



House of Representatives

General Assembly

File No. 711

February Session, 2016

Substitute House Bill No. 5046

House of Representatives, April 25, 2016

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REVENUE.

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

1 Section 1. Section 31-97 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2016*):

3 (a) Whenever a grievance or dispute arises between an employer
4 and his employees, the parties may submit the [same] grievance or
5 dispute directly to said board and notify said board or its clerk in
6 writing and upon payment by each party of a filing fee of [twenty-five]
7 two hundred dollars. Whenever a single public member of the board is
8 chosen to arbitrate a grievance or dispute, as provided in section 31-93,
9 the parties shall each be refunded the filing fee. Whenever such
10 notification is given, a panel of said board, as directed by its chairman,
11 shall proceed with as little delay as possible to the locality of such
12 grievance or dispute and inquire into the causes thereof. The parties
13 shall thereupon submit to said panel in writing, succinctly, clearly and
14 in detail, their grievances and complaints and the causes thereof, and

15 severally promise and agree to continue in business or at work without
16 a strike or lockout until the decision of the panel is rendered; but such
17 agreement shall not be binding unless such decision is rendered within
18 ten days after the completion of the investigation. The panel shall fully
19 investigate and inquire into the matters in controversy, take testimony
20 under oath in relation thereto and may administer oaths and issue
21 subpoenas for the attendance of witnesses and for the production of
22 books and papers.

23 (b) No panel of said board may consider any claim that one or more
24 of the issues before the panel are improper subjects for arbitration
25 unless the party making such claim has notified the opposing party
26 and the chairman of the panel of such claim, in writing, at least ten
27 days prior to the date of hearing, except that the panel may consider
28 such claim if it determines there was reasonable cause for the failure of
29 such party to comply with said notice requirement.

30 Sec. 2. Subdivision (3) of subsection (a) of section 12-217jj of the 2016
31 supplement to the general statutes is repealed and the following is
32 substituted in lieu thereof (*Effective from passage*):

33 (3) (A) "Qualified production" means entertainment content created
34 in whole or in part within the state, including motion pictures, except
35 as otherwise provided in this subparagraph; documentaries; long-
36 form, specials, mini-series, series, sound recordings, videos and music
37 videos and interstitials television programming; interactive television;
38 relocated television production; interactive games; videogames;
39 commercials; any format of digital media, including an interactive web
40 site, created for distribution or exhibition to the general public; and
41 any trailer, pilot, video teaser or demo created primarily to stimulate
42 the sale, marketing, promotion or exploitation of future investment in
43 either a product or a qualified production via any means and media in
44 any digital media format, film or videotape, provided such program
45 meets all the underlying criteria of a qualified production. For the state
46 fiscal years ending June 30, 2014, June 30, 2015, June 30, 2016, and June
47 30, 2017, "qualified production" shall not include a motion picture that

48 has not been designated as a state-certified qualified production prior
49 to July 1, 2013, and no tax credit voucher for such motion picture may
50 be issued during said years, except, for the state fiscal years ending
51 June 30, 2015, June 30, 2016, and June 30, 2017, "qualified production"
52 shall include (i) a motion picture for which twenty-five per cent or
53 more of the principal photography shooting days are in this state at a
54 facility that receives not less than twenty-five million dollars in private
55 investment and opens for business on or after July 1, 2013, and a tax
56 credit voucher may be issued for such motion picture, or (ii) a
57 production for which at least half of the entertainment content is
58 produced in this state, at least half of the personnel reside in this state
59 and the total cost of production is less than two million dollars, and a
60 tax credit voucher may be issued for such production.

61 (B) "Qualified production" shall not include any ongoing television
62 program created primarily as news, weather or financial market
63 reports; a production featuring current events, other than a relocated
64 television production, sporting events, an awards show or other gala
65 event; a production whose sole purpose is fundraising; a long-form
66 production that primarily markets a product or service; a production
67 used for corporate training or in-house corporate advertising or other
68 similar productions; or any production for which records are required
69 to be maintained under 18 USC 2257 with respect to sexually explicit
70 content.

71 Sec. 3. Section 30-53 of the general statutes is repealed and the
72 following is substituted in lieu thereof (*Effective July 1, 2016*):

73 Each permit granted or renewed by the Department of Consumer
74 Protection shall be of no effect until a duplicate thereof has been filed
75 by the permittee with the town clerk of the town within which the club
76 or place of business described in such permit is situated; provided the
77 place of filing of railroad and boat permits shall be the office of the
78 town clerk of the town of New Haven, and airline permits, the office of
79 the town clerk of the town of Hartford. The fee for such filing shall be
80 [two] twenty dollars.

81 Sec. 4. Subdivision (1) of subsection (a) of section 7-34a of the
82 general statutes is repealed and the following is substituted in lieu
83 thereof (*Effective July 1, 2016*):

84 (a) (1) Town clerks shall receive, for recording any document, ten
85 dollars for the first page and five dollars for each subsequent page or
86 fractional part thereof, a page being not more than eight and one-half
87 by fourteen inches. Town clerks shall receive, for recording the
88 information contained in a certificate of registration for the practice of
89 any of the healing arts, five dollars. Town clerks shall receive, for
90 recording documents conforming to, or substantially similar to, section
91 47-36c, which are clearly entitled "statutory form" in the heading of
92 such documents, as follows: For the first page of a warranty deed, a
93 quitclaim deed, a mortgage deed, or an assignment of mortgage, ten
94 dollars; for each additional page of such documents, five dollars; and
95 for each assignment of mortgage, subsequent to the first two
96 assignments, two dollars. Town clerks shall receive, for recording any
97 document with respect to which certain data must be submitted by
98 each town clerk to the Secretary of the Office of Policy and
99 Management in accordance with section 10-261b, two dollars in
100 addition to the regular recording fee. Any person who offers any
101 written document for recording in the office of any town clerk, which
102 document fails to have legibly typed, printed or stamped directly
103 beneath the signatures the names of the persons who executed such
104 document, the names of any witnesses thereto and the name of the
105 officer before whom the same was acknowledged, shall pay one dollar
106 in addition to the regular recording fee. Town clerks shall receive, for
107 recording any deed, except a mortgage deed, conveying title to real
108 estate, which deed does not contain the current mailing address of the
109 grantee, five dollars in addition to the regular recording fee. Town
110 clerks shall receive, for filing any document, [five] ten dollars; for
111 receiving and keeping a survey or map, legally filed in the town clerk's
112 office, [five] ten dollars; and for indexing such survey or map, in
113 accordance with section 7-32, [five] ten dollars, except with respect to
114 indexing any such survey or map pertaining to a subdivision of land as
115 defined in section 8-18, in which event town clerks shall receive

116 [fifteen] twenty dollars for each such indexing. Town clerks shall
117 receive, for a copy, in any format, of any document either recorded or
118 filed in their offices, one dollar for each page or fractional part thereof,
119 as the case may be; for certifying any copy of the same, two dollars; for
120 making a copy of any survey or map, the actual cost thereof; and for
121 certifying such copy of a survey or map, two dollars. Town clerks shall
122 receive, for recording the commission and oath of a notary public, [ten]
123 twenty dollars; and for certifying under seal to the official character of
124 a notary, [two] five dollars.

125 Sec. 5. Section 7-73 of the general statutes is repealed and the
126 following is substituted in lieu thereof (*Effective July 1, 2016*):

127 (a) To any person performing the duties required by the provisions
128 of the general statutes relating to registration of marriages, deaths and
129 fetal deaths, the following fees shall be allowed: (1) For the license to
130 marry, [ten] thirty dollars; and (2) for issuing each burial or removal,
131 transit and burial permit, [three] five dollars.

132 (b) A twenty-dollar surcharge shall be paid to the registrar for each
133 license to marry in addition to the fee for such license established
134 pursuant to subsection (a) of this section. The registrar shall retain one
135 dollar from each such surcharge for administrative costs and shall
136 forward the remainder, on or before the tenth day of the month
137 following each calendar quarter, to the Department of Public Health.
138 The receipts shall be deposited into an account of the State Treasurer
139 and credited to the General Fund for further credit to a separate
140 nonlapsing account established by the Comptroller for use by the
141 Department of Social Services for shelter services for victims of
142 household abuse in accordance with section 17b-850 and by the
143 Department of Public Health for rape crisis services funded under
144 section 19a-2a. Such funds shall be allocated for these purposes by the
145 Office of Policy and Management in consultation with the
146 Commissioners of Social Services and Public Health based on an
147 evaluation of need, service delivery costs and availability of other
148 funds. The Commissioners of Social Services and Public Health shall

149 distribute such funds to the recipient organizations in accordance with
150 such allocations not later than October fifteenth, annually. No such
151 funds shall (1) be retained by the Office of Policy and Management, the
152 Commissioner of Social Services or the Commissioner of Public Health
153 for administrative purposes; or (2) supplant any state or federal funds
154 otherwise available for such services.

155 Sec. 6. Subsection (b) of section 19a-323 of the general statutes is
156 repealed and the following is substituted in lieu thereof (*Effective July*
157 *1, 2016*):

158 (b) If death occurred in this state, the death certificate required by
159 law shall be filed with the registrar of vital statistics for the town in
160 which such person died, if known, or, if not known, for the town in
161 which the body was found. The Chief Medical Examiner, Deputy Chief
162 Medical Examiner, associate medical examiner, an authorized assistant
163 medical examiner or other authorized designee shall complete the
164 cremation certificate, stating that such medical examiner or other
165 authorized designee has made inquiry into the cause and manner of
166 death and is of the opinion that no further examination or judicial
167 inquiry is necessary. The cremation certificate shall be submitted to the
168 registrar of vital statistics of the town in which such person died, if
169 known, or, if not known, of the town in which the body was found, or
170 with the registrar of vital statistics of the town in which the funeral
171 director having charge of the body is located. Upon receipt of the
172 cremation certificate, the registrar shall authorize such certificate, keep
173 such certificate on permanent record, and issue a cremation permit,
174 except that if the cremation certificate is submitted to the registrar of
175 the town where the funeral director is located, such certificate shall be
176 forwarded to the registrar of the town where the person died to be
177 kept on permanent record. If a cremation permit must be obtained
178 during the hours that the office of the local registrar of the town where
179 death occurred is closed, a subregistrar appointed to serve such town
180 may authorize such cremation permit upon receipt and review of a
181 properly completed cremation permit and cremation certificate. A
182 subregistrar who is licensed as a funeral director or embalmer

183 pursuant to chapter 385, or the employee or agent of such funeral
184 director or embalmer shall not issue a cremation permit to himself or
185 herself. A subregistrar shall forward the cremation certificate to the
186 local registrar of the town where death occurred, not later than seven
187 days after receiving such certificate. The estate of the deceased person,
188 if any, shall pay the sum of one hundred fifty dollars for the issuance
189 of the cremation certificate, provided the Office of the Chief Medical
190 Examiner shall not assess any fees for costs that are associated with the
191 cremation of a stillborn fetus. Upon request of the Chief Medical
192 Examiner, the Secretary of the Office of Policy and Management may
193 waive payment of such cremation certificate fee. No cremation
194 certificate shall be required for a permit to cremate the remains of
195 bodies pursuant to section 19a-270a. When the cremation certificate is
196 submitted to a town other than that where the person died, the
197 registrar of vital statistics for such other town shall ascertain from the
198 original removal, transit and burial permit that the certificates required
199 by the state statutes have been received and recorded, that the body
200 has been prepared in accordance with the Public Health Code and that
201 the entry regarding the place of disposal is correct. Whenever the
202 registrar finds that the place of disposal is incorrect, the registrar shall
203 issue a corrected removal, transit and burial permit and, after
204 inscribing and recording the original permit in the manner prescribed
205 for sextons' reports under section 7-66, shall then immediately give
206 written notice to the registrar for the town where the death occurred of
207 the change in place of disposal stating the name and place of the
208 crematory and the date of cremation. Such written notice shall be
209 sufficient authorization to correct these items on the original certificate
210 of death. The fee for a cremation permit shall be [~~three~~] five dollars
211 and for the written notice one dollar. The Department of Public Health
212 shall provide forms for cremation permits, which shall not be the same
213 as for regular burial permits and shall include space to record
214 information about the intended manner of disposition of the cremated
215 remains, and such blanks and books as may be required by the
216 registrars.

217 Sec. 7. Section 45a-107 of the 2016 supplement to the general statutes

218 is repealed and the following is substituted in lieu thereof (*Effective*
219 *from passage*):

220 (a) The basic fees for all proceedings in the settlement of the estate
221 of any deceased person, including succession and estate tax
222 proceedings, shall be in accordance with the provisions of this section.

223 (b) In the case of a decedent who dies on or after July 1, 2016, fees
224 shall be computed as follows:

225 (1) The basis for fees shall be (A) the greatest of (i) the gross estate
226 for succession tax purposes, as provided in section 12-349, (ii) the
227 inventory, including all supplements thereto, (iii) the Connecticut
228 taxable estate, as defined in section 12-391, or (iv) the gross estate for
229 estate tax purposes, as provided in chapters 217 and 218, except as
230 provided in subdivisions (5) and (6) of this subsection, plus (B) all
231 damages recovered for injuries resulting in death, minus any hospital
232 and medical expenses for treatment of such injuries resulting in death,
233 minus any hospital and medical expenses for treatment of such injuries
234 that are not reimbursable by medical insurance, and minus the
235 attorney's fees and other costs and expenses of recovering such
236 damages. Any portion of the basis for fees that is determined by
237 property passing to the surviving spouse shall be reduced by fifty per
238 cent. Except as provided in subdivisions (3) and (4) of this subsection,
239 in no case shall the minimum fee be less than twenty-five dollars.

240 (2) Except as provided in subdivisions (3) and (4) of this subsection,
241 fees shall be assessed in accordance with the following table:

T1	<u>Basis for Computation</u>	
T2	<u>Of Fees</u>	<u>Total Fee</u>
T3	<u>0 to \$500</u>	<u>\$25</u>
T4	<u>\$501 to \$1,000</u>	<u>\$50</u>
T5	<u>\$1,000 to \$10,000</u>	<u>\$50, plus 1% of all</u>
T6		<u>in excess of \$1,000</u>
T7	<u>\$10,000 to \$500,000</u>	<u>\$150, plus .35% of all</u>
T8		<u>in excess of \$10,000</u>

T9	<u>\$500,000 to \$2,000,000</u>	<u>\$1,865, plus .25% of all</u>
T10		<u>in excess of \$500,000</u>
T11	<u>\$2,000,000 to \$8,877,000</u>	<u>\$5,615 plus .5% of all</u>
T12		<u>in excess of \$2,000,000</u>
T13	<u>\$8,877,000 and over</u>	<u>\$40,000</u>

242 (3) Notwithstanding the provisions of subdivision (1) of this
 243 subsection, if the basis for fees is less than ten thousand dollars and a
 244 full estate is opened, the minimum fee shall be one hundred fifty
 245 dollars.

246 (4) In any matter in which the Commissioner of Administrative
 247 Services is the legal representative of the estate pursuant to section 4a-
 248 16, the fee shall be the lesser of (A) the amount calculated under
 249 subdivisions (1) and (2) of this subsection, or (B) the amount collected
 250 by the Commissioner of Administrative Services after paying the
 251 expense of funeral and burial in accordance with section 17b-84.

252 (5) In the case of a deceased person who was domiciled in this state
 253 on the date of his or her death, the gross estate for estate tax purposes
 254 shall, for the purpose of determining the basis for fees pursuant to
 255 subdivision (1) of this subsection, be reduced by the fair market value
 256 of any real property or tangible personal property of the deceased
 257 person situated outside of this state.

258 (6) In the case of a deceased person who was not domiciled in this
 259 state on the date of his or her death but who owned real property or
 260 tangible personal property situated in this state on the date of his or
 261 her death, only the fair market value of such real property or tangible
 262 personal property situated in this state shall be included in the basis
 263 for fees pursuant to subdivision (1) of this subsection.

264 [(b)] (c) In the case of a decedent who dies on or after January 1,
 265 2015, and prior to July 1, 2016, fees shall be computed as follows:

266 (1) The basis for fees shall be (A) the greatest of (i) the gross estate
 267 for succession tax purposes, as provided in section 12-349, (ii) the

268 inventory, including all supplements thereto, (iii) the Connecticut
 269 taxable estate, as defined in section 12-391, or (iv) the gross estate for
 270 estate tax purposes, as provided in chapters 217 and 218, except as
 271 provided in subdivisions (5) and (6) of this subsection, plus (B) all
 272 damages recovered for injuries resulting in death, minus any hospital
 273 and medical expenses for treatment of such injuries resulting in death,
 274 minus any hospital and medical expenses for treatment of such injuries
 275 that are not reimbursable by medical insurance, and minus the
 276 attorney's fees and other costs and expenses of recovering such
 277 damages. Any portion of the basis for fees that is determined by
 278 property passing to the surviving spouse shall be reduced by fifty per
 279 cent. Except as provided in subdivisions (3) and (4) of this subsection,
 280 in no case shall the minimum fee be less than twenty-five dollars.

281 (2) Except as provided in subdivisions (3) and (4) of this subsection,
 282 fees shall be assessed in accordance with the following table:

T14	Basis for Computation	
T15	Of Fees	Total Fee
T16	0 to \$500	\$25
T17	\$501 to \$1,000	\$50
T18	\$1,000 to \$10,000	\$50, plus 1% of all
T19		in excess of \$1,000
T20	\$10,000 to \$500,000	\$150, plus .35% of all
T21		in excess of \$10,000
T22	\$500,000 to \$2,000,000	\$1,865, plus .25% of all
T23		in excess of \$500,000
T24	\$2,000,000 and over	\$5,615 plus .5% of all
T25		in excess of \$2,000,000

283 (3) Notwithstanding the provisions of subdivision (1) of this
 284 subsection, if the basis for fees is less than ten thousand dollars and a
 285 full estate is opened, the minimum fee shall be one hundred fifty
 286 dollars.

287 (4) In any matter in which the Commissioner of Administrative

288 Services is the legal representative of the estate pursuant to section 4a-
289 16, the fee shall be the lesser of (A) the amount calculated under
290 subdivisions (1) and (2) of this subsection, or (B) the amount collected
291 by the Commissioner of Administrative Services after paying the
292 expense of funeral and burial in accordance with section 17b-84.

293 (5) In the case of a deceased person who was domiciled in this state
294 on the date of his or her death, the gross estate for estate tax purposes
295 shall, for the purpose of determining the basis for fees pursuant to
296 subdivision (1) of this subsection, be reduced by the fair market value
297 of any real property or tangible personal property of the deceased
298 person situated outside of this state.

299 (6) In the case of a deceased person who was not domiciled in this
300 state on the date of his or her death but who owned real property or
301 tangible personal property situated in this state on the date of his or
302 her death, only the fair market value of such real property or tangible
303 personal property situated in this state shall be included in the basis
304 for fees pursuant to subdivision (1) of this subsection.

