apprentices, from \$4 to \$6 per hour and raises the annual cap on the amount of credits businesses can claim per apprentice, from \$4,800 or 50% of the actual apprentice wages, whichever is less, to \$7,500 or 50% of such wages, whichever is less ([PA 13-265](#), effective July 1, 2015 and applicable to income years beginning on or after January 1, 2015); and
  12. makes it easier for individuals and nonprofit organizations to access the historic home rehabilitation tax credit, which they assign to businesses in exchange for

contributions ([PA 13-266](#), effective July 1, 2015, and applicable to income years beginning on or after January 1, 2015).

### ***Tax Administration***

The legislature enacted several laws changing how the state administers various tax laws. [PA 13-150](#):

1. increases, from \$500 to \$1,000, the threshold for penalty waivers requiring Penalty Review Committee review and approval;
2. imposes, on anyone conducting business without a sales tax permit, a civil penalty of \$250 for the first day, and \$100 for each subsequent day; and
3. bars the commissioner from issuing or renewing certain permits and licenses for anyone he determines owes state taxes for which all administrative or judicial remedies have expired or been exhausted.

(Effective July 1, 2013)

[PA 13-184, § 70](#), authorizes tax amnesty for individuals, business, and other types of taxpayers that owe Connecticut taxes (other than motor carrier road taxes) from September 16, 2013 to November 15, 2013, applicable to any taxable period ending on or before November 30, 2012.

(Effective July 1, 2013)

Among other things, [PA 13-232](#):

1. reduces the period during which the state must pay interest on overpayments of gift, estate, and gross earnings taxes (§§ 1&2 and 5&6, effective July 1, 2013 and applicable to refunds issued on or after that date);
2. requires captive insurance companies to pay premium taxes on assumed reinsurance premiums by March 1 annually, rather than in March (§ 15, effective July 1, 2013); and
3. permits insurance companies and HMOs to transfer to their affiliates an insurance premium tax credit that, under prior law, could not be transferred or assigned (§ 17, effective July 1, 2015 and applicable to calendar years beginning on or after January 1, 2015).

(See Finance, Insurance, and Real Estate section for other laws affecting insurance.)

### **Corporation Income Tax Surcharge**

The legislature extended the temporary 20% corporation income tax surcharge for two additional years, to the 2014 and 2015 income years.

([PA 13-184, §§ 73-74](#), effective upon passage)

### **Sales and Use Tax on Boats**

The legislature (1) exempted from the sales and use tax boats docked in Connecticut for 60 days or less and (2) reduced, from 7% to 6.35%, the sales and use tax rate on boats costing more than \$100,000.

([PA 13-184, §§ 77-78](#), effective July 1, 2013)

### **Sales and Use Tax Exemption for Clothing and Footwear**

Starting June 1, 2015, the legislature exempted from the 6.35% sales and use tax most clothing and footwear costing less than \$50.

([PA 13-184, § 79](#), effective July 1, 2013)

### **Sales Tax Remittance Program**

For the taxable periods from October 1, 2013, to April 1, 2014, the revenue services commissioner can require retailers and other taxpayers who fall behind in paying sales taxes to electronically remit the tax due on sales transacted with credit or debit cards or electronic transfer.

([PA 13-184, §§ 80-81](#), effective July 1, 2013)

### **Recording Fees**

A new law increases the fees a “nominee of a mortgage” must pay town clerks when recording warranty deeds, quitclaim deeds, mortgage deeds, and other mortgage documents.

[\(PA 13-184, §§ 97-98,](#)  
effective July 1, 2013)

## **TRANSPORTATION**

### ***Vehicles Hauling Agricultural Commodities***

A new law potentially increases the maximum allowable weight of certain commercial vehicles traveling in Connecticut if Congress also allows this. It specifically allows both (1) bulk milk tankers and (2) trucks hauling feed, seed, and other agricultural commodities, to have a gross vehicle weight of up to 100,000 pounds.

[\(PA 13-277,](#) effective October 1, 2013)

## **WORKFORCE DEVELOPMENT**

### ***Individual Development Account (IDA) Program Changes***

People participating in the IDA program can use their accounts for more purposes, including education or job training and starting or joining a business. The program helps low-income people build assets by matching the amounts they save up to \$3,000 per participant.

[\(PA 13-140,](#) effective upon passage)

### ***Incumbent Worker Training Program***

The legislature renamed the former Twenty-First Century Skill Training Program the Incumbent

Worker Training Program and required half the program's funds go to businesses that did not receiving funding during the three previous years.

[\(PA 13-140,](#) effective upon passage)

### ***Janitorial Work Pilot Program***

The legislature made permanent the 2006 janitorial work pilot program for people with a disability or a disadvantage, extending with some modifications, the pilot program's existing requirements and establishing new ones and opening the program to the Board of Regents for Higher Education and the Judicial Branch.

[\(PA 13-227,](#) effective October 1, 2013)

### ***Next Generation Connecticut***

A new law authorizing \$1.551 billion in bonds for capital improvements at UConn requires the university to consult with science, technology, engineering, and math-based industry leaders on where and how to spend these funds.

[\(PA 13-233,](#) effective July 1, 2013)

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