OFA BILL ANALYSIS

HB 5913

AN ACT MAKING CERTAIN AMENDMENTS AND CORRECTIONS TO THE PERSONAL INCOME, GIFT, SALES AND USE AND MOTOR VEHICLE FUELS TAXES AND THE ECONOMIC RECOVERY FUND ENACTED OR AMENDED IN THE 1991 JUNE SPECIAL SESSION

SUMMARY: Section 1 deletes obsolete language and clarifies the definition of nonresident and part-year resident income subject to the Personal Income Tax.

Section 2 clarifies the definitions of Connecticut adjusted gross income for individuals and Connecticut fiduciary adjustment for trusts and estates with respect to capital gains, interest and dividend income. It also requires the add-back of any Connecticut income tax deductible in computing federal AGI.

Section 5 (1) does not allow taxpayers to claim a credit for income taxes paid to other states in excess of their Connecticut income tax liability, (2) requires a Connecticut taxpayer who files an amended income tax return with another state to also file it with this state, (3) does not allow taxpayers to claim a federal income tax credit for Canadian provincial income tax and a Connecticut Income Tax credit for the same tax and (4) does not allow a taxpayer to claim a credit for taxes paid in another state on their Connectiuct tax return if they are claiming a credit for Connecticut income tax payments in the other state.

Section 6 authorizes the Commissioner to adopt regulations with regard to withholding. Section 19 specifies that interest at the rate of 1.25% is applied to tax liability underpayments.

In addition, sections 3,4, 7 to 18, 20 to 22 and 33 make technical changes, correct errors and omissions, and conform the statutory language to current practice for the Personal Income Tax.

Sections 23 to 25 make technical corrections to the Sales Tax.

Sections 26 & 27 make technical corrections to the Motor Fuel Tax.

Section 28 makes technical corrections to the Capital Gains, Interest and Dividends Tax.

Sections 29 & 30 make technical corrections to language pertaining to the Economic Recovery Fund and Notes.

Sections 31 & 32 make technical corrections to the Gift Tax.

EFFECTIVE DATE: Upon Passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Report
Yea 26 Nay 11

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