305 [(c)] (d) For estates in which proceedings were commenced on or
306 after January 1, 2011, for decedents who died before January 1, 2015,
307 fees shall be computed as follows:

308 (1) The basis for fees shall be (A) the greatest of (i) the gross estate
309 for succession tax purposes, as provided in section 12-349, (ii) the
310 inventory, including all supplements thereto, (iii) the Connecticut
311 taxable estate, as defined in section 12-391, or (iv) the gross estate for
312 estate tax purposes, as provided in chapters 217 and 218, except as
313 provided in subdivisions (5) and (6) of this subsection, plus (B) all
314 damages recovered for injuries resulting in death, minus any hospital
315 and medical expenses for treatment of such injuries resulting in death,
316 minus any hospital and medical expenses for treatment of such injuries
317 that are not reimbursable by medical insurance, and minus the
318 attorney's fees and other costs and expenses of recovering such
319 damages. Any portion of the basis for fees that is determined by
320 property passing to the surviving spouse shall be reduced by fifty per

321 cent. Except as provided in subdivisions (3) and (4) of this subsection,
322 in no case shall the minimum fee be less than twenty-five dollars.

323 (2) Except as provided in subdivisions (3) and (4) of this subsection,
324 fees shall be assessed in accordance with the following table:

T26	Basis for Computation	
T27	Of Fees	Total Fee
T28	0 to \$500	\$25
T29	\$501 to \$1,000	\$50
T30	\$1,000 to \$10,000	\$50, plus 1% of all
T31		in excess of \$1,000
T32	\$10,000 to \$500,000	\$150, plus .35% of all
T33		in excess of \$10,000
T34	\$500,000 to \$4,754,000	\$1,865, plus .25% of all
T35		in excess of \$500,000
T36	\$4,754,000 and over	\$12,500

325 (3) Notwithstanding the provisions of subdivision (1) of this
326 subsection, if the basis for fees is less than ten thousand dollars and a
327 full estate is opened, the minimum fee shall be one hundred fifty
328 dollars.

329 (4) In any matter in which the Commissioner of Administrative
330 Services is the legal representative of the estate pursuant to section 4a-
331 16, the fee shall be the lesser of (A) the amount calculated under
332 subdivisions (1) and (2) of this subsection, or (B) the amount collected
333 by the Commissioner of Administrative Services after paying the
334 expense of funeral and burial in accordance with section 17b-84.

335 (5) In the case of a deceased person who was domiciled in this state
336 on the date of his or her death, the gross estate for estate tax purposes
337 shall, for the purpose of determining the basis for fees pursuant to
338 subdivision (1) of this subsection, be reduced by the fair market value
339 of any real property or tangible personal property of the deceased
340 person situated outside of this state.

341 (6) In the case of a deceased person who was not domiciled in this
 342 state on the date of his or her death but who owned real property or
 343 tangible personal property situated in this state on the date of his or
 344 her death, only the fair market value of such real property or tangible
 345 personal property situated in this state shall be included in the basis
 346 for fees pursuant to subdivision (1) of this subsection.

347 [(d)] (e) For estates in which proceedings were commenced on or
 348 after April 1, 1998, and prior to January 1, 2011, fees shall be computed
 349 as follows:

350 (1) The basis for fees shall be (A) the gross estate for succession tax
 351 purposes, as provided in section 12-349, the inventory, including all
 352 supplements thereto, the Connecticut taxable estate, as defined in
 353 section 12-391, or the gross estate for estate tax purposes, as provided
 354 in chapters 217 and 218, whichever is greater, plus (B) all damages
 355 recovered for injuries resulting in death, minus any hospital and
 356 medical expenses for treatment of such injuries resulting in death,
 357 minus any hospital and medical expenses for treatment of such injuries
 358 that are not reimbursable by medical insurance and minus the
 359 attorney's fees and other costs and expenses of recovering such
 360 damages. Any portion of the basis for fees that is determined by
 361 property passing to the surviving spouse shall be reduced by fifty per
 362 cent. Except as provided in subdivision (3) of this subsection, in no
 363 case shall the minimum fee be less than twenty-five dollars.

364 (2) Except as provided in subdivisions (3) and (4) of this subsection,
 365 fees shall be assessed in accordance with the following table:

T37	Basis for Computation	
T38	Of Fees	Total Fee
T39	0 to \$500	\$25
T40	\$501 to \$1,000	\$50
T41	\$1,000 to \$10,000	\$50, plus 1% of all
T42		in excess of \$1,000
T43	\$10,000 to \$500,000	\$150, plus .35% of all

T44		in excess of \$10,000
T45	\$500,000 to \$4,754,000	\$1,865, plus .25% of all
T46		in excess of \$500,000
T47	\$4,754,000 and over	\$12,500

366 (3) Notwithstanding the provisions of subdivision (1) of this
 367 subsection, if the basis for fees is less than ten thousand dollars and a
 368 full estate is opened, the minimum fee shall be one hundred fifty
 369 dollars.

370 (4) In estates where the gross taxable estate is less than six hundred
 371 thousand dollars, in which no succession tax return is required to be
 372 filed, a probate fee of .1 per cent shall be charged against non-solely-
 373 owned real estate, in addition to any other fees computed under this
 374 section.

375 ~~[(e)]~~ (f) A fee of fifty dollars shall be payable to the court by any
 376 creditor applying to the Probate Court pursuant to section 45a-364 for
 377 consideration of a claim. If such claim is allowed by the court, the court
 378 may order the fiduciary to reimburse the amount of such fee from the
 379 estate.

380 ~~[(f)]~~ (g) A fee of fifty dollars, plus the actual expenses of
 381 rescheduling the adjourned hearing that are payable under section
 382 45a-109, shall be payable to the court by any party who requests an
 383 adjournment of a scheduled hearing or whose failure to appear
 384 necessitates an adjournment, except that the court, for cause shown,
 385 may waive either the fifty-dollar fee or the actual expenses of
 386 rescheduling the adjourned hearing, or both.

387 ~~[(g)]~~ (h) A fee of two hundred fifty dollars shall be payable to the
 388 Probate Court by a petitioner filing a motion to permit an attorney
 389 who has not been admitted as an attorney under the provisions of
 390 section 51-80 to appear pro hac vice in a matter in the Probate Court.

391 ~~[(h)]~~ (i) A fee of fifty dollars shall be payable to the Probate Court by
 392 a petitioner filing a petition to open a safe deposit box under section

393 45a-277 or 45a-284.

394 [(i)] (j) A fee of fifty dollars shall be payable to the Probate Court by
395 a petitioner filing a petition for appointment of an estate examiner
396 under section 45a-317a.

397 [(j)] (k) The fee for mediation conducted by a member of the panel
398 established by the Probate Court Administrator is three hundred fifty
399 dollars per day or part thereof.

400 [(k)] (l) Except as provided in subsections [(e) to (j)] (f) to (k),
401 inclusive, of this section, in no event shall any fee exceed ten thousand
402 dollars for any estate in which proceedings were commenced prior to
403 April 1, 1998, and twelve thousand five hundred dollars for any estate
404 in which proceedings were commenced on or after April 1, 1998, for
405 decedents dying before January 1, 2015.

406 [(l)] (m) In the case of decedents who die on or after January 1, 2011:

407 (1) Any fees assessed under this section that are not paid within
408 thirty days of the date of an invoice from the Probate Court shall bear
409 interest at the rate of one-half of one per cent per month or portion
410 thereof until paid;

411 (2) If a tax return or a copy of a tax return required under
412 subparagraph (D) of subdivision (3) of subsection (b) of section 12-392
413 is not filed with a Probate Court by the due date for such return or
414 copy under subdivision (1) of subsection (b) of section 12-392 or by the
415 date an extension under subdivision (4) of subsection (b) of section 12-
416 392 expires, the fees that would have been due under this section if
417 such return or copy had been filed by such due date or expiration date
418 shall bear interest at the rate of one-half of one per cent per month or
419 portion thereof from the date that is thirty days after such due date or
420 expiration date, whichever is later, until paid. If a return or copy is
421 filed with a Probate Court on or before such due date or expiration
422 date, whichever is later, the fees assessed shall bear interest as
423 provided in subdivision (1) of this subsection;

424 (3) A Probate Court may extend the time for payment of any fees
425 under this section, including interest, if it appears to the court that
426 requiring payment by such due date or expiration date would cause
427 undue hardship. No additional interest shall accrue during the period
428 of such extension. A Probate Court may not waive interest outside of
429 any extension period;

430 (4) The interest requirements in subdivisions (1) and (2) of this
431 subsection shall not apply if:

432 (A) The basis for fees for the estate does not exceed forty thousand
433 dollars; or

434 (B) The basis for fees for the estate does not exceed five hundred
435 thousand dollars and any portion of the property included in the basis
436 for fees passes to a surviving spouse.

437 Sec. 8. Subsection (a) of section 45a-107b of the 2016 supplement to
438 the general statutes is repealed and the following is substituted in lieu
439 thereof (*Effective from passage*):

440 (a) The fees imposed under subsections (b) [~~, (c) and (d)] to (e),
441 inclusive, of section 45a-107, as amended by this act, shall be a lien in
442 favor of the state of Connecticut upon any real property located in this
443 state that is included in the basis for fees of the estate of a deceased
444 person, from the due date until paid, with interest that may accrue in
445 addition thereto, except that such lien shall not be valid as against any
446 lienor, mortgagee, judgment creditor or bona fide purchaser until
447 notice of such lien is filed or recorded in the town clerk's office or place
448 where mortgages, liens and conveyances of such property are required
449 by statute to be filed or recorded.~~

450 Sec. 9. Section 12-541 of the 2016 supplement to the general statutes
451 is repealed and the following is substituted in lieu thereof (*Effective*
452 *January 1, 2017*):

453 (a) There is hereby imposed a tax of ten per cent of the admission
454 charge to any place of amusement, entertainment or recreation, except

455 that no tax shall be imposed with respect to any admission charge (1)
456 when the admission charge is less than one dollar or, in the case of any
457 motion picture show, when the admission charge is not more than five
458 dollars, (2) when a daily admission charge is imposed which entitles
459 the patron to participate in an athletic or sporting activity, (3) to any
460 event, other than events held at the stadium facility, as defined in
461 section 32-651, if all of the proceeds from the event inure exclusively to
462 an entity which is exempt from federal income tax under the Internal
463 Revenue Code, provided such entity actively engages in and assumes
464 the financial risk associated with the presentation of such event, (4) to
465 any event, other than events held at the stadium facility, as defined in
466 section 32-651, which, in the opinion of the commissioner, is conducted
467 primarily to raise funds for an entity which is exempt from federal
468 income tax under the Internal Revenue Code, provided the
469 commissioner is satisfied that the net profit which inures to such entity
470 from such event will exceed the amount of the admissions tax which,
471 but for this subdivision, would be imposed upon the person making
472 such charge to such event, (5) other than for events held at the stadium
473 facility, as defined in section 32-651, paid by centers of service for
474 elderly persons, as described in subdivision (d) of section 17a-310, (6)
475 to any production featuring live performances by actors or musicians
476 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or
477 any nonprofit theater or playhouse in the state, provided such theater
478 or playhouse possesses evidence confirming exemption from federal
479 tax under Section 501 of the Internal Revenue Code, (7) to any carnival
480 or amusement ride, (8) to any interscholastic athletic event held at the
481 stadium facility, as defined in section 32-651, (9) if the admission
482 charge would have been subject to tax under the provisions of section
483 12-542 of the general statutes, revision of 1958, revised to January 1,
484 1999, (10) to any event at (A) the XL Center in Hartford, or (B) the
485 Webster Bank Arena in Bridgeport, [or] (11) from July 1, 2015, to June
486 30, 2017, to any athletic event presented by a member team of the
487 Atlantic League of Professional Baseball at the Ballpark at Harbor Yard
488 in Bridgeport, or (12) to an event at any other place of entertainment
489 primarily consisting of concerts or athletic events. On and after July 1,

490 2000, the tax imposed under this section on any motion picture show
491 shall be eight per cent of the admission charge and, on and after July 1,
492 2001, the tax imposed on any such motion picture show shall be six per
493 cent of such charge.

494 (b) The tax shall be imposed upon the person making such charge
495 and reimbursement for the tax shall be collected by such person from
496 the purchase. Such reimbursement, termed "tax", shall be paid by the
497 purchaser to the person making the admission charge. Such tax, when
498 added to the admission charge, shall be a debt from the purchaser to
499 the person making the admission charge and shall be recoverable at
500 law. The amount of tax reimbursement, when so collected, shall be
501 deemed to be a special fund in trust for the state of Connecticut.

502 Sec. 10. Section 12-579 of the general statutes is repealed and the
503 following is substituted in lieu thereof (*Effective January 1, 2017*):

504 (a) For the purposes of this section, "amount paid" means the
505 amount paid in the form of a ticket price, license fee, skybox, luxury
506 suite or club seat rental charge or purchase price, or otherwise,
507 exclusive of any charges for instruction, and including any preferred
508 seat license fee or any other payment required in order to have the
509 right to purchase seats or secure admission to any such place or
510 location.

511 (b) Any municipality may, by ordinance, (1) impose a tax of ten per
512 cent of the admission charge, as defined in subsection (3) of section 12-
513 540, to any place licensed by the Department of Consumer Protection
514 and containing a pari-mutuel system therein or to any off-track betting
515 facility, and (2) impose a tax of up to ten per cent of the amount paid
516 for the right or privilege to have access to an event at a place of
517 entertainment primarily consisting of concerts or athletic events,
518 except that no tax shall be imposed with respect to any admission
519 charge to any event if all of the proceeds from the event inure
520 exclusively to an entity which is exempt from federal income tax under
521 the Internal Revenue Code, provided such entity actively engages in
522 and assumes the financial risk associated with the presentation of such

523 event. The tax shall be imposed upon the person making such charge
524 and reimbursement for the tax shall be collected by such person from
525 the purchaser. Such reimbursement, termed "tax", shall be paid by the
526 purchaser to the person making the admission charge. Such tax, when
527 added to the admission charge, shall be a debt from the purchaser to
528 the person making such charge and shall be recoverable at law.

529 Sec. 11. Subdivision (1) of section 12-408 of the 2016 supplement to
530 the general statutes is repealed and the following is substituted in lieu
531 thereof (*Effective July 1, 2017, and applicable to sales occurring on or after*
532 *July 1, 2017*):

533 (1) (A) For the privilege of making any sales, as defined in
534 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
535 for a consideration, a tax is hereby imposed on all retailers at the rate
536 of six and thirty-five-hundredths per cent of the gross receipts of any
537 retailer from the sale of all tangible personal property sold at retail or
538 from the rendering of any services constituting a sale in accordance
539 with subdivision (2) of subsection (a) of section 12-407, except, in lieu
540 of said rate of six and thirty-five-hundredths per cent, the rates
541 provided in subparagraphs (B) to (H), inclusive, of this subdivision;

542 (B) At [a] the rate of fifteen per cent with respect to each transfer of
543 occupancy, from the total amount of rent received for such occupancy
544 of any room or rooms in a hotel or lodging house for the first period
545 not exceeding thirty consecutive calendar days;

546 (C) With respect to the sale of a motor vehicle to any individual who
547 is a member of the armed forces of the United States and is on full-time
548 active duty in Connecticut and who is considered, under 50 App USC
549 574, a resident of another state, or to any such individual and the
550 spouse thereof, at [a] the rate of four and one-half per cent of the gross
551 receipts of any retailer from such sales, provided such retailer requires
552 and maintains a declaration by such individual, prescribed as to form
553 by the commissioner and bearing notice to the effect that false
554 statements made in such declaration are punishable, or other evidence,
555 satisfactory to the commissioner, concerning the purchaser's state of

556 residence under 50 App USC 574;

557 (D) (i) With respect to the sales of computer and data processing
558 services occurring on or after July 1, 1997, and prior to July 1, 1998, at
559 the rate of five per cent, on or after July 1, 1998, and prior to July 1,
560 1999, at the rate of four per cent, on or after July 1, 1999, and prior to
561 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and
562 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,
563 at the rate of one per cent, and (ii) with respect to sales of Internet
564 access services, on and after July 1, 2001, such services shall be exempt
565 from such tax;

566 (E) (i) With respect to the sales of labor that is otherwise taxable
567 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of
568 section 12-407 on existing vessels and repair or maintenance services
569 on vessels occurring on and after July 1, 1999, such services shall be
570 exempt from such tax;

571 (ii) With respect to the sale of a vessel, such sale shall be exempt
572 from such tax provided such vessel is docked in this state for sixty or
573 fewer days in a calendar year;

574 (iii) With respect to the sale, occurring on or after July 1, 2017, and
575 prior to July 1, 2018, of a vessel motor or a vessel other than a vessel
576 docked in this state for sixty or fewer days in a calendar year, at the
577 rate of five and three-quarters per cent on the entire sales price;

578 (iv) With respect to the sale, occurring on or after July 1, 2018, and
579 prior to July 1, 2019, of a vessel motor or a vessel other than a vessel
580 docked in this state for sixty or fewer days in a calendar, year at the
581 rate of five per cent on the entire sales price;

582 (v) With respect to the sale, occurring on or after July 1, 2019, and
583 prior to July 1, 2020, of a vessel motor or a vessel other than a vessel
584 docked in this state for sixty or fewer days in a calendar year at the
585 rate of four and one-quarter per cent on the entire sales price;

586 (vi) With respect to the sale, occurring on or after July 1, 2020, and

587 prior to July 1, 2021, of a vessel motor or a vessel other than a vessel
588 docked in this state for sixty or fewer days in a calendar year at the
589 rate of three and one-half per cent on the entire sales price;

590 (vii) With respect to the sale, occurring on or after July 1, 2021, of a
591 vessel motor or a vessel other than a vessel docked in this state for
592 sixty or fewer days in a calendar year at the rate of three per cent on
593 the entire sales price;

594 (F) With respect to patient care services for which payment is
595 received by the hospital on or after July 1, 1999, and prior to July 1,
596 2001, at the rate of five and three-fourths per cent and on and after July
597 1, 2001, such services shall be exempt from such tax;

598 (G) With respect to the rental or leasing of a passenger motor
599 vehicle for a period of thirty consecutive calendar days or less, at [a]
600 the rate of nine and thirty-five-hundredths per cent;

601 (H) (i) With respect to the sale, occurring prior to July 1, 2017, of [(i)]
602 [(I) a motor vehicle for a sales price exceeding fifty thousand dollars, at
603 [a] the rate of seven and three-fourths per cent on the entire sales price,
604 [(ii)] [(II) jewelry, whether real or imitation, for a sales price exceeding
605 five thousand dollars, at [a] the rate of seven and three-fourths per cent
606 on the entire sales price, and [(iii)] [(III) an article of clothing or
607 footwear intended to be worn on or about the human body, a handbag,
608 luggage, umbrella, wallet or watch for a sales price exceeding one
609 thousand dollars, at [a] the rate of seven and three-fourths per cent on
610 the entire sales price; [.]

611 (ii) With respect to the sale, occurring on or after July 1, 2017, and
612 prior to July 1, 2018, of (I) a motor vehicle for a sales price exceeding
613 fifty thousand dollars, at the rate of seven and four-tenths per cent on
614 the entire sales price, (II) jewelry, whether real or imitation, for a sales
615 price exceeding five thousand dollars, at the rate of seven and four-
616 tenths per cent on the entire sales price, and (III) an article of clothing
617 or footwear intended to be worn on or about the human body, a
618 handbag, luggage, umbrella, wallet or watch for a sales price

619 exceeding one thousand dollars, at the rate of seven and four-tenths
620 per cent on the entire sales price;

621 (iii) With respect to the sale, occurring on or after July 1, 2018, and
622 prior to July 1, 2019, of (I) a motor vehicle for a sales price exceeding
623 fifty thousand dollars, at the rate of seven and five-hundredths per
624 cent on the entire sales price, (II) jewelry, whether real or imitation, for
625 a sales price exceeding five thousand dollars, at the rate of seven and
626 five-hundredths per cent on the entire sales price, and (III) an article of
627 clothing or footwear intended to be worn on or about the human body,
628 a handbag, luggage, umbrella, wallet or watch for a sales price
629 exceeding one thousand dollars, at the rate of seven and five-
630 hundredths per cent on the entire sales price;

631 (iv) With respect to the sale, occurring on or after July 1, 2019, and
632 prior to July 1, 2020, of (I) a motor vehicle for a sales price exceeding
633 fifty thousand dollars, at the rate of six and seven-tenths per cent on
634 the entire sales price, (II) jewelry, whether real or imitation, for a sales
635 price exceeding five thousand dollars, at the rate of six and seven-
636 tenths per cent on the entire sales price, and (III) an article of clothing
637 or footwear intended to be worn on or about the human body, a
638 handbag, luggage, umbrella, wallet or watch for a sales price
639 exceeding one thousand dollars, at the rate of six and seven-tenths per
640 cent on the entire sales price;

641 (v) For purposes of this subparagraph, "motor vehicle" has the
642 meaning provided in section 14-1, but does not include a motor vehicle
643 subject to the provisions of subparagraph (C) of this subdivision, a
644 motor vehicle having a gross vehicle weight rating over twelve
645 thousand five hundred pounds, or a motor vehicle having a gross
646 vehicle weight rating of twelve thousand five hundred pounds or less
647 that is not used for private passenger purposes, but is designed or
648 used to transport merchandise, freight or persons in connection with
649 any business enterprise and issued a commercial registration or more
650 specific type of registration by the Department of Motor Vehicles;

651 (I) The rate of tax imposed by this chapter shall be applicable to all

652 retail sales upon the effective date of such rate, except that a new rate
653 which represents an increase in the rate applicable to the sale shall not
654 apply to any sales transaction wherein a binding sales contract without
655 an escalator clause has been entered into prior to the effective date of
656 the new rate and delivery is made within ninety days after the effective
657 date of the new rate. For the purposes of payment of the tax imposed
658 under this section, any retailer of services taxable under subparagraph
659 (I) of subdivision (2) of subsection (a) of section 12-407, who computes
660 taxable income, for purposes of taxation under the Internal Revenue
661 Code of 1986, or any subsequent corresponding internal revenue code
662 of the United States, as from time to time amended, on an accounting
663 basis which recognizes only cash or other valuable consideration
664 actually received as income and who is liable for such tax only due to
665 the rendering of such services may make payments related to such tax
666 for the period during which such income is received, without penalty
667 or interest, without regard to when such service is rendered;

668 (J) For calendar quarters ending on or after September 30, 2011,
669 except for calendar quarters ending on or after July 1, 2016, but prior to
670 July 1, 2017, the commissioner shall deposit into the regional planning
671 incentive account, established pursuant to section 4-66k, six and seven-
672 tenths per cent of the amounts received by the state from the tax
673 imposed under subparagraph (B) of this subdivision and ten and
674 seven-tenths per cent of the amounts received by the state from the tax
675 imposed under subparagraph (G) of this subdivision;

676 (K) (i) Notwithstanding the provisions of this section, for calendar
677 months commencing on or after May 1, 2016, but prior to May 1, 2017,
678 the commissioner shall deposit into the municipal revenue sharing
679 account established pursuant to section 4-66l, as amended by this act,
680 four and seven-tenths per cent of the amounts received by the state
681 from the tax imposed under subparagraph (A) of this subdivision;

682 (ii) For calendar months commencing on or after May 1, 2017, but
683 prior to July 1, 2017, the commissioner shall deposit into the municipal
684 revenue sharing account established pursuant to section 4-66l, as

685 amended by this act, six and three-tenths per cent of the amounts
686 received by the state from the tax imposed under subparagraph (A) of
687 this subdivision;

688 (iii) For calendar months commencing on or after July 1, 2017, the
689 commissioner shall deposit into the municipal revenue sharing
690 account established pursuant to section 4-66l, as amended by this act,
691 seven and nine-tenths per cent of the amounts received by the state
692 from the tax imposed under subparagraph (A) of this subdivision; and

693 (L) (i) Notwithstanding the provisions of this section, for calendar
694 months commencing on or after December 1, 2015, but prior to October
695 1, 2016, the commissioner shall deposit into the Special Transportation
696 Fund established under section 13b-68 four and seven-tenths per cent
697 of the amounts received by the state from the tax imposed under
698 subparagraph (A) of this subdivision;

699 (ii) For calendar months commencing on or after October 1, 2016,
700 but prior to July 1, 2017, the commissioner shall deposit into the
701 Special Transportation Fund established under section 13b-68 six and
702 three-tenths per cent of the amounts received by the state from the tax
703 imposed under subparagraph (A) of this subdivision; and

704 (iii) For calendar months commencing on or after July 1, 2017, the
705 commissioner shall deposit into the Special Transportation Fund
706 established under section 13b-68 seven and nine-tenths per cent of the
707 amounts received by the state from the tax imposed under
708 subparagraph (A) of this subdivision.

709 Sec. 12. Subparagraph (OO) of subdivision (37) of subsection (a) of
710 section 12-407 of the 2016 supplement to the general statutes is
711 repealed and the following is substituted in lieu thereof (*Effective July*
712 *1, 2016, and applicable to sales occurring on or after said date*):

713 (OO) Car wash services, [including] excluding coin-operated car
714 washes.

715 Sec. 13. Section 12-412 of the 2016 supplement to the general

716 statutes, as amended by section 196 of public act 14-217, is amended by
717 adding subdivisions (122) and (123) as follows (*Effective July 1, 2017,*
718 *and applicable to sales occurring on and after said date*):

719 (NEW) (122) Sales of feminine hygiene products.

720 (NEW) (123) Sales of disposable or reusable diapers.

721 Sec. 14. Subdivision (2) of subsection (a) of section 12-702 of the 2016
722 supplement to the general statutes is repealed and the following is
723 substituted in lieu thereof (*Effective January 1, 2017, and applicable to*
724 *taxable years commencing on or after January 1, 2017*):

725 (2) For taxable years commencing on or after January 1, 2000, any
726 person, other than a trust or estate, subject to the tax under this chapter
727 for any taxable year who files under the federal income tax for such
728 taxable year as an unmarried individual shall be entitled to a personal
729 exemption in determining Connecticut taxable income for purposes of
730 this chapter as follows:

731 (A) For taxable years commencing on or after January 1, 2000, but
732 prior to January 1, 2001, twelve thousand two hundred fifty dollars. In
733 the case of any such taxpayer whose Connecticut adjusted gross
734 income for the taxable year exceeds twenty-four thousand five
735 hundred dollars, the exemption amount shall be reduced by one
736 thousand dollars for each one thousand dollars, or fraction thereof, by
737 which the taxpayer's Connecticut adjusted gross income for the taxable
738 year exceeds said amount. In no event shall the reduction exceed one
739 hundred per cent of the exemption;

740 (B) For taxable years commencing on or after January 1, 2001, but
741 prior to January 1, 2004, twelve thousand five hundred dollars. In the
742 case of any such taxpayer whose Connecticut adjusted gross income
743 for the taxable year exceeds twenty-five thousand dollars, the
744 exemption amount shall be reduced by one thousand dollars for each
745 one thousand dollars, or fraction thereof, by which the taxpayer's
746 Connecticut adjusted gross income for the taxable year exceeds said

747 amount. In no event shall the reduction exceed one hundred per cent
748 of the exemption;

749 (C) For taxable years commencing on or after January 1, 2004, but
750 prior to January 1, 2007, twelve thousand six hundred twenty-five
751 dollars. In the case of any such taxpayer whose Connecticut adjusted
752 gross income for the taxable year exceeds twenty-five thousand two
753 hundred fifty dollars, the exemption amount shall be reduced by one
754 thousand dollars for each one thousand dollars, or fraction thereof, by
755 which the taxpayer's Connecticut adjusted gross income for the taxable
756 year exceeds said amount. In no event shall the reduction exceed one
757 hundred per cent of the exemption;

758 (D) For taxable years commencing on or after January 1, 2007, but
759 prior to January 1, 2008, twelve thousand seven hundred fifty dollars.
760 In the case of any such taxpayer whose Connecticut adjusted gross
761 income for the taxable year exceeds twenty-five thousand five hundred
762 dollars, the exemption amount shall be reduced by one thousand
763 dollars for each one thousand dollars, or fraction thereof, by which the
764 taxpayer's Connecticut adjusted gross income for the taxable year
765 exceeds said amount. In no event shall the reduction exceed one
766 hundred per cent of the exemption;

767 (E) For taxable years commencing on or after January 1, 2008, but
768 prior to January 1, 2012, thirteen thousand dollars. In the case of any
769 such taxpayer whose Connecticut adjusted gross income for the
770 taxable year exceeds twenty-six thousand dollars, the exemption
771 amount shall be reduced by one thousand dollars for each one
772 thousand dollars, or fraction thereof, by which the taxpayer's
773 Connecticut adjusted gross income for the taxable year exceeds said
774 amount. In no event shall the reduction exceed one hundred per cent
775 of the exemption;

776 (F) For taxable years commencing on or after January 1, 2012, but
777 prior to January 1, 2013, thirteen thousand five hundred dollars. In the
778 case of any such taxpayer whose Connecticut adjusted gross income
779 for the taxable year exceeds twenty-seven thousand dollars, the

780 exemption amount shall be reduced by one thousand dollars for each
781 one thousand dollars, or fraction thereof, by which the taxpayer's
782 Connecticut adjusted gross income for the taxable year exceeds said
783 amount. In no event shall the reduction exceed one hundred per cent
784 of the exemption;

785 (G) For taxable years commencing on or after January 1, 2013, but
786 prior to January 1, 2014, fourteen thousand dollars. In the case of any
787 such taxpayer whose Connecticut adjusted gross income for the
788 taxable year exceeds twenty-eight thousand dollars, the exemption
789 amount shall be reduced by one thousand dollars for each one
790 thousand dollars, or fraction thereof, by which the taxpayer's
791 Connecticut adjusted gross income for the taxable year exceeds said
792 amount. In no event shall the reduction exceed one hundred per cent
793 of the exemption;

794 (H) For taxable years commencing on or after January 1, 2014, but
795 prior to January 1, 2016, fourteen thousand five hundred dollars. In the
796 case of any such taxpayer whose Connecticut adjusted gross income
797 for the taxable year exceeds twenty-nine thousand dollars, the
798 exemption amount shall be reduced by one thousand dollars for each
799 one thousand dollars, or fraction thereof, by which the taxpayer's
800 Connecticut adjusted gross income for the taxable year exceeds said
801 amount. In no event shall the reduction exceed one hundred per cent
802 of the exemption;

803 (I) For taxable years commencing on or after January 1, 2016, but
804 prior to January 1, 2017, fifteen thousand dollars. In the case of any
805 such taxpayer whose Connecticut adjusted gross income for the
806 taxable year exceeds thirty thousand dollars, the exemption amount
807 shall be reduced by one thousand dollars for each one thousand
808 dollars, or fraction thereof, by which the taxpayer's Connecticut
809 adjusted gross income for the taxable year exceeds said amount. In no
810 event shall the reduction exceed one hundred per cent of the
811 exemption; [.]

812 (J) For taxable years commencing on or after January 1, 2017, but

813 prior to January 1, 2018, fifteen thousand five hundred dollars. In the
814 case of any such taxpayer whose Connecticut adjusted gross income
815 for the taxable year exceeds thirty-one thousand dollars, the exemption
816 amount shall be reduced by one thousand dollars for each one
817 thousand dollars, or fraction thereof, by which the taxpayer's
818 Connecticut adjusted gross income for the taxable year exceeds said
819 amount. In no event shall the reduction exceed one hundred per cent
820 of the exemption;

821 (K) For taxable years commencing on or after January 1, 2018, but
822 prior to January 1, 2019, sixteen thousand dollars. In the case of any
823 such taxpayer whose Connecticut adjusted gross income for the
824 taxable year exceeds thirty-two thousand dollars, the exemption
825 amount shall be reduced by one thousand dollars for each one
826 thousand dollars, or fraction thereof, by which the taxpayer's
827 Connecticut adjusted gross income for the taxable year exceeds said
828 amount. In no event shall the reduction exceed one hundred per cent
829 of the exemption;

830 (L) For taxable years commencing on or after January 1, 2019, but
831 prior to January 1, 2020, sixteen thousand five hundred dollars. In the
832 case of any such taxpayer whose Connecticut adjusted gross income
833 for the taxable year exceeds thirty-three thousand dollars, the
834 exemption amount shall be reduced by one thousand dollars for each
835 one thousand dollars, or fraction thereof, by which the taxpayer's
836 Connecticut adjusted gross income for the taxable year exceeds said
837 amount. In no event shall the reduction exceed one hundred per cent
838 of the exemption;

839 (M) For taxable years commencing on or after January 1, 2020, but
840 prior to January 1, 2021, seventeen thousand dollars. In the case of any
841 such taxpayer whose Connecticut adjusted gross income for the
842 taxable year exceeds thirty-four thousand dollars, the exemption
843 amount shall be reduced by one thousand dollars for each one
844 thousand dollars, or fraction thereof, by which the taxpayer's
845 Connecticut adjusted gross income for the taxable year exceeds said

846 amount. In no event shall the reduction exceed one hundred per cent
847 of the exemption;

848 (N) For taxable years commencing on or after January 1, 2021, but
849 prior to January 1, 2022, seventeen thousand five hundred dollars. In
850 the case of any such taxpayer whose Connecticut adjusted gross
851 income for the taxable year exceeds thirty-five thousand dollars, the
852 exemption amount shall be reduced by one thousand dollars for each
853 one thousand dollars, or fraction thereof, by which the taxpayer's
854 Connecticut adjusted gross income for the taxable year exceeds said
855 amount. In no event shall the reduction exceed one hundred per cent
856 of the exemption;

857 (O) For taxable years commencing on or after January 1, 2022, but
858 prior to January 1, 2023, eighteen thousand dollars. In the case of any
859 such taxpayer whose Connecticut adjusted gross income for the
860 taxable year exceeds thirty-six thousand dollars, the exemption
861 amount shall be reduced by one thousand dollars for each one
862 thousand dollars, or fraction thereof, by which the taxpayer's
863 Connecticut adjusted gross income for the taxable year exceeds said
864 amount. In no event shall the reduction exceed one hundred per cent
865 of the exemption;

866 (P) For taxable years commencing on or after January 1, 2023, but
867 prior to January 1, 2024, eighteen thousand five hundred dollars. In the
868 case of any such taxpayer whose Connecticut adjusted gross income
869 for the taxable year exceeds thirty-seven thousand dollars, the
870 exemption amount shall be reduced by one thousand dollars for each
871 one thousand dollars, or fraction thereof, by which the taxpayer's
872 Connecticut adjusted gross income for the taxable year exceeds said
873 amount. In no event shall the reduction exceed one hundred per cent
874 of the exemption;

875 (Q) For taxable years commencing on or after January 1, 2024, but
876 prior to January 1, 2025, nineteen thousand dollars. In the case of any
877 such taxpayer whose Connecticut adjusted gross income for the
878 taxable year exceeds thirty-eight thousand dollars, the exemption

879 amount shall be reduced by one thousand dollars for each one
 880 thousand dollars, or fraction thereof, by which the taxpayer's
 881 Connecticut adjusted gross income for the taxable year exceeds said
 882 amount. In no event shall the reduction exceed one hundred per cent
 883 of the exemption;

884 (R) For taxable years commencing on or after January 1, 2025, but
 885 prior to January 1, 2026, nineteen thousand five hundred dollars. In the
 886 case of any such taxpayer whose Connecticut adjusted gross income
 887 for the taxable year exceeds thirty-nine thousand dollars, the
 888 exemption amount shall be reduced by one thousand dollars for each
 889 one thousand dollars, or fraction thereof, by which the taxpayer's
 890 Connecticut adjusted gross income for the taxable year exceeds said
 891 amount. In no event shall the reduction exceed one hundred per cent
 892 of the exemption; and

893 (S) For taxable years commencing on or after January 1, 2026,
 894 twenty thousand dollars. In the case of any such taxpayer whose
 895 Connecticut adjusted gross income for the taxable year exceeds forty
 896 thousand dollars, the exemption amount shall be reduced by one
 897 thousand dollars for each one thousand dollars, or fraction thereof, by
 898 which the taxpayer's Connecticut adjusted gross income for the taxable
 899 year exceeds said amount. In no event shall the reduction exceed one
 900 hundred per cent of the exemption.

901 Sec. 15. Subparagraph (I) of subdivision (2) of subsection (a) of
 902 section 12-703 of the 2016 supplement to the general statutes is
 903 repealed and the following is substituted in lieu thereof (*Effective*
 904 *January 1, 2017, and applicable to taxable years commencing on or after*
 905 *January 1, 2017*):

906 (I) For taxable years commencing on or after January 1, 2016, but
 907 prior to January 1, 2017:

T48	Connecticut	
T49	Adjusted Gross Income	Amount of Credit

T50	Over \$15,000 but	
T51	not over \$18,800	75%
T52	Over \$18,800 but	
T53	not over \$19,300	70%
T54	Over \$19,300 but	
T55	not over \$19,800	65%
T56	Over \$19,800 but	
T57	not over \$20,300	60%
T58	Over \$20,300 but	
T59	not over \$20,800	55%
T60	Over \$20,800 but	
T61	not over \$21,300	50%
T62	Over \$21,300 but	
T63	not over \$21,800	45%
T64	Over \$21,800 but	
T65	not over \$22,300	40%
T66	Over \$22,300 but	
T67	not over \$25,000	35%
T68	Over \$25,000 but	
T69	not over \$25,500	30%
T70	Over \$25,500 but	
T71	not over \$26,000	25%
T72	Over \$26,000 but	
T73	not over \$26,500	20%
T74	Over \$26,500 but	
T75	not over \$31,300	15%
T76	Over \$31,300 but	
T77	not over \$31,800	14%
T78	Over \$31,800 but	
T79	not over \$32,300	13%
T80	Over \$32,300 but	
T81	not over \$32,800	12%
T82	Over \$32,800 but	
T83	not over \$33,300	11%
T84	Over \$33,300 but	

T85	not over \$60,000	10%
T86	Over \$60,000 but	
T87	not over \$60,500	9%
T88	Over \$60,500 but	
T89	not over \$61,000	8%
T90	Over \$61,000 but	
T91	not over \$61,500	7%
T92	Over \$61,500 but	
T93	not over \$62,000	6%
T94	Over \$62,000 but	
T95	not over \$62,500	5%
T96	Over \$62,500 but	
T97	not over \$63,000	4%
T98	Over \$63,000 but	
T99	not over \$63,500	3%
T100	Over \$63,500 but	
T101	not over \$64,000	2%
T102	Over \$64,000 but	
T103	not over \$64,500	1%

908 Sec. 16. Subdivision (2) of subsection (a) of section 12-703 of the 2016
 909 supplement to the general statutes is amended by adding
 910 subparagraphs (J) to (S), inclusive, as follows (*Effective January 1, 2017,*
 911 *and applicable to taxable years commencing on or after January 1, 2017*):

912 (NEW) (J) For taxable years commencing on or after January 1, 2017,
 913 but prior to January 1, 2018:

T104	Connecticut	
T105	Adjusted Gross Income	Amount of Credit
T106	Over \$15,500 but	
T107	not over \$19,400	75%
T108	Over \$19,400 but	
T109	not over \$19,900	70%
T110	Over \$19,900 but	
T111	not over \$20,400	65%

T112	Over \$20,400 but	
T113	not over \$20,900	60%
T114	Over \$20,900 but	
T115	not over \$21,400	55%
T116	Over \$21,400 but	
T117	not over \$21,900	50%
T118	Over \$21,900 but	
T119	not over \$22,400	45%
T120	Over \$22,400 but	
T121	not over \$22,900	40%
T122	Over \$22,900 but	
T123	not over \$25,600	35%
T124	Over \$25,600 but	
T125	not over \$26,100	30%
T126	Over \$26,100 but	
T127	not over \$26,600	25%
T128	Over \$26,600 but	
T129	not over \$27,100	20%
T130	Over \$27,100 but	
T131	not over \$32,000	15%
T132	Over \$32,000 but	
T133	not over \$32,500	14%
T134	Over \$32,500 but	
T135	not over \$33,000	13%
T136	Over \$33,000 but	
T137	not over \$33,500	12%
T138	Over \$33,500 but	
T139	not over \$34,000	11%
T140	Over \$34,000 but	
T141	not over \$61,000	10%
T142	Over \$61,000 but	
T143	not over \$61,500	9%
T144	Over \$61,500 but	
T145	not over \$62,000	8%
T146	Over \$62,000 but	

T147	not over \$62,500	7%
T148	Over \$62,500 but	
T149	not over \$63,000	6%
T150	Over \$63,000 but	
T151	not over \$63,500	5%
T152	Over \$63,500 but	
T153	not over \$64,000	4%
T154	Over \$64,000 but	
T155	not over \$64,500	3%
T156	Over \$64,500 but	
T157	not over \$65,000	2%
T158	Over \$65,000 but	
T159	not over \$65,500	1%

914 (NEW) (K) For taxable years commencing on or after January 1,
 915 2018, but prior to January 1, 2019:

T160	Connecticut	
T161	Adjusted Gross Income	Amount of Credit
T162	Over \$16,000 but	
T163	not over \$20,000	75%
T164	Over \$20,000 but	
T165	not over \$20,500	70%
T166	Over \$20,500 but	
T167	not over \$21,000	65%
T168	Over \$21,000 but	
T169	not over \$21,500	60%
T170	Over \$21,500 but	
T171	not over \$22,000	55%
T172	Over \$22,000 but	
T173	not over \$22,500	50%
T174	Over \$22,500 but	
T175	not over \$23,000	45%
T176	Over \$23,000 but	
T177	not over \$23,500	40%

T178	Over \$23,500 but	
T179	not over \$26,300	35%
T180	Over \$26,300 but	
T181	not over \$26,800	30%
T182	Over \$26,800 but	
T183	not over \$27,300	25%
T184	Over \$27,300 but	
T185	not over \$27,800	20%
T186	Over \$27,800 but	
T187	not over \$32,800	15%
T188	Over \$32,800 but	
T189	not over \$33,300	14%
T190	Over \$33,300 but	
T191	not over \$33,800	13%
T192	Over \$33,800 but	
T193	not over \$34,300	12%
T194	Over \$34,300 but	
T195	not over \$34,800	11%
T196	Over \$34,800 but	
T197	not over \$63,000	10%
T198	Over \$63,000 but	
T199	not over \$63,500	9%
T200	Over \$63,500 but	
T201	not over \$64,000	8%
T202	Over \$64,000 but	
T203	not over \$64,500	7%
T204	Over \$64,500 but	
T205	not over \$65,000	6%
T206	Over \$65,000 but	
T207	not over \$65,500	5%
T208	Over \$65,500 but	
T209	not over \$66,000	4%
T210	Over \$66,000 but	
T211	not over \$66,500	3%
T212	Over \$66,500 but	

T213	not over \$67,000	2%
T214	Over \$67,000 but	
T215	not over \$67,500	1%
916	(NEW) (L) For taxable years commencing on or after January 1,	
917	2019, but prior to January 1, 2020:	
T216	Connecticut	
T217	Adjusted Gross Income	Amount of Credit
T218	Over \$16,500 but	
T219	not over \$20,600	75%
T220	Over \$20,600 but	
T221	not over \$21,100	70%
T222	Over \$21,100 but	
T223	not over \$21,600	65%
T224	Over \$21,600 but	
T225	not over \$22,100	60%
T226	Over \$22,100 but	
T227	not over \$22,600	55%
T228	Over \$22,600 but	
T229	not over \$23,100	50%
T230	Over \$23,100 but	
T231	not over \$23,600	45%
T232	Over \$23,600 but	
T233	not over \$24,100	40%
T234	Over \$24,100 but	
T235	not over \$27,000	35%
T236	Over \$27,000 but	
T237	not over \$27,500	30%
T238	Over \$27,500 but	
T239	not over \$28,000	25%
T240	Over \$28,000 but	
T241	not over \$28,500	20%
T242	Over \$28,500 but	
T243	not over \$33,600	15%

T244	Over \$33,600 but	
T245	not over \$34,100	14%
T246	Over \$34,100 but	
T247	not over \$34,600	13%
T248	Over \$34,600 but	
T249	not over \$35,100	12%
T250	Over \$35,100 but	
T251	not over \$35,600	11%
T252	Over \$35,600 but	
T253	not over \$64,000	10%
T254	Over \$64,000 but	
T255	not over \$64,500	9%
T256	Over \$64,500 but	
T257	not over \$65,000	8%
T258	Over \$65,000 but	
T259	not over \$65,500	7%
T260	Over \$65,500 but	
T261	not over \$66,000	6%
T262	Over \$66,000 but	
T263	not over \$66,500	5%
T264	Over \$66,500 but	
T265	not over \$67,000	4%
T266	Over \$67,000 but	
T267	not over \$67,500	3%
T268	Over \$67,500 but	
T269	not over \$68,000	2%
T270	Over \$68,000 but	
T271	not over \$68,500	1%

918 (NEW) (M) For taxable years commencing on or after January 1,
 919 2020, but prior to January 1, 2021:

T272	Connecticut	
T273	Adjusted Gross Income	Amount of Credit
T274	Over \$17,000 but	

T275	not over \$21,300	75%
T276	Over \$21,300 but	
T277	not over \$21,800	70%
T278	Over \$21,800 but	
T279	not over \$22,300	65%
T280	Over \$22,300 but	
T281	not over \$22,800	60%
T282	Over \$22,800 but	
T283	not over \$23,300	55%
T284	Over \$23,300 but	
T285	not over \$23,800	50%
T286	Over \$23,800 but	
T287	not over \$24,300	45%
T288	Over \$24,300 but	
T289	not over \$24,800	40%
T290	Over \$24,800 but	
T291	not over \$27,800	35%
T292	Over \$27,800 but	
T293	not over \$28,300	30%
T294	Over \$28,300 but	
T295	not over \$28,800	25%
T296	Over \$28,800 but	
T297	not over \$29,300	20%
T298	Over \$29,300 but	
T299	not over \$34,600	15%
T300	Over \$34,600 but	
T301	not over \$35,100	14%
T302	Over \$35,100 but	
T303	not over \$35,600	13%
T304	Over \$35,600 but	
T305	not over \$36,100	12%
T306	Over \$36,100 but	
T307	not over \$36,600	11%
T308	Over \$36,600 but	
T309	not over \$66,000	10%

T310	Over \$66,000 but	
T311	not over \$66,500	9%
T312	Over \$66,500 but	
T313	not over \$67,000	8%
T314	Over \$67,000 but	
T315	not over \$67,500	7%
T316	Over \$67,500 but	
T317	not over \$68,000	6%
T318	Over \$68,000 but	
T319	not over \$68,500	5%
T320	Over \$68,500 but	
T321	not over \$69,000	4%
T322	Over \$69,000 but	
T323	not over \$69,500	3%
T324	Over \$69,500 but	
T325	not over \$70,000	2%
T326	Over \$70,000 but	
T327	not over \$70,500	1%

920 (NEW) (N) For taxable years commencing on or after January 1,
 921 2021, but prior to January 1, 2022:

T328	Connecticut	
T329	Adjusted Gross Income	Amount of Credit
T330	Over \$17,500 but	
T331	not over \$21,900	75%
T332	Over \$21,900 but	
T333	not over \$22,400	70%
T334	Over \$22,400 but	
T335	not over \$22,900	65%
T336	Over \$22,900 but	
T337	not over \$23,400	60%
T338	Over \$23,400 but	
T339	not over \$23,900	55%
T340	Over \$23,900 but	

T341	not over \$24,400	50%
T342	Over \$24,400 but	
T343	not over \$24,900	45%
T344	Over \$24,900 but	
T345	not over \$25,400	40%
T346	Over \$25,400 but	
T347	not over \$28,400	35%
T348	Over \$28,400 but	
T349	not over \$28,900	30%
T350	Over \$28,900 but	
T351	not over \$29,400	25%
T352	Over \$29,400 but	
T353	not over \$29,900	20%
T354	Over \$29,900 but	
T355	not over \$35,300	15%
T356	Over \$35,300 but	
T357	not over \$35,800	14%
T358	Over \$35,800 but	
T359	not over \$36,300	13%
T360	Over \$36,300 but	
T361	not over \$36,800	12%
T362	Over \$36,800 but	
T363	not over \$37,300	11%
T364	Over \$37,300 but	
T365	not over \$67,000	10%
T366	Over \$67,000 but	
T367	not over \$67,500	9%
T368	Over \$67,500 but	
T369	not over \$68,000	8%
T370	Over \$68,000 but	
T371	not over \$68,500	7%
T372	Over \$68,500 but	
T373	not over \$69,000	6%
T374	Over \$69,000 but	
T375	not over \$69,500	5%

T376	Over \$69,500 but	
T377	not over \$70,000	4%
T378	Over \$70,000 but	
T379	not over \$70,500	3%
T380	Over \$70,500 but	
T381	not over \$71,000	2%
T382	Over \$71,000 but	
T383	not over \$71,500	1%

922 (NEW) (O) For taxable years commencing on or after January 1,
923 2022, but prior to January 1, 2023:

T384	Connecticut	
T385	Adjusted Gross Income	Amount of Credit
T386	Over \$18,000 but	
T387	not over \$22,500	75%
T388	Over \$22,500 but	
T389	not over \$23,000	70%
T390	Over \$23,000 but	
T391	not over \$23,500	65%
T392	Over \$23,500 but	
T393	not over \$24,000	60%
T394	Over \$24,000 but	
T395	not over \$24,500	55%
T396	Over \$24,500 but	
T397	not over \$25,000	50%
T398	Over \$25,000 but	
T399	not over \$25,500	45%
T400	Over \$25,500 but	
T401	not over \$26,000	40%
T402	Over \$26,000 but	
T403	not over \$29,100	35%
T404	Over \$29,100 but	
T405	not over \$29,600	30%
T406	Over \$29,600 but	

T407	not over \$30,100	25%
T408	Over \$30,100 but	
T409	not over \$30,600	20%
T410	Over \$30,600 but	
T411	not over \$36,100	15%
T412	Over \$36,100 but	
T413	not over \$36,600	14%
T414	Over \$36,600 but	
T415	not over \$37,100	13%
T416	Over \$37,100 but	
T417	not over \$37,600	12%
T418	Over \$37,600 but	
T419	not over \$38,100	11%
T420	Over \$38,100 but	
T421	not over \$69,000	10%
T422	Over \$69,000 but	
T423	not over \$69,500	9%
T424	Over \$69,500 but	
T425	not over \$70,000	8%
T426	Over \$70,000 but	
T427	not over \$70,500	7%
T428	Over \$70,500 but	
T429	not over \$71,000	6%
T430	Over \$71,000 but	
T431	not over \$71,500	5%
T432	Over \$71,500 but	
T433	not over \$72,000	4%
T434	Over \$72,000 but	
T435	not over \$72,500	3%
T436	Over \$72,500 but	
T437	not over \$73,000	2%
T438	Over \$73,000 but	
T439	not over \$73,500	1%

924 (NEW) (P) For taxable years commencing on or after January 1,

925 2023, but prior to January 1, 2024:

T440	Connecticut	
T441	Adjusted Gross Income	Amount of Credit
T442	Over \$18,500 but	
T443	not over \$23,100	75%
T444	Over \$23,100 but	
T445	not over \$23,600	70%
T446	Over \$23,600 but	
T447	not over \$24,100	65%
T448	Over \$24,100 but	
T449	not over \$24,600	60%
T450	Over \$24,600 but	
T451	not over \$25,100	55%
T452	Over \$25,100 but	
T453	not over \$25,600	50%
T454	Over \$25,600 but	
T455	not over \$26,100	45%
T456	Over \$26,100 but	
T457	not over \$26,600	40%
T458	Over \$26,600 but	
T459	not over \$29,800	35%
T460	Over \$29,800 but	
T461	not over \$30,300	30%
T462	Over \$30,300 but	
T463	not over \$30,800	25%
T464	Over \$30,800 but	
T465	not over \$31,300	20%
T466	Over \$31,300 but	
T467	not over \$36,900	15%
T468	Over \$36,900 but	
T469	not over \$37,400	14%
T470	Over \$37,400 but	
T471	not over \$37,900	13%
T472	Over \$37,900 but	

T473	not over \$38,400	12%
T474	Over \$38,400 but	
T475	not over \$38,900	11%
T476	Over \$38,900 but	
T477	not over \$70,000	10%
T478	Over \$70,000 but	
T479	not over \$70,500	9%
T480	Over \$70,500 but	
T481	not over \$71,000	8%
T482	Over \$71,000 but	
T483	not over \$71,500	7%
T484	Over \$71,500 but	
T485	not over \$72,000	6%
T486	Over \$72,000 but	
T487	not over \$72,500	5%
T488	Over \$72,500 but	
T489	not over \$73,000	4%
T490	Over \$73,000 but	
T491	not over \$73,500	3%
T492	Over \$73,500 but	
T493	not over \$74,000	2%
T494	Over \$74,000 but	
T495	not over \$74,500	1%

926 (NEW) (Q) For taxable years commencing on or after January 1,
 927 2024, but prior to January 1, 2025:

T496	Connecticut	
T497	Adjusted Gross Income	Amount of Credit
T498	Over \$19,000 but	
T499	not over \$23,800	75%
T500	Over \$23,800 but	
T501	not over \$24,300	70%
T502	Over \$24,300 but	
T503	not over \$24,800	65%

T504	Over \$24,800 but	
T505	not over \$25,300	60%
T506	Over \$25,300 but	
T507	not over \$25,800	55%
T508	Over \$25,800 but	
T509	not over \$26,300	50%
T510	Over \$26,300 but	
T511	not over \$26,800	45%
T512	Over \$26,800 but	
T513	not over \$27,300	40%
T514	Over \$27,300 but	
T515	not over \$30,600	35%
T516	Over \$30,600 but	
T517	not over \$31,100	30%
T518	Over \$31,100 but	
T519	not over \$31,600	25%
T520	Over \$31,600 but	
T521	not over \$32,100	20%
T522	Over \$32,100 but	
T523	not over \$37,900	15%
T524	Over \$37,900 but	
T525	not over \$38,400	14%
T526	Over \$38,400 but	
T527	not over \$38,900	13%
T528	Over \$38,900 but	
T529	not over \$39,400	12%
T530	Over \$39,400 but	
T531	not over \$39,900	11%
T532	Over \$39,900 but	
T533	not over \$72,000	10%
T534	Over \$72,000 but	
T535	not over \$72,500	9%
T536	Over \$72,500 but	
T537	not over \$73,000	8%
T538	Over \$73,000 but	

T539	not over \$73,500	7%
T540	Over \$73,500 but	
T541	not over \$74,000	6%
T542	Over \$74,000 but	
T543	not over \$74,500	5%
T544	Over \$74,500 but	
T545	not over \$75,000	4%
T546	Over \$75,000 but	
T547	not over \$75,500	3%
T548	Over \$75,500 but	
T549	not over \$76,000	2%
T550	Over \$76,000 but	
T551	not over \$76,500	1%

928 (NEW) (R) For taxable years commencing on or after January 1,
 929 2025, but prior to January 1, 2026:

T552	Connecticut	
T553	Adjusted Gross Income	Amount of Credit
T554	Over \$19,500 but	
T555	not over \$24,400	75%
T556	Over \$24,400 but	
T557	not over \$24,900	70%
T558	Over \$24,900 but	
T559	not over \$25,400	65%
T560	Over \$25,400 but	
T561	not over \$25,900	60%
T562	Over \$25,900 but	
T563	not over \$26,400	55%
T564	Over \$26,400 but	
T565	not over \$26,900	50%
T566	Over \$26,900 but	
T567	not over \$27,400	45%
T568	Over \$27,400 but	
T569	not over \$27,900	40%

T570	Over \$27,900 but	
T571	not over \$31,200	35%
T572	Over \$31,200 but	
T573	not over \$31,700	30%
T574	Over \$31,700 but	
T575	not over \$32,200	25%
T576	Over \$32,200 but	
T577	not over \$32,700	20%
T578	Over \$32,700 but	
T579	not over \$38,600	15%
T580	Over \$38,600 but	
T581	not over \$39,100	14%
T582	Over \$39,100 but	
T583	not over \$39,600	13%
T584	Over \$39,600 but	
T585	not over \$40,100	12%
T586	Over \$40,100 but	
T587	not over \$40,600	11%
T588	Over \$40,600 but	
T589	not over \$73,000	10%
T590	Over \$73,000 but	
T591	not over \$73,500	9%
T592	Over \$73,500 but	
T593	not over \$74,000	8%
T594	Over \$74,000 but	
T595	not over \$74,500	7%
T596	Over \$74,500 but	
T597	not over \$75,000	6%
T598	Over \$75,000 but	
T599	not over \$75,500	5%
T600	Over \$75,500 but	
T601	not over \$76,000	4%
T602	Over \$76,000 but	
T603	not over \$76,500	3%
T604	Over \$76,500 but	

T605	not over \$77,000	2%
T606	Over \$77,000 but	
T607	not over \$77,500	1%
930	(NEW) (S) For taxable years commencing on or after January 1,	
931	2026:	
T608	Connecticut	
T609	Adjusted Gross Income	Amount of Credit
T610	Over \$20,000 but	
T611	not over \$25,000	75%
T612	Over \$25,000 but	
T613	not over \$25,500	70%
T614	Over \$25,500 but	
T615	not over \$26,000	65%
T616	Over \$26,000 but	
T617	not over \$26,500	60%
T618	Over \$26,500 but	
T619	not over \$27,000	55%
T620	Over \$27,000 but	
T621	not over \$27,500	50%
T622	Over \$27,500 but	
T623	not over \$28,000	45%
T624	Over \$28,000 but	
T625	not over \$28,500	40%
T626	Over \$28,500 but	
T627	not over \$31,900	35%
T628	Over \$31,900 but	
T629	not over \$32,400	30%
T630	Over \$32,400 but	
T631	not over \$32,900	25%
T632	Over \$32,900 but	
T633	not over \$33,400	20%
T634	Over \$33,400 but	
T635	not over \$39,400	15%

T636	Over \$39,400 but	
T637	not over \$39,900	14%
T638	Over \$39,900 but	
T639	not over \$40,400	13%
T640	Over \$40,400 but	
T641	not over \$40,900	12%
T642	Over \$40,900 but	
T643	not over \$41,400	11%
T644	Over \$41,400 but	
T645	not over \$75,000	10%
T646	Over \$75,000 but	
T647	not over \$75,500	9%
T648	Over \$75,500 but	
T649	not over \$76,000	8%
T650	Over \$76,000 but	
T651	not over \$76,500	7%
T652	Over \$76,500 but	
T653	not over \$77,000	6%
T654	Over \$77,000 but	
T655	not over \$77,500	5%
T656	Over \$77,500 but	
T657	not over \$78,000	4%
T658	Over \$78,000 but	
T659	not over \$78,500	3%
T660	Over \$78,500 but	
T661	not over \$79,000	2%
T662	Over \$79,000 but	
T663	not over \$79,500	1%

932 Sec. 17. Section 22a-200c of the general statutes is repealed and the
 933 following is substituted in lieu thereof (*Effective from passage*):

934 (a) The Commissioner of Energy and Environmental Protection
 935 shall adopt regulations, in accordance with chapter 54, to implement
 936 the Regional Greenhouse Gas Initiative.

937 (b) The Department of Energy and Environmental Protection shall
938 auction all emissions allowances and invest the proceeds. [, which]
939 Except as provided in subdivision (2) of this subsection, such proceeds
940 shall be deposited into a Regional Greenhouse Gas account established
941 by the Comptroller as a separate, nonlapsing account within the
942 General Fund, on behalf of electric ratepayers in energy conservation,
943 load management and Class I renewable energy programs. In making
944 such investments, the Commissioner of Energy and Environmental
945 Protection shall consider strategies that maximize cost effective
946 reductions in greenhouse gas emission. Allowances shall be auctioned
947 under the oversight of the Department of Energy and Environmental
948 Protection by a contractor or trustee on behalf of the electric
949 ratepayers. On or before July 1, 2015, notwithstanding subparagraph
950 (C) of subdivision (5) of subsection (f) of section 22a-174-31 of the
951 regulations of Connecticut state agencies, the commissioner may
952 allocate to the Connecticut Green Bank any portion of auction proceeds
953 in excess of the amounts budgeted by electric distribution companies
954 in the plan submitted to the department on November 1, 2012, in
955 accordance with section 16-245m, to support energy efficiency
956 programs, provided any such excess proceeds may be calculated and
957 allocated on a pro rata basis at the conclusion of any auction. (1) On or
958 before June 30, 2016, and notwithstanding the provisions of section
959 22a-174-31 of the regulations of Connecticut state agencies, the
960 commissioner shall transfer to the General Fund two million dollars of
961 the balance of the Regional Greenhouse Gas account. (2)
962 Notwithstanding the provisions of section 22a-174-31 of the
963 regulations of Connecticut state agencies, the commissioner shall
964 transfer to the General Fund five million dollars of auction proceeds in
965 each month of July, October, January and April of the fiscal year
966 ending June 30, 2018.

967 (c) The regulations adopted pursuant to subsection (a) of this section
968 may include provisions to cover the reasonable administrative costs
969 associated with the implementation of the Regional Greenhouse Gas
970 Initiative in Connecticut and to fund assessment and planning of
971 measures to reduce emissions, mitigate the impacts of climate change

972 and to cover the reasonable administrative costs of state agencies
 973 associated with the adoption of regulations, plans and policies in
 974 accordance with section 22a-200a. Such costs shall not exceed seven
 975 and one-half per cent of the total projected allowance value. Such
 976 regulations may also set aside a portion of the allowances to support
 977 the voluntary renewable energy provisions of the Regional
 978 Greenhouse Gas Initiative model rule and combined heat and power.

979 (d) Any allowances or allowance value allocated to the energy
 980 conservation load management program on behalf of electric
 981 ratepayers shall be incorporated into the planning and procurement
 982 process in sections 16a-3a and 16a-3b.

983 Sec. 18. Section 4-66l of the 2016 supplement to the general statutes
 984 is repealed and the following is substituted in lieu thereof (*Effective*
 985 *from passage*):

986 (a) For the purposes of this section:

987 (1) "FY 15 mill rate" means the mill rate a municipality uses during
 988 the fiscal year ending June 30, 2015;

989 (2) "Mill rate" means, unless otherwise specified, the mill rate a
 990 municipality uses to calculate tax bills for motor vehicles;

991 (3) "Municipality" means any town, city, consolidated town and city
 992 or consolidated town and borough;

993 (4) "Municipal spending" means:

T664	Municipal		Municipal		
T665	spending for		spending for		
T666	the fiscal year	-	the fiscal year		
T667	prior to the		two years		
T668	current fiscal		prior to the		
T669	year		current year	X	
T670	<hr/>			100	= Municipal spending;
T671	Municipal spending for the fiscal				

T672 year two years prior to the
T673 current year

994 (5) "Per capita distribution" means:

T674 [Town] Municipal
T675 population
T676 _____ X Sales tax revenue = Per capita distribution;
T677 Total state population

995 (6) "Pro rata distribution" means:

T678 Municipal weighted
T679 mill rate
T680 calculation
T681 _____ X Sales tax revenue = Pro rata distribution;
T682 Sum of all municipal
T683 weighted mill rate
T684 calculations combined

996 (7) "Regional council of governments" means any such council
997 organized under the provisions of sections 4-124i to 4-124p, inclusive;

998 (8) ["Town population"] "Municipal population" means the number
999 of persons in a municipality according to the most recent estimate of
1000 the Department of Public Health;

1001 (9) "Total state population" means the number of persons in this
1002 state according to the most recent estimate published by the
1003 Department of Public Health;

1004 (10) "Weighted mill rate" means a municipality's FY 15 mill rate
1005 divided by the average of all municipalities' FY 15 mill rate;

1006 (11) "Weighted mill rate calculation" means per capita distribution
1007 multiplied by a municipality's weighted mill rate;

1008 (12) "Sales tax revenue" means the moneys in the account remaining

1051 (4) For the fiscal years ending June 30, 2017, June 30, 2018, and June
1052 30, 2019, moneys sufficient to make the municipal revenue sharing
1053 grants payable to municipalities pursuant to subsection (d) of this
1054 section shall be expended not later than October thirty-first annually
1055 by the secretary;

1056 (5) Ten million dollars for the fiscal year ending June 30, 2017, shall
1057 be transferred not later than April fifteenth for the purposes of grants
1058 under section 10-262h;

1059 (6) (A) For the fiscal year ending June 30, 2017, three million dollars
1060 shall be expended by the secretary for the purposes of the regional
1061 services grants pursuant to subsection (e) of this section to the regional
1062 councils of governments, and (B) for the fiscal year ending June 30,
1063 2018, and each fiscal year thereafter, seven million dollars shall be
1064 expended for the purposes of the regional services grants pursuant to
1065 subsection (e) of this section to the regional councils of governments;
1066 and

1067 (7) For the fiscal year ending June 30, 2020, and each fiscal year
1068 thereafter, moneys in the account remaining shall be expended
1069 annually by the secretary for the purposes of the municipal revenue
1070 sharing grants established pursuant to subsection (f) of this section.
1071 Any such moneys deposited in the account for municipal revenue
1072 sharing grants between October first and June thirtieth shall be
1073 distributed to municipalities on the following October first and any
1074 such moneys deposited in the account between July first and
1075 September thirtieth shall be distributed to municipalities on the
1076 following January thirty-first. Any [town] municipality may apply to
1077 the Office of Policy and Management on or after July first for early
1078 disbursement of a portion of such grant. The Office of Policy and
1079 Management may approve such an application if it finds that early
1080 disbursement is required in order for a [town] municipality to meet its
1081 cash flow needs. No early disbursement approved by said office may
1082 be issued later than September thirtieth.

1083 (c) (1) For any municipality that is not required to effect a

1084 revaluation of real property under section 12-62 for the assessment
1085 year commencing October 1, 2014, or October 1, 2015: (A) For the fiscal
1086 year ending June 30, 2017, motor vehicle property tax grants to
1087 municipalities that impose mill rates on real property and personal
1088 property other than motor vehicles greater than 32 mills or that, when
1089 combined with the mill rate on real property and personal property
1090 other than motor vehicles of any district located within the
1091 municipality, impose mill rates on real property and personal property
1092 other than motor vehicles greater than 32 mills, shall be made in an
1093 amount equal to the difference between the amount of property taxes
1094 levied by the municipality and any district located within the
1095 municipality on motor vehicles for the assessment year commencing
1096 October 1, 2013, including motor vehicles on the 2013 supplemental
1097 grand list, and the amount such levy would have been if the mill rate
1098 on motor vehicles for said assessment year was 32 mills; and [(2)] (B)
1099 for the fiscal year ending June 30, 2018, and each fiscal year thereafter,
1100 motor vehicle property tax grants to municipalities that impose mill
1101 rates on real property and personal property other than motor vehicles
1102 greater than 29.36 mills or that, when combined with the mill rate on
1103 real property and personal property other than motor vehicles of any
1104 district located within the municipality, impose mill rates on real
1105 property and personal property other than motor vehicles greater than
1106 29.36 mills, shall be made in an amount equal to the difference
1107 between the amount of property taxes levied by the municipality and
1108 any district located within the municipality on motor vehicles for the
1109 assessment year commencing October 1, 2013, including motor
1110 vehicles on the 2013 supplemental grand list, and the amount such
1111 levy would have been if the mill rate on motor vehicles for said
1112 assessment year was 29.36 mills.

1113 (2) For any municipality required to effect a revaluation of real
1114 property under section 12-62 for the assessment year commencing
1115 October 1, 2014: (A) For the fiscal year ending June 30, 2017, motor
1116 vehicle property tax grants to municipalities that impose mill rates on
1117 real property and personal property other than motor vehicles greater
1118 than 32 mills or that, when combined with the mill rate on real

1119 property and personal property other than motor vehicles of any
1120 district located within the municipality, impose mill rates on real
1121 property and personal property other than motor vehicles greater than
1122 32 mills, shall be made in an amount equal to the difference between
1123 the 2015 actual levy and the levy that would have been received for the
1124 fiscal year ending June 30, 2016; and (B) for the fiscal year ending June
1125 30, 2018, and each fiscal year thereafter, motor vehicle property tax
1126 grants to municipalities that impose mill rates on real property and
1127 personal property other than motor vehicles greater than 29.36 mills or
1128 that, when combined with the mill rate on real property and personal
1129 property other than motor vehicles of any district located within the
1130 municipality, impose mill rates on real property and personal property
1131 other than motor vehicles greater than 29.36 mills, shall be made in an
1132 amount equal to the difference between the 2015 actual levy and the
1133 levy that would have been received for the fiscal year ending June 30,
1134 2016.

1135 (3) For any municipality required to effect a revaluation of real
1136 property under section 12-62 for the assessment year commencing
1137 October 1, 2015: (A) For the fiscal year ending June 30, 2017, motor
1138 vehicle property tax grants to municipalities that impose mill rates on
1139 real property and personal property other than motor vehicles greater
1140 than 32 mills or that, when combined with the mill rate on real
1141 property and personal property other than motor vehicles of any
1142 district located within the municipality, impose mill rates on real
1143 property and personal property other than motor vehicles greater than
1144 32 mills, shall be made in an amount equal to the difference between
1145 the 2017 actual levy and the levy that would have been received for the
1146 fiscal year ending June 30, 2017; and (B) for the fiscal year ending June
1147 30, 2018, and each fiscal year thereafter, motor vehicle property tax
1148 grants to municipalities that impose mill rates on real property and
1149 personal property other than motor vehicles greater than 29.36 mills or
1150 that, when combined with the mill rate on real property and personal
1151 property other than motor vehicles of any district located within the
1152 municipality, impose mill rates on real property and personal property
1153 other than motor vehicles greater than 29.36 mills, shall be made in an

1154 amount equal to the difference between the 2017 actual levy and the
 1155 levy that would have been received for the fiscal year ending June 30,
 1156 2017.

1157 (4) Not later than fifteen calendar days after receiving a property tax
 1158 grant pursuant to this section, the municipality shall disburse to any
 1159 district located within the municipality the amount of any such
 1160 property tax grant that is attributable to the district.

1161 (d) For the fiscal years ending June 30, 2017, June 30, 2018, and June
 1162 30, 2019, each municipality shall receive a municipal revenue sharing
 1163 grant. The total amount of the grant payable is as follows:

T701	Municipality	Grant [Amounts] <u>Amount</u>
T702	Andover	96,020
T703	Ansonia	643,519
T704	Ashford	125,591
T705	Avon	539,387
T706	Barkhamsted	109,867
T707	Beacon Falls	177,547
T708	Berlin	1,213,548
T709	Bethany	164,574
T710	Bethel	565,146
T711	Bethlehem	61,554
T712	Bloomfield	631,150
T713	Bolton	153,231
T714	Bozrah	77,420
T715	Branford	821,080
T716	Bridgeport	9,758,441
T717	Bridgewater	22,557
T718	Bristol	1,836,944
T719	Brookfield	494,620
T720	Brooklyn	149,576
T721	Burlington	278,524
T722	Canaan	21,294
T723	Canterbury	84,475

T724	Canton	303,842
T725	Chaplin	69,906
T726	Cheshire	855,170
T727	Chester	83,109
T728	Clinton	386,660
T729	Colchester	475,551
T730	Colebrook	42,744
T731	Columbia	160,179
T732	Cornwall	16,221
T733	Coventry	364,100
T734	Cromwell	415,938
T735	Danbury	2,993,644
T736	Darien	246,849
T737	Deep River	134,627
T738	Derby	400,912
T739	Durham	215,949
T740	East Granby	152,904
T741	East Haddam	268,344
T742	East Hampton	378,798
T743	East Hartford	2,036,894
T744	East Haven	854,319
T745	East Lyme	350,852
T746	East Windsor	334,616
T747	Eastford	33,194
T748	Easton	223,430
T749	Ellington	463,112
T750	Enfield	1,312,766
T751	Essex	107,345
T752	Fairfield	1,144,842
T753	Farmington	482,637
T754	Franklin	37,871
T755	Glastonbury	1,086,151
T756	Goshen	43,596
T757	Granby	352,440
T758	Greenwich	527,695

T759	Griswold	350,840
T760	Groton	623,548
T761	Guilford	657,644
T762	Haddam	245,344
T763	Hamden	2,155,661
T764	Hampton	54,801
T765	Hartford	1,498,643
T766	Hartland	40,254
T767	Harwinton	164,081
T768	Hebron	300,369
T769	Kent	38,590
T770	Killingly	505,562
T771	Killingworth	122,744
T772	Lebanon	214,717
T773	Ledyard	442,811
T774	Lisbon	65,371
T775	Litchfield	244,464
T776	Lyme	31,470
T777	Madison	536,777
T778	Manchester	1,971,540
T779	Mansfield	756,128
T780	Marlborough	188,665
T781	Meriden	1,893,412
T782	Middlebury	222,109
T783	Middlefield	131,529
T784	Middletown	1,388,602
T785	Milford	2,707,412
T786	Monroe	581,867
T787	Montville	578,318
T788	Morris	40,463
T789	Naugatuck	1,251,980
T790	New Britain	3,131,893
T791	New Canaan	241,985
T792	New Fairfield	414,970
T793	New Hartford	202,014

T794	New Haven	114,863
T795	New London	917,228
T796	New Milford	814,597
T797	Newington	937,100
T798	Newtown	824,747
T799	Norfolk	28,993
T800	North Branford	421,072
T801	North Canaan	95,081
T802	North Haven	702,295
T803	North Stonington	155,222
T804	Norwalk	4,896,511
T805	Norwich	1,362,971
T806	Old Lyme	115,080
T807	Old Saybrook	146,146
T808	Orange	409,337
T809	Oxford	246,859
T810	Plainfield	446,742
T811	Plainville	522,783
T812	Plymouth	367,902
T813	Pomfret	78,101
T814	Portland	277,409
T815	Preston	84,835
T816	Prospect	283,717
T817	Putnam	109,975
T818	Redding	273,185
T819	Ridgefield	738,233
T820	Rocky Hill	584,244
T821	Roxbury	23,029
T822	Salem	123,244
T823	Salisbury	29,897
T824	Scotland	52,109
T825	Seymour	494,298
T826	Sharon	28,022
T827	Shelton	1,016,326
T828	Sherman	56,139

T829	Simsbury	775,368
T830	Somers	203,969
T831	South Windsor	804,258
T832	Southbury	582,601
T833	Southington	1,280,877
T834	Sprague	128,769
T835	Stafford	349,930
T836	Stamford	3,414,955
T837	Sterling	110,893
T838	Stonington	292,053
T839	Stratford	1,627,064
T840	Suffield	463,170
T841	Thomaston	228,716
T842	Thompson	164,939
T843	Tolland	437,559
T844	Torrington	1,133,394
T845	Trumbull	1,072,878
T846	Union	24,878
T847	Vernon	922,743
T848	Voluntown	48,818
T849	Wallingford	1,324,296
T850	Warren	15,842
T851	Washington	36,701
T852	Waterbury	5,595,448
T853	Waterford	372,956
T854	Watertown	652,100
T855	West Hartford	2,075,223
T856	West Haven	1,614,877
T857	Westbrook	116,023
T858	Weston	304,282
T859	Westport	377,722
T860	Wethersfield	1,353,493
T861	Willington	174,995
T862	Wilton	547,338
T863	Winchester	323,087

T864	Windham	739,671
T865	Windsor	854,935
T866	Windsor Locks	368,853
T867	Wolcott	490,659
T868	Woodbridge	274,418
T869	Woodbury	288,147
T870	Woodstock	140,648

1164 (e) For the fiscal year ending June 30, 2017, and each fiscal year
1165 thereafter, each regional council of governments shall receive a
1166 regional services grant, the amount of which will be based on a
1167 formula to be determined by the secretary, except that thirty-five per
1168 cent of such grant moneys shall be awarded to regional councils of
1169 governments for the purpose of assisting regional education service
1170 centers in merging their human resource, finance or technology
1171 services with such services provided by municipalities within the
1172 region. No such council shall receive a grant for the fiscal year ending
1173 June 30, 2018, or any fiscal year thereafter, unless the secretary
1174 approves a spending plan for such grant moneys submitted by such
1175 council to the secretary on or before July 1, 2017, and annually
1176 thereafter. The regional councils of governments shall use such grants
1177 for planning purposes and to achieve efficiencies in the delivery of
1178 municipal services by regionalizing such services, including, but not
1179 limited to, region-wide consolidation of such services. Such efficiencies
1180 shall not diminish the quality of such services. A unanimous vote of
1181 the representatives of such council shall be required for approval of
1182 any expenditure from such grant. On or before October 1, 2017, and
1183 biennially thereafter, each such council shall submit a report, in
1184 accordance with section 11-4a, to the joint standing committees of the
1185 General Assembly having cognizance of matters relating to planning
1186 and development and finance, revenue and bonding. Such report shall
1187 summarize the expenditure of such grants and provide
1188 recommendations concerning the expansion, reduction or modification
1189 of such grants.

1190 (f) For the fiscal year ending June 30, 2020, and each fiscal year

1191 thereafter, each municipality shall receive a municipal revenue sharing
1192 grant as follows:

1193 (1) (A) A municipality having a mill rate at or above twenty-five
1194 shall receive the per capita distribution or pro rata distribution,
1195 whichever is higher for such municipality.

1196 (B) Such grants shall be increased by a percentage calculated as
1197 follows:

T871 Sum of per capita distribution amount
T872 for all municipalities having a mill rate
T873 below twenty-five - pro rata distribution
T874 amount for all municipalities
T875 having a mill rate below twenty-five

T876 _____
T877 Sum of all grants to municipalities
T878 calculated pursuant to subparagraph (A)
T879 of subdivision (1) of this subsection.

1198 (C) Notwithstanding the provisions of subparagraphs (A) and (B) of
1199 this subdivision, Hartford shall receive not more than 5.2 per cent of
1200 the municipal revenue sharing grants distributed pursuant to this
1201 subsection; Bridgeport shall receive not more than 4.5 per cent of the
1202 municipal revenue sharing grants distributed pursuant to this
1203 subsection; New Haven shall receive not more than 2.0 per cent of the
1204 municipal revenue sharing grants distributed pursuant to this
1205 subsection and Stamford shall receive not more than 2.8 per cent of the
1206 equalization grants distributed pursuant to this subsection. Any excess
1207 funds remaining after such reductions in payments to Hartford,
1208 Bridgeport, New Haven and Stamford shall be distributed to all other
1209 municipalities having a mill rate at or above twenty-five on a pro rata
1210 basis according to the payment they receive pursuant to this
1211 subdivision; and

1212 (2) A municipality having a mill rate below twenty-five shall receive
1213 the per capita distribution or pro rata distribution, whichever is less for

1214 such municipality.

1215 (3) For the purposes of this subsection, "mill rate" means the mill
1216 rate for real property and personal property other than motor vehicles.

1217 (g) Except as provided in subsection (c) of this section, a
1218 municipality may disburse any municipal revenue sharing grant funds
1219 to a district within such municipality.

1220 (h) [For] (1) Except as provided in subdivision (2) of this subsection,
1221 for the fiscal year ending June 30, 2018, and each fiscal year thereafter,
1222 the amount of the grant payable to a municipality in any year in
1223 accordance with subsection (d) or (f) of this section shall be reduced if
1224 such municipality increases its [general] adopted budget expenditures
1225 for such fiscal year above a cap equal to the amount of [general]
1226 adopted budget expenditures authorized for the previous fiscal year
1227 by 2.5 per cent or more or the rate of inflation, whichever is greater.
1228 Such reduction shall be in an amount equal to fifty cents for every
1229 dollar expended over the cap set forth in this subsection. For the
1230 purposes of this section, (A) "municipal spending" does not include
1231 expenditures for debt service, special education, implementation of
1232 court orders or arbitration awards, expenditures associated with a
1233 major disaster or emergency declaration by the President of the United
1234 States or a disaster emergency declaration issued by the Governor
1235 pursuant to chapter 517, [or] any disbursement made to a district
1236 pursuant to subsection (c) or (g) of this section, budgeting for an
1237 audited deficit, nonrecurring grants, capital expenditures or payments
1238 on unfunded pension liabilities, (B) "adopted budget expenditures"
1239 includes expenditures from a municipality's general fund and
1240 expenditures from any nonbudgeted funds, and (C) "capital
1241 expenditure" means a nonrecurring capital expenditure of one
1242 hundred thousand dollars or more. Each municipality shall annually
1243 certify to the secretary, on a form prescribed by said secretary, whether
1244 such municipality has exceeded the cap set forth in this subsection and
1245 if so the amount by which the cap was exceeded.

1246 (2) For the fiscal year ending June 30, 2018, and each fiscal year

1247 thereafter, the amount of the grant payable to a municipality in any
1248 year in accordance with subsection (d) or (f) of this section shall not be
1249 reduced in the case of a municipality whose adopted budget
1250 expenditures exceed the cap set forth in subdivision (1) of this
1251 subsection by an amount proportionate to any increase to its municipal
1252 population from the previous fiscal year, as determined by the
1253 secretary.

1254 (i) For the fiscal year ending June 30, 2020, and each fiscal year
1255 thereafter, the amount of the grant payable to a municipality in any
1256 year in accordance with subsection (f) of this section shall be reduced
1257 proportionately in the event that the total of such grants in such year
1258 exceeds the amount available for such grants in the municipal revenue
1259 sharing account established pursuant to subsection (b) of this section.

1260 Sec. 19. Section 12-18b of the 2016 supplement to the general statutes
1261 is repealed and the following is substituted in lieu thereof (*Effective*
1262 *from passage*):

1263 (a) For purposes of this section:

1264 (1) "College and hospital property" means all real property
1265 described in subsection (a) of section 12-20a;

1266 (2) "District" means any district, as defined in section 7-324;

1267 (3) "Qualified college and hospital property" means college and
1268 hospital property described in subparagraph (B) of subdivision (2) of
1269 subsection (b) of this section;

1270 (4) "Qualified state, municipal or tribal property" means state,
1271 municipal or tribal property described in subparagraphs (A) to (G),
1272 inclusive, of subdivision (1) of subsection (b) of this section;

1273 (5) "Municipality" means any town, city, borough, consolidated
1274 town and city and consolidated town and borough;

1275 (6) "Select college and hospital property" means college and hospital

1276 property described in subparagraph (A) of subdivision (2) of
1277 subsection (b) of this section;

1278 (7) "Select payment in lieu of taxes account" means the account
1279 established pursuant to section 12-18c;

1280 (8) "Select state property" means state property described in
1281 subparagraph (H) of subdivision (1) of subsection (b) of this section;

1282 (9) "State, municipal or tribal property" means all real property
1283 described in subsection (a) of section 12-19a;

1284 (10) "Tier one districts or municipalities" means the ten districts or
1285 municipalities with the highest percentage of tax exempt property on
1286 the list of municipalities prepared by the Secretary of the Office of
1287 Policy and Management pursuant to subsection (c) of this section and
1288 having a mill rate of twenty-five mills or more;

1289 (11) "Tier two districts or municipalities" means the next twenty-five
1290 districts or municipalities after tier one districts or municipalities with
1291 the highest percentage of tax exempt property on the list of
1292 municipalities prepared by the Secretary of the Office of Policy and
1293 Management pursuant to subsection (c) of this section and having a
1294 mill rate of twenty-five mills or more;

1295 (12) "Tier three districts or municipalities" means all districts and
1296 municipalities not included in tier one districts or municipalities or tier
1297 two districts or municipalities;

1298 (13) "Tier one municipalities" means the ten municipalities with the
1299 highest percentage of tax exempt property on the list of municipalities
1300 prepared by the Secretary of the Office of Policy and Management
1301 pursuant to subsection (c) of this section and having a mill rate of
1302 twenty-five mills or more;

1303 (14) "Tier two municipalities" means the next twenty-five
1304 municipalities after tier one municipalities with the highest percentage
1305 of tax exempt property on the list of municipalities prepared by the

1306 Secretary of the Office of Policy and Management pursuant to
1307 subsection (c) of this section and having a mill rate of twenty-five mills
1308 or more; and

1309 (15) "Tier three municipalities" means all municipalities not
1310 included in tier one municipalities or tier two municipalities.

1311 (b) Notwithstanding the provisions of sections 12-19a and 12-20a, all
1312 funds appropriated for state grants in lieu of taxes shall be payable to
1313 municipalities and districts pursuant to the provisions of this section.
1314 On or before January first, annually, the Secretary of the Office of
1315 Policy and Management shall determine the amount due, as a state
1316 grant in lieu of taxes, to each municipality and district in this state
1317 wherein college and hospital property is located and to each
1318 municipality in this state wherein state, municipal or tribal property,
1319 except that which was acquired and used for highways and bridges,
1320 but not excepting property acquired and used for highway
1321 administration or maintenance purposes, is located.

1322 (1) The grant payable to any municipality for state, municipal or
1323 tribal property under the provisions of this section in the fiscal year
1324 ending June 30, 2017, and each fiscal year thereafter shall be equal to
1325 the total of:

1326 (A) One hundred per cent of the property taxes that would have
1327 been paid with respect to any facility designated by the Commissioner
1328 of Correction, on or before August first of each year, to be a
1329 correctional facility administered under the auspices of the
1330 Department of Correction or a juvenile detention center under
1331 direction of the Department of Children and Families that was used for
1332 incarcerative purposes during the preceding fiscal year. If a list
1333 containing the name and location of such designated facilities and
1334 information concerning their use for purposes of incarceration during
1335 the preceding fiscal year is not available from the Secretary of the State
1336 on August first of any year, the Commissioner of Correction shall, on
1337 said date, certify to the Secretary of the Office of Policy and
1338 Management a list containing such information;

1339 (B) One hundred per cent of the property taxes that would have
1340 been paid with respect to that portion of the John Dempsey Hospital
1341 located at The University of Connecticut Health Center in Farmington
1342 that is used as a permanent medical ward for prisoners under the
1343 custody of the Department of Correction. Nothing in this section shall
1344 be construed as designating any portion of The University of
1345 Connecticut Health Center John Dempsey Hospital as a correctional
1346 facility;

1347 (C) One hundred per cent of the property taxes that would have
1348 been paid on any land designated within the 1983 Settlement
1349 boundary and taken into trust by the federal government for the
1350 Mashantucket Pequot Tribal Nation on or after June 8, 1999;

1351 (D) Subject to the provisions of subsection (c) of section 12-19a,
1352 sixty-five per cent of the property taxes that would have been paid
1353 with respect to the buildings and grounds comprising Connecticut
1354 Valley Hospital in Middletown;

1355 (E) With respect to any municipality in which more than fifty per
1356 cent of the property is state-owned real property, one hundred per cent
1357 of the property taxes that would have been paid with respect to such
1358 state-owned property;

1359 (F) Forty-five per cent of the property taxes that would have been
1360 paid with respect to all municipally owned airports; except for the
1361 exemption applicable to such property, on the assessment list in such
1362 municipality for the assessment date two years prior to the
1363 commencement of the state fiscal year in which such grant is payable.
1364 The grant provided pursuant to this section for any municipally
1365 owned airport shall be paid to any municipality in which the airport is
1366 located, except that the grant applicable to Sikorsky Airport shall be
1367 paid one-half to the town of Stratford and one-half to the city of
1368 Bridgeport;

1369 (G) Forty-five per cent of the property taxes that would have been
1370 paid with respect to any land designated within the 1983 Settlement

1371 boundary and taken into trust by the federal government for the
1372 Mashantucket Pequot Tribal Nation prior to June 8, 1999, or taken into
1373 trust by the federal government for the Mohegan Tribe of Indians of
1374 Connecticut, provided the real property subject to this subparagraph
1375 shall be the land only, and shall not include the assessed value of any
1376 structures, buildings or other improvements on such land; and

1377 (H) Forty-five per cent of the property taxes that would have been
1378 paid with respect to all other state-owned real property.

1379 (2) (A) The grant payable to any municipality or district for college
1380 and hospital property under the provisions of this section in the fiscal
1381 year ending June 30, 2017, and each fiscal year thereafter shall be equal
1382 to the total of seventy-seven per cent of the property taxes that, except
1383 for any exemption applicable to any institution of higher education or
1384 general hospital facility under the provisions of section 12-81, would
1385 have been paid with respect to college and hospital property on the
1386 assessment list in such municipality or district for the assessment date
1387 two years prior to the commencement of the state fiscal year in which
1388 such grant is payable; and

1389 (B) Notwithstanding the provisions of subparagraph (A) of this
1390 subdivision, the grant payable to any municipality or district with
1391 respect to a campus of the United States Department of Veterans
1392 Affairs Connecticut Healthcare Systems shall be one hundred per cent.

1393 (c) The Secretary of the Office of Policy and Management shall list
1394 municipalities, boroughs and districts based on the percentage of real
1395 property on the 2012 grand list of each municipality that is exempt
1396 from property tax under any provision of the general statutes other
1397 than that property described in subparagraph (A) of subdivision (1) of
1398 subsection (b) of this section. Boroughs and districts shall have the
1399 same ranking as the town, city, consolidated town and city or
1400 consolidated town and borough in which such borough or district is
1401 located.

1402 (d) For the fiscal [year] years ending June 30, 2017, June 30, 2018,

1403 and June 30, 2019, in the event that the total of grants payable to each
 1404 municipality and district in accordance with the provisions of
 1405 subsection (b) of this section exceeds the amount appropriated for the
 1406 purposes of said subsection (b) for [said] the applicable fiscal year: (1)
 1407 The amount of the grant payable to each municipality for state,
 1408 municipal or tribal property and to each municipality or district for
 1409 college and hospital property shall be reduced proportionately,
 1410 provided the percentage of the property taxes payable to a
 1411 municipality or district with respect to such property shall not be
 1412 lower than the percentage paid to the municipality or district for such
 1413 property for the fiscal year ending June 30, 2015; and (2) certain
 1414 municipalities and districts shall receive an additional payment in lieu
 1415 of taxes grant payable from the select payment in lieu of taxes account.
 1416 The total amount of the grant payment is as follows:

T880	Municipality/District	Grant Amount
T881	Ansonia	20,543
T882	Bridgeport	3,236,058
T883	Chaplin	11,177
T884	Danbury	620,540
T885	Deep River	1,961
T886	Derby	138,841
T887	East Granby	9,904
T888	East Hartford	214,997
T889	Hamden	620,903
T890	Hartford	12,422,113
T891	Killingly	46,615
T892	Ledyard	3,012
T893	Litchfield	13,907
T894	Mansfield	2,630,447
T895	Meriden	259,564
T896	Middletown	727,324
T897	Montville	26,217
T898	New Britain	2,085,537
T899	New Haven	15,246,372

T900	New London	1,356,780
T901	Newington	176,884
T902	North Canaan	4,393
T903	Norwich	259,862
T904	Plainfield	16,116
T905	Simsbury	21,671
T906	Stafford	43,057
T907	Stamford	552,292
T908	Suffield	53,767
T909	Wallingford	61,586
T910	Waterbury	3,284,145
T911	West Hartford	211,483
T912	West Haven	339,563
T913	Windham	1,248,096
T914	Windsor	9,660
T915	Windsor Locks	32,533
T916	Borough of Danielson (Killingly)	2,232
T917	Borough of Litchfield	143
T918	Middletown: South Fire District	1,172
T919	Plainfield - Plainfield Fire District	309
T920	West Haven First Center (D1)	1,187
T921	West Haven: Allintown FD (D3)	53,053
T922	West Haven: West Shore FD (D2)	35,065

1417 (e) (1) For the fiscal year ending June 30, [2018] 2020, and each fiscal
1418 year thereafter, in the event that the total of grants payable to each
1419 municipality and district in accordance with the provisions of
1420 subsection (b) of this section exceeds the amount appropriated for the
1421 purposes of said subsection (b) for said fiscal years:

1422 (A) The amount of the grant payable to each municipality for
1423 qualified state, municipal or tribal property and to each municipality
1424 or district for qualified college and hospital property shall be reduced
1425 proportionately, provided the percentage of the property taxes payable
1426 to a municipality or district with respect to such property shall not be
1427 lower than the percentage paid to the municipality or district for such

1428 property for the fiscal year ending June 30, 2015;

1429 (B) The amount of the grant payable to each municipality or district
1430 for select college and hospital property shall be reduced as follows: (i)
1431 Tier one districts or municipalities shall each receive a grant in lieu of
1432 taxes equal to forty-two per cent of the property taxes that would have
1433 been paid to such municipality or district on select college and hospital
1434 property; (ii) tier two districts or municipalities shall each receive a
1435 grant in lieu of taxes equal to thirty-seven per cent of the property
1436 taxes that would have been paid to such municipality or district on
1437 select college and hospital property; and (iii) tier three districts or
1438 municipalities shall each receive a grant in lieu of taxes equal to thirty-
1439 two per cent of the property taxes that would have been paid to such
1440 municipality or district on select college and hospital property. Grants
1441 in excess of thirty-two per cent of the property taxes that would have
1442 been paid to tier one districts or municipalities and to tier two districts
1443 or municipalities on select college and hospital property shall be
1444 payable from the select payment in lieu of taxes account; and

1445 (C) The amount of the grant payable to each municipality for select
1446 state property shall be reduced as follows: (i) Tier one municipalities
1447 shall each receive a grant in lieu of taxes equal to thirty-two per cent of
1448 the property taxes that would have been paid to such municipality for
1449 select state property; (ii) tier two municipalities shall each receive a
1450 grant in lieu of taxes equal to twenty-eight per cent of the property
1451 taxes that would have been paid to such municipality for select state
1452 property; and (iii) tier three municipalities shall each receive a grant in
1453 lieu of taxes equal to twenty-four per cent of the property taxes that
1454 would have been paid to such municipality for select state property.
1455 Grants in excess of twenty-four per cent of the property taxes that
1456 would have been paid to tier one municipalities and to tier two
1457 municipalities on select state property shall be payable from the select
1458 payment in lieu of taxes account.

1459 (2) In the event that the total of grants payable to each municipality
1460 and district in accordance with the provisions of subsection (b) of this

1461 section and subdivision (1) of this subsection exceeds the amount
1462 appropriated for the purposes of said subsection and the amount
1463 available in the select payment in lieu of taxes account in any fiscal
1464 year, the amount of the grant payable to each municipality for state,
1465 municipal or tribal property and to each municipality or district for
1466 college and hospital property shall be reduced proportionately,
1467 provided (A) the grant payable to tier one districts or municipalities
1468 for select college and hospital property shall be ten percentage points
1469 more than the grant payable to tier three districts or municipalities for
1470 such property, (B) the grant payable to tier two districts or
1471 municipalities for select college and hospital property shall be five
1472 percentage points more than the grant payable to tier three districts or
1473 municipalities for such property, (C) the grant payable to tier one
1474 municipalities for select state property shall be eight percentage points
1475 more than the grant payable to tier three municipalities for such
1476 property, and (D) the grant payable to tier two municipalities for select
1477 state property shall be four percentage points more than the grant
1478 payable to tier three municipalities for such property. Grants to tier
1479 one municipalities or districts and grants to tier two municipalities or
1480 districts in excess of grants paid to tier three municipalities or districts
1481 that would have been paid on select college and hospital property shall
1482 be payable from the select payment in lieu of taxes account. Grants to
1483 tier one municipalities and grants to tier two municipalities in excess
1484 of grants paid to tier three municipalities that would have been paid
1485 on select state property shall be payable from the select payment in
1486 lieu of taxes account.

1487 (f) Notwithstanding the provisions of subsections (a) to (d),
1488 inclusive, of this section, for any municipality receiving payments
1489 under section 15-120ss, property located in such municipality at
1490 Bradley International Airport shall not be included in the calculation of
1491 any state grant in lieu of taxes pursuant to this section.

1492 (g) For purposes of this section, any real property which is owned
1493 by the John Dempsey Hospital Finance Corporation established
1494 pursuant to the provisions of sections 10a-250 to 10a-263, inclusive, or

1495 by one or more subsidiary corporations established pursuant to
1496 subdivision (13) of section 10a-254 and which is free from taxation
1497 pursuant to the provisions of section 10a-259 shall be deemed to be
1498 state-owned real property.

1499 (h) The Office of Policy and Management shall report, in accordance
1500 with the provisions of section 11-4a, to the joint standing committee of
1501 the General Assembly having cognizance of matters relating to finance,
1502 revenue and bonding, on or before July 1, 2017, and on or before July
1503 first annually thereafter until July 1, 2020, with regard to the grants
1504 distributed in accordance with this section, and shall include in such
1505 reports any recommendations for changes in the grants.

1506 Sec. 20. (NEW) (*Effective January 1, 2017*) (a) Beginning with the
1507 monthly period ending January 1, 2017, and each monthly period
1508 thereafter, each payment settlement entity, as defined in Section
1509 6050W of the Internal Revenue Code, as defined in section 12-701 of
1510 the general statutes, that makes payments to a retailer in Connecticut
1511 in connection with a credit card or debit card transaction during the
1512 applicable monthly period shall file an informational report with the
1513 Commissioner of Revenue Services. Such report shall include a listing
1514 by retailer of each payment that was made to each retailer during the
1515 applicable monthly period, the date and time each payment was made
1516 to each retailer, the account number of the account in which each such
1517 payment was deposited, and the name of the financial institution in
1518 which each such account is maintained. The report for the monthly
1519 period ending January 1, 2017, shall be filed with the commissioner on
1520 or before February 20, 2017, and any report required to be filed
1521 thereafter shall be filed on or before the twentieth day of the month
1522 following the applicable monthly period.

1523 (b) Each payment settlement entity shall electronically submit the
1524 informational report required under this section, on a form prescribed
1525 by the commissioner. The commissioner shall make such form
1526 available on or before December 1, 2016, and on or before December
1527 first annually thereafter.

1528 (c) Any payment settlement entity that fails to file the informational
1529 report required under this section shall be subject to a penalty of one
1530 thousand dollars for each such failure. Any penalty imposed under
1531 this section shall not be subject to waiver.

1532 (d) The commissioner may enter into agreements with payment
1533 settlement entities to facilitate the issuance of tax warrants on such
1534 entities under the provisions of section 12-35 of the general statutes for
1535 payments made by such entities to retailers in Connecticut.

1536 Sec. 21. Section 12-263i of the 2016 supplement to the general
1537 statutes is repealed and the following is substituted in lieu thereof
1538 (*Effective July 1, 2016, and applicable to calendar quarters commencing on or*
1539 *after said date*):

1540 (a) As used in this section:

1541 (1) "Ambulatory surgical center" means an entity included within
1542 the definition of said term that is set forth in 42 CFR 416.2 and that is
1543 licensed by the Department of Public Health as an outpatient surgical
1544 facility, and any other ambulatory surgical center that is Medicare
1545 certified;

1546 (2) "Commissioner" means the Commissioner of Revenue Services;
1547 and

1548 (3) "Department" means the Department of Revenue Services.

1549 (b) (1) For each calendar quarter commencing on or after October 1,
1550 2015, and prior to July 1, 2016, there is hereby imposed a tax on each
1551 ambulatory surgical center in this state to be paid each calendar
1552 quarter. The tax imposed by this [section] subdivision shall be at the
1553 rate of six per cent of the gross receipts of each ambulatory surgical
1554 center, except that such tax shall not be imposed on any amount of
1555 such gross receipts that constitutes either (A) the first million dollars of
1556 gross receipts of the ambulatory surgical center in the [applicable]
1557 fiscal year ending June 30, 2016, or (B) net patient revenue of a hospital
1558 that is subject to the tax imposed under this chapter.

1559 (2) For each calendar quarter commencing on or after July 1, 2016,
1560 and prior to July 1, 2017, there is hereby imposed a tax on each
1561 ambulatory surgical center in this state to be paid each calendar
1562 quarter. The tax imposed by this subdivision shall be at the rate of five
1563 and one-half per cent of the gross receipts of each ambulatory surgical
1564 center, except that such tax shall not be imposed on any amount of
1565 such gross receipts that constitutes either (A) the first one million one
1566 hundred thousand dollars of gross receipts of the ambulatory surgical
1567 center in the fiscal year ending June 30, 2017, or (B) net patient revenue
1568 of a hospital that is subject to the tax imposed under this chapter.

1569 (3) For each calendar quarter commencing on or after July 1, 2017,
1570 there is hereby imposed a tax on each ambulatory surgical center in
1571 this state to be paid each calendar quarter. The tax imposed by this
1572 subdivision shall be at the rate of five and one-quarter per cent of the
1573 gross receipts of each ambulatory surgical center, except that such tax
1574 shall not be imposed on any amount of such gross receipts that
1575 constitutes either (A) the first one million one hundred thousand
1576 dollars of gross receipts of the ambulatory surgical center in the
1577 applicable fiscal year, or (B) net patient revenue of a hospital that is
1578 subject to the tax imposed under this chapter.

1579 (4) Nothing in this section shall prohibit an ambulatory surgical
1580 center from seeking remuneration for the tax imposed by this section.

1581 [(2)] (5) Each ambulatory surgical [center shall, on or before January
1582 31, 2016, and thereafter on or before the last day of January, April, July
1583 and October of each year, render to the commissioner a return, on
1584 forms prescribed or furnished by the commissioner, reporting the
1585 name and location of such ambulatory surgical center, the entire
1586 amount of gross receipts generated by such ambulatory surgical center
1587 during the calendar quarter ending on the last day of the preceding
1588 month and such other information as the commissioner deems
1589 necessary for the proper administration of this section. The tax
1590 imposed under this section shall be due and payable on the due date of
1591 such return. Each ambulatory surgical center shall be required to file

1592 such return electronically with the department and to make payment
1593 of such tax by electronic funds transfer in the manner provided by
1594 chapter 228g, regardless of whether such ambulatory surgical center
1595 would have otherwise been required to file such return electronically
1596 or to make such tax payment by electronic funds transfer under the
1597 provisions of chapter 228g.

1598 (c) Whenever the tax imposed under this section is not paid when
1599 due, a penalty of ten per cent of the amount due and unpaid or fifty
1600 dollars, whichever is greater, shall be imposed and interest at the rate
1601 of one per cent per month or fraction thereof shall accrue on such tax
1602 from the due date of such tax until the date of payment.

1603 (d) The provisions of sections 12-548, 12-550 to 12-554, inclusive, and
1604 12-555a shall apply to the provisions of this section in the same manner
1605 and with the same force and effect as if the language of said sections
1606 had been incorporated in full into this section and had expressly
1607 referred to the tax imposed under this section, except to the extent that
1608 any provision is inconsistent with a provision in this section.

1609 (e) For the fiscal year ending June 30, 2016, and each fiscal year
1610 thereafter, the Comptroller is authorized to record as revenue for each
1611 fiscal year the amount of tax imposed under the provisions of this
1612 section prior to the end of each fiscal year and which tax is received by
1613 the Commissioner of Revenue Services not later than five business
1614 days after the last day of July immediately following the end of each
1615 fiscal year.

1616 Sec. 22. (NEW) (*Effective January 1, 2017*) There is established an
1617 account to be known as the "state-wide marketing and promotion
1618 account" which shall be a separate, nonlapsing account within the
1619 General Fund. The account shall contain any moneys required by law
1620 to be deposited in the account. Moneys in the account shall be
1621 expended by the Commissioner of Economic and Community
1622 Development for the purposes of promoting tourism in the state in
1623 order to maximize the amount of revenue generated by the tax
1624 imposed under section 12-408 of the general statutes, as amended by

1625 this act, with respect to the occupancy of any room or rooms in a hotel
1626 or lodging house.

1627 Sec. 23. Subdivision (1) of section 12-408 of the 2016 supplement to
1628 the general statutes is repealed and the following is substituted in lieu
1629 thereof (*Effective January 1, 2017, and applicable to sales occurring on or*
1630 *after said date*):

1631 (1) (A) For the privilege of making any sales, as defined in
1632 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
1633 for a consideration, a tax is hereby imposed on all retailers at the rate
1634 of six and thirty-five-hundredths per cent of the gross receipts of any
1635 retailer from the sale of all tangible personal property sold at retail or
1636 from the rendering of any services constituting a sale in accordance
1637 with subdivision (2) of subsection (a) of section 12-407, except, in lieu
1638 of said rate of six and thirty-five-hundredths per cent, the rates
1639 provided in subparagraphs (B) to (H), inclusive, of this subdivision;

1640 (B) At [a] the rate of fifteen per cent with respect to each transfer of
1641 occupancy, from the total amount of rent received for such occupancy
1642 of any room or rooms in a hotel or lodging house for the first period
1643 not exceeding thirty consecutive calendar days;

1644 (C) With respect to the sale of a motor vehicle to any individual who
1645 is a member of the armed forces of the United States and is on full-time
1646 active duty in Connecticut and who is considered, under 50 App USC
1647 574, a resident of another state, or to any such individual and the
1648 spouse thereof, at [a] the rate of four and one-half per cent of the gross
1649 receipts of any retailer from such sales, provided such retailer requires
1650 and maintains a declaration by such individual, prescribed as to form
1651 by the commissioner and bearing notice to the effect that false
1652 statements made in such declaration are punishable, or other evidence,
1653 satisfactory to the commissioner, concerning the purchaser's state of
1654 residence under 50 App USC 574;

1655 (D) (i) With respect to the sales of computer and data processing
1656 services occurring on or after July 1, 1997, and prior to July 1, 1998, at

1657 the rate of five per cent, on or after July 1, 1998, and prior to July 1,
1658 1999, at the rate of four per cent, on or after July 1, 1999, and prior to
1659 July 1, 2000, at the rate of three per cent, on or after July 1, 2000, and
1660 prior to July 1, 2001, at the rate of two per cent, on or after July 1, 2001,
1661 at the rate of one per cent, and (ii) with respect to sales of Internet
1662 access services, on and after July 1, 2001, such services shall be exempt
1663 from such tax;

1664 (E) (i) With respect to the sales of labor that is otherwise taxable
1665 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of
1666 section 12-407 on existing vessels and repair or maintenance services
1667 on vessels occurring on and after July 1, 1999, such services shall be
1668 exempt from such tax;

1669 (ii) With respect to the sale of a vessel, such sale shall be exempt
1670 from such tax provided such vessel is docked in this state for sixty or
1671 fewer days in a calendar year;

1672 (F) With respect to patient care services for which payment is
1673 received by the hospital on or after July 1, 1999, and prior to July 1,
1674 2001, at the rate of five and three-fourths per cent and on and after July
1675 1, 2001, such services shall be exempt from such tax;

1676 (G) With respect to the rental or leasing of a passenger motor
1677 vehicle for a period of thirty consecutive calendar days or less, at [a]
1678 the rate of nine and thirty-five-hundredths per cent;

1679 (H) With respect to the sale of (i) a motor vehicle for a sales price
1680 exceeding fifty thousand dollars, at [a] the rate of seven and three-
1681 fourths per cent on the entire sales price, (ii) jewelry, whether real or
1682 imitation, for a sales price exceeding five thousand dollars, at [a] the
1683 rate of seven and three-fourths per cent on the entire sales price, and
1684 (iii) an article of clothing or footwear intended to be worn on or about
1685 the human body, a handbag, luggage, umbrella, wallet or watch for a
1686 sales price exceeding one thousand dollars, at [a] the rate of seven and
1687 three-fourths per cent on the entire sales price. For purposes of this
1688 subparagraph, "motor vehicle" has the meaning provided in section 14-

1689 1, but does not include a motor vehicle subject to the provisions of
1690 subparagraph (C) of this subdivision, a motor vehicle having a gross
1691 vehicle weight rating over twelve thousand five hundred pounds, or a
1692 motor vehicle having a gross vehicle weight rating of twelve thousand
1693 five hundred pounds or less that is not used for private passenger
1694 purposes, but is designed or used to transport merchandise, freight or
1695 persons in connection with any business enterprise and issued a
1696 commercial registration or more specific type of registration by the
1697 Department of Motor Vehicles;

1698 (I) The rate of tax imposed by this chapter shall be applicable to all
1699 retail sales upon the effective date of such rate, except that a new rate
1700 which represents an increase in the rate applicable to the sale shall not
1701 apply to any sales transaction wherein a binding sales contract without
1702 an escalator clause has been entered into prior to the effective date of
1703 the new rate and delivery is made within ninety days after the effective
1704 date of the new rate. For the purposes of payment of the tax imposed
1705 under this section, any retailer of services taxable under subparagraph
1706 (I) of subdivision (2) of subsection (a) of section 12-407, who computes
1707 taxable income, for purposes of taxation under the Internal Revenue
1708 Code of 1986, or any subsequent corresponding internal revenue code
1709 of the United States, as from time to time amended, on an accounting
1710 basis which recognizes only cash or other valuable consideration
1711 actually received as income and who is liable for such tax only due to
1712 the rendering of such services may make payments related to such tax
1713 for the period during which such income is received, without penalty
1714 or interest, without regard to when such service is rendered;

1715 (J) For calendar quarters ending on or after September 30, 2011,
1716 except for calendar quarters ending on or after July 1, 2016, but prior to
1717 July 1, 2017, the commissioner shall deposit into the regional planning
1718 incentive account, established pursuant to section 4-66k, six and seven-
1719 tenths per cent of the amounts received by the state from the tax
1720 imposed under subparagraph (B) of this subdivision and ten and
1721 seven-tenths per cent of the amounts received by the state from the tax
1722 imposed under subparagraph (G) of this subdivision;

1723 (K) (i) Notwithstanding the provisions of this section, for calendar
1724 months commencing on or after May 1, 2016, but prior to May 1, 2017,
1725 the commissioner shall deposit into the municipal revenue sharing
1726 account established pursuant to section 4-66l, as amended by this act,
1727 four and seven-tenths per cent of the amounts received by the state
1728 from the tax imposed under subparagraph (A) of this subdivision;

1729 (ii) For calendar months commencing on or after May 1, 2017, but
1730 prior to July 1, 2017, the commissioner shall deposit into the municipal
1731 revenue sharing account established pursuant to section 4-66l, as
1732 amended by this act, six and three-tenths per cent of the amounts
1733 received by the state from the tax imposed under subparagraph (A) of
1734 this subdivision;

1735 (iii) For calendar months commencing on or after July 1, 2017, the
1736 commissioner shall deposit into the municipal revenue sharing
1737 account established pursuant to section 4-66l, as amended by this act,
1738 seven and nine-tenths per cent of the amounts received by the state
1739 from the tax imposed under subparagraph (A) of this subdivision; and

1740 (L) (i) Notwithstanding the provisions of this section, for calendar
1741 months commencing on or after December 1, 2015, but prior to October
1742 1, 2016, the commissioner shall deposit into the Special Transportation
1743 Fund established under section 13b-68 four and seven-tenths per cent
1744 of the amounts received by the state from the tax imposed under
1745 subparagraph (A) of this subdivision;

1746 (ii) For calendar months commencing on or after October 1, 2016,
1747 but prior to July 1, 2017, the commissioner shall deposit into the
1748 Special Transportation Fund established under section 13b-68 six and
1749 three-tenths per cent of the amounts received by the state from the tax
1750 imposed under subparagraph (A) of this subdivision; [and]

1751 (iii) For calendar months commencing on or after July 1, 2017, the
1752 commissioner shall deposit into the Special Transportation Fund
1753 established under section 13b-68 seven and nine-tenths per cent of the
1754 amounts received by the state from the tax imposed under

1755 subparagraph (A) of this subdivision; and

1756 (M) For calendar months commencing on or after January 1, 2017,
1757 the commissioner shall deposit into the state-wide marketing and
1758 promotion account established under section 22 of this act nine per
1759 cent of the amounts received by the state from the tax imposed under
1760 subparagraph (B) of this subdivision.

1761 Sec. 24. (NEW) (*Effective from passage*) (a) For the purposes of this
1762 section and section 25 of this act:

1763 (1) "Daily fantasy sports contest" means a contest in which the offer
1764 or award of a prize is connected to the statistical performance or
1765 finishing position of one or more individual competitors in an
1766 underlying amateur or professional sports competition, but does not
1767 include the offer or award of a prize to a winner of or competitor in the
1768 underlying competition itself;

1769 (2) "Contest of chance" means a contest in which the outcome of
1770 such contest depends in a material degree upon an element of chance;

1771 (3) "Operator" means the operator of a daily fantasy sports contest;
1772 and

1773 (4) "Entry fee" means the amount of cash or cash equivalent that is
1774 required to be paid by a daily fantasy sports contest participant who
1775 resides in this state to a daily fantasy sports contest operator to
1776 participate in a daily fantasy sports contest.

1777 (b) The Commissioner of Consumer Protection shall adopt
1778 regulations, in accordance with the provisions of chapter 54 of the
1779 general statutes, to protect contest participants who pay an entry fee to
1780 an operator to play daily fantasy sports contests for prizes from unfair
1781 or deceptive acts or practices that may arise in such daily fantasy
1782 sports contests. Such regulations shall include, but need not be limited
1783 to: (1) A provision that daily fantasy sports contests are not contests of
1784 chance; (2) a prohibition on operators allowing persons under the age
1785 of eighteen to participate in any daily fantasy sports contests held or

1786 promoted by such operators; (3) protections for contest participants'
1787 funds on deposit with operators; (4) requirements regarding truthful
1788 advertising by operators; (5) procedures to ensure the integrity of all
1789 daily fantasy sports contests offered in this state; (6) protections for
1790 problem gamblers with respect to daily fantasy sports contests; (7) a
1791 registration requirement for operators; (8) an initial registration fee of
1792 fifty thousand dollars for operators and an annual registration renewal
1793 fee not to exceed ten thousand dollars for each such operator, except
1794 that (A) no such fee may exceed ten per cent of the entry fees collected
1795 by an operator, less the amount of cash or cash equivalent paid by such
1796 operator to daily fantasy sports contest participants in this state, and
1797 (B) the amount of any surcharge due in a calendar year pursuant to
1798 section 25 of this act shall be deducted annually from the initial
1799 registration fee or the annual registration fee, as applicable, for such
1800 calendar year; and (9) reporting requirements and procedures for
1801 demonstration of eligibility for a reduction of fees pursuant to
1802 subdivision (8) of this subsection.

1803 (c) A violation of the regulations adopted pursuant to subsection (b)
1804 of this section shall be an unfair or deceptive act or practice in the
1805 conduct of trade or commerce under subsection (a) of section 42-110b
1806 of the general statutes.

1807 Sec. 25. (NEW) (*Effective from passage*) (a) For the purposes of this
1808 section, "gross receipts" means the total of all entry fees collected by an
1809 operator less the amount of cash or cash equivalent paid by such
1810 operator to daily fantasy sports contest players in this state.

1811 (b) (1) For each month commencing on or after the effective date of
1812 the regulations adopted pursuant to this section and subsection (b) of
1813 section 24 of this act, there is hereby imposed a surcharge on each daily
1814 fantasy sports contest involving one or more contest participants in
1815 this state who pay an entry fee to an operator to play such daily
1816 fantasy sports contest. The surcharge imposed by this section shall be
1817 at the rate of eight and three-quarters per cent of the gross receipts of
1818 each operator for such daily fantasy sports contest.

1819 (2) Each operator shall establish a separate surcharge bank account
1820 with a financial institution, as defined in section 36a-41 of the general
1821 statutes, to which the operator shall deposit the surcharge payable
1822 pursuant to this subsection and which shall be kept separate and apart
1823 from all other funds and assets of such operator.

1824 (3) Any separate bank account required pursuant to subdivision (2)
1825 of this subsection shall be established under the designation, "(Name
1826 of person required to establish account), Trustee, Special Fund in Trust
1827 for the State of Connecticut, Department of Consumer Protection
1828 under section 25 of this act." The surcharge deposited in such account
1829 shall constitute a fund in trust for the state of Connecticut payable only
1830 to the Department of Consumer Protection. No other funds shall be
1831 deposited in such separate account for any reason other than for
1832 maintenance of the account. Any surcharge deposited in such account
1833 shall constitute property of the state and shall not be subject to any
1834 lien.

1835 (4) If, without prior authorization of the Commissioner of Consumer
1836 Protection, an operator or any person on behalf of such operator
1837 withdraws any amount of surcharge from a separate account
1838 established pursuant to this subsection for any reason other than to
1839 remit such surcharge to the commissioner, such operator or person
1840 shall be deemed to have stolen state property and shall be subject to
1841 the penalties for larceny under sections 53a-122 to 53a-125b, inclusive,
1842 of the general statutes, depending on the amount involved. Each
1843 unauthorized withdrawal shall constitute a separate offense.

1844 (5) The commissioner may at any time request from the financial
1845 institution an accounting of any such separate account maintained by
1846 the financial institution. Within two business days of receipt of a
1847 request from the commissioner, the financial institution shall provide
1848 the commissioner with such accounting. If a financial institution fails
1849 to provide the commissioner with an accounting within the time
1850 prescribed by this subdivision, the financial institution shall be subject
1851 to a penalty of one hundred dollars per day until the requested

1852 accounting is provided to the commissioner. Any penalty imposed
1853 pursuant to this subdivision shall not be subject to waiver.

1854 (c) (1) If an operator fails to remit a surcharge as provided in
1855 subsection (b) of this section and the Commissioner of Consumer
1856 Protection determines that the collection of such surcharge will be
1857 jeopardized by delay, the commissioner may withdraw such surcharge
1858 from such operator's separate bank account. Prior to withdrawing such
1859 surcharge from the operator's separate bank account, the
1860 commissioner shall serve notice of such withdrawal on the financial
1861 institution. Such notice, which may be served on the financial
1862 institution by mailing a copy of such notice by certified mail, return
1863 receipt requested, or by electronic mail or facsimile machine, shall
1864 contain the specific amount of surcharge sought by the commissioner.
1865 Upon receipt of such notice from the commissioner, if such account
1866 contains an amount of surcharge equal to or in excess of the amount
1867 sought by the commissioner, the financial institution shall immediately
1868 pay over to the commissioner the amount of surcharge requested by
1869 the commissioner. If such account contains an amount of surcharge
1870 that is less than the amount sought by the commissioner, the financial
1871 institution shall pay to the commissioner the full amount of surcharge
1872 that is in such account.

1873 (2) If, upon receipt of notice from the commissioner, the financial
1874 institution fails or refuses to pay to the commissioner the amount of
1875 surcharge sought by the commissioner from a separate account
1876 established pursuant to subsection (b) of this section, such financial
1877 institution shall be liable to the commissioner for the amount of
1878 surcharge that the financial institution failed or refused to pay to the
1879 commissioner, unless there are insufficient funds to satisfy such
1880 amount in the separate account. The amount of surcharge paid by the
1881 financial institution shall be applied toward the payment of the
1882 amount of surcharge due to the commissioner by the operator. The
1883 commissioner may file a petition with the superior court for the
1884 judicial district of Hartford to compel the financial institution to turn
1885 over the amount of surcharge sought by the commissioner. If the

1886 commissioner files such petition, the commissioner shall be entitled to
1887 interest from the financial institution on the amount of surcharge
1888 sought by the commissioner. The amount of surcharge sought by the
1889 commissioner shall bear interest at the rate of two-thirds of one per
1890 cent per month or fraction thereof from the date the commissioner
1891 served notice on the financial institution under subdivision (1) of this
1892 subsection. The commissioner may seek, and the court may impose,
1893 penalties against the financial institution for its failure to comply with
1894 the provisions of this subdivision.

1895 (3) Contemporaneously with serving notice to the financial
1896 institution, the commissioner shall provide written notice to the
1897 operator who established such separate bank account of such
1898 operator's right to file a claim with the commissioner if such account
1899 contains funds other than the surcharge that constitute the state's
1900 property. Such notice shall be given in person, left at the dwelling or
1901 usual place of business of such operator, or sent by certified mail,
1902 return receipt requested, to such operator's last-known address, and
1903 such operator shall have ten days from the date of service to file a
1904 claim with the commissioner. All claims made under this subdivision
1905 shall be filed on forms prescribed by the commissioner. Failure to file a
1906 claim within the time prescribed under this subdivision shall
1907 constitute a waiver of any demand against the state.

1908 (4) Not later than thirty days following receipt of a claim under
1909 subdivision (3) of this subsection, the commissioner shall determine
1910 whether such claim is valid and, if so determined, shall return to the
1911 operator only those funds that are not state property. Such funds shall
1912 not be subject to offset by the state. If the commissioner determines
1913 that such claim is not valid, either in whole or in part, the
1914 commissioner shall mail a denial notice to the operator.

1915 (5) On or before the seventh day after the mailing of a denial notice,
1916 the operator may file with the commissioner a written protest against
1917 the denial notice in which the operator sets forth the grounds on which
1918 the protest is based. If a protest is filed, the commissioner shall

1919 reconsider the denial.

1920 (6) The commissioner shall mail notice of the commissioner's
1921 determination to the operator, which notice shall set forth briefly the
1922 commissioner's findings of fact and the basis of decision in each case
1923 decided in whole or in part adversely to the operator.

1924 (7) Any operator who is aggrieved because of a determination of the
1925 commissioner under this subsection may, within one month after
1926 service of notice of such determination, take an appeal therefrom to the
1927 superior court for the judicial district of Hartford, which appeal shall
1928 be accompanied by a citation to the commissioner to appear before
1929 said court.

1930 (8) The actions of the commissioner under this subsection shall not
1931 constitute collection actions for purposes of section 12-35 of the general
1932 statutes or chapter 906 of the general statutes.

1933 (d) The Commissioner of Consumer Protection shall adopt
1934 regulations, in accordance with the provisions of chapter 54 of the
1935 general statutes, for the assessment and collection of the surcharge
1936 imposed by this section. Such regulations shall include, but need not
1937 be limited to: (1) Requirements for the filing of returns with
1938 information the commissioner deems necessary for the proper
1939 administration of the provisions of this section; (2) penalties for
1940 delinquency, provided the commissioner may waive all or part of such
1941 penalties if it is proven to the commissioner's satisfaction that the
1942 failure to pay the surcharge within the time required was due to
1943 reasonable cause and was not intentional or due to neglect; and (3)
1944 requirements for surcharge bank accounts established pursuant to
1945 subsection (b) of this section.

1946 Sec. 26. Subdivision (2) of section 53-278a of the general statutes is
1947 repealed and the following is substituted in lieu thereof (*Effective from*
1948 *passage*):

1949 (2) "Gambling" means risking any money, credit, deposit or other

1950 thing of value for gain contingent in whole or in part upon lot, chance
1951 or the operation of a gambling device, including the playing of a casino
1952 gambling game such as blackjack, poker, craps, roulette or a slot
1953 machine, but does not include: Legal contests of skill, speed, strength
1954 or endurance in which awards are made only to entrants or the owners
1955 of entries; legal business transactions which are valid under the law of
1956 contracts; activity legal under the provisions of sections 7-169 to 7-186,
1957 inclusive; any lottery or contest conducted by or under the authority of
1958 any state of the United States, Commonwealth of Puerto Rico or any
1959 possession or territory of the United States; [and] other acts or
1960 transactions expressly authorized by law on or after October 1, 1973,
1961 and daily fantasy sports contests, as defined in section 24 of this act;

1962 Sec. 27. Section 12-217zz of the 2016 supplement to the general
1963 statutes is repealed and the following is substituted in lieu thereof
1964 (*Effective January 1, 2017, and applicable to income years commencing on or*
1965 *after January 1, 2017*):

1966 (a) Notwithstanding any other provision of law, and except as
1967 otherwise provided in subsection (b) of this section, the amount of tax
1968 credit or credits otherwise allowable against the tax imposed under
1969 this chapter shall be as follows:

1970 (1) For any income year commencing on or after January 1, 2002,
1971 and prior to January 1, 2015, the amount of tax credit or credits
1972 otherwise allowable shall not exceed seventy per cent of the amount of
1973 tax due from such taxpayer under this chapter with respect to any such
1974 income year of the taxpayer prior to the application of such credit or
1975 credits;

1976 (2) For any income year commencing on or after January 1, 2015, the
1977 amount of tax credit or credits otherwise allowable shall not exceed
1978 fifty and one one-hundredths per cent of the amount of tax due from
1979 such taxpayer under this chapter with respect to any such income year
1980 of the taxpayer prior to the application of such credit or credits;

1981 (3) Notwithstanding the provisions of subdivision (2) of this

1982 subsection, any taxpayer that possesses excess credits may utilize the
1983 excess credits as follows:

1984 (A) For income years commencing on or after January 1, 2016, and
1985 prior to January 1, 2017, the aggregate amount of tax credits and excess
1986 credits allowable shall not exceed fifty-five per cent of the amount of
1987 tax due from such taxpayer under this chapter with respect to any such
1988 income year of the taxpayer prior to the application of such credit or
1989 credits;

1990 (B) For income years commencing on or after January 1, 2017, and
1991 prior to January 1, 2018, the aggregate amount of tax credits and excess
1992 credits allowable shall not exceed sixty per cent of the amount of tax
1993 due from such taxpayer under this chapter with respect to any such
1994 income year of the taxpayer prior to the application of such credit or
1995 credits;

1996 (C) For income years commencing on or after January 1, 2018, and
1997 prior to January 1, 2019, the aggregate amount of tax credits and excess
1998 credits allowable shall not exceed sixty-five per cent of the amount of
1999 tax due from such taxpayer under this chapter with respect to any such
2000 income year of the taxpayer prior to the application of such credit or
2001 credits;

2002 (D) For income years commencing on or after January 1, 2019, the
2003 aggregate amount of tax credits and excess credits allowable shall not
2004 exceed seventy per cent of the amount of tax due from such taxpayer
2005 under this chapter with respect to any such income year of the
2006 taxpayer prior to the application of such credit or credits;

2007 (4) Notwithstanding the provisions of subdivisions (2) and (3) of
2008 this subsection, for income years commencing on or after January 1,
2009 2017, and prior to January 1, 2018, the amount of tax credit or credits
2010 otherwise allowable against the tax imposed under this chapter for
2011 such income year may exceed the amount specified in said
2012 subdivisions to the extent the amount of credits otherwise allowable
2013 under sections 12-217j and 12-217n exceed the amount specified in said

2014 subdivisions, provided in no event may the amount of tax credit or
2015 credits otherwise allowable against the tax imposed under this chapter
2016 for such income year exceed sixty-five per cent of the amount of tax
2017 due from such taxpayer under this chapter with respect to such income
2018 year of the taxpayer prior to the application of such credit or credits;

2019 (5) Notwithstanding the provisions of subdivisions (2) and (3) of
2020 this subsection, for income years commencing on January 1, 2018, and
2021 prior to January 1, 2019, the amount of tax credit or credits otherwise
2022 allowable against the tax imposed under this chapter for such income
2023 year may exceed the amount specified in said subdivisions to the
2024 extent the amount of credits otherwise allowable under sections 12-
2025 217j and 12-217n exceed the amount specified in said subdivisions,
2026 provided in no event may the amount of tax credit or credits otherwise
2027 allowable against the tax imposed under this chapter for such income
2028 year exceed seventy per cent of the amount of tax due from such
2029 taxpayer under this chapter with respect to such income year of the
2030 taxpayer prior to the application of such credit or credits;

2031 [(4)] (6) For purposes of this subsection, "excess credits" means any
2032 remaining credits available under section 12-217j, 12-217n or 32-9t after
2033 tax credits are utilized in accordance with subdivision (2) of this
2034 subsection.

2035 (b) (1) For an income year commencing on or after January 1, 2011,
2036 and prior to January 1, 2013, the amount of tax credit or credits
2037 otherwise allowable against the tax imposed under this chapter for
2038 such income year may exceed the amount specified in subsection (a) of
2039 this section only by the amount computed under subparagraph (A) of
2040 subdivision (2) of this subsection, provided in no event may the
2041 amount of tax credit or credits otherwise allowable against the tax
2042 imposed under this chapter for such income year exceed one hundred
2043 per cent of the amount of tax due from such taxpayer under this
2044 chapter with respect to such income year of the taxpayer prior to the
2045 application of such credit or credits.

2046 (2) (A) The taxpayer's average monthly net employee gain for an

2047 income year shall be multiplied by six thousand dollars.

2048 (B) The taxpayer's average monthly net employee gain for an
2049 income year shall be computed as follows: For each month in the
2050 taxpayer's income year, the taxpayer shall subtract from the number of
2051 its employees in this state on the last day of such month the number of
2052 its employees in this state on the first day of its income year. The
2053 taxpayer shall total the differences for the twelve months in such
2054 income year, and such total, when divided by twelve, shall be the
2055 taxpayer's average monthly net employee gain for the income year. For
2056 purposes of this computation, only employees who are required to
2057 work at least thirty-five hours per week and only employees who were
2058 not employed in this state by a related person, as defined in section 12-
2059 217ii, within the twelve months prior to the first day of the income
2060 year may be taken into account in computing the number of
2061 employees.

2062 (C) If the taxpayer's average monthly net employee gain is zero or
2063 less than zero, the taxpayer may not exceed the seventy per cent limit
2064 imposed under subsection (a) of this section.

2065 Sec. 28. Section 12-263b of the 2016 supplement to the general
2066 statutes is repealed and the following is substituted in lieu thereof
2067 (*Effective July 1, 2016, and applicable to calendar quarters commencing on or*
2068 *after July 1, 2016*):

2069 (a) [For] Except as provided in subsection (c) of this section, for each
2070 calendar quarter commencing on or after July 1, 2011, there is hereby
2071 imposed a tax on the net patient revenue of each hospital in this state
2072 to be paid each calendar quarter. The rate of such tax shall be up to the
2073 maximum rate allowed under federal law. The Commissioner of Social
2074 Services shall determine the base year on which such tax shall be
2075 assessed. The Commissioner of Social Services may, in consultation
2076 with the Secretary of the Office of Policy and Management and in
2077 accordance with federal law, exempt a hospital from the tax on
2078 payment earned for the provision of outpatient services based on
2079 financial hardship. Effective July 1, 2012, and for the succeeding fifteen

2080 months, the rates of such tax, the base year on which such tax shall be
2081 assessed, and the hospitals exempt from the outpatient portion of the
2082 tax based on financial hardship shall be the same tax rates, base year
2083 and outpatient exemption for hardship in effect on January 1, 2012.

2084 (b) Each hospital shall, on or before the last day of January, April,
2085 July and October of each year, render to the Commissioner of Revenue
2086 Services a return, on forms prescribed or furnished by the
2087 Commissioner of Revenue Services and signed by one of its principal
2088 officers, stating specifically the name and location of such hospital, and
2089 the amount of its net patient revenue as determined by the
2090 Commissioner of Social Services. Payment shall be made with such
2091 return. Each hospital shall file such return electronically with the
2092 department and make such payment by electronic funds transfer in the
2093 manner provided by chapter 228g, irrespective of whether the hospital
2094 would otherwise have been required to file such return electronically
2095 or to make such payment by electronic funds transfer under the
2096 provisions of chapter 228g.

2097 (c) To the extent permitted by federal law, for each calendar quarter
2098 commencing on or after July 1, 2016, the tax set forth in subsection (a)
2099 of this section shall not be imposed on any hospital in this state that is
2100 not part of a hospital system, as defined in section 19a-486i, if such
2101 hospital (1) has one hundred sixty or fewer beds, (2) is located in a
2102 municipality that is not contiguous to any other municipality with a
2103 hospital located in such other municipality, and (3) had less than
2104 thirty-five million dollars of annual net patient revenue for the
2105 provision of inpatient services in the base year determined under
2106 subsection (a) of this section.

2107 [(c)] (d) Notwithstanding any other provision of law, for each
2108 calendar quarter commencing on or after July 1, 2015, and prior to
2109 January 1, 2016, the amount of tax credit or credits otherwise allowable
2110 against the taxes imposed under sections 12-263a to 12-263e, inclusive,
2111 and 12-263i, as amended by this act, shall not exceed fifty and one one-
2112 hundredths per cent of the amount of tax due under sections 12-263a

2113 to 12-263e, inclusive, and 12-263i, as amended by this act, with respect
2114 to such calendar quarter prior to the application of such credit or
2115 credits. For each calendar quarter commencing on or after January 1,
2116 2016, and prior to January 1, 2017, the amount of tax credit or credits
2117 otherwise allowable against the taxes imposed under sections 12-263a
2118 to 12-263e, inclusive, and 12-263i, as amended by this act, shall not
2119 exceed fifty-five per cent of the amount of tax due under sections 12-
2120 263a to 12-263e, inclusive, and 12-263i, as amended by this act, with
2121 respect to such calendar quarter prior to the application of such credit
2122 or credits. For each calendar quarter commencing on or after January 1,
2123 2017, and prior to January 1, 2018, the amount of tax credit or credits
2124 otherwise allowable against the taxes imposed under sections 12-263a
2125 to 12-263e, inclusive, and 12-263i, as amended by this act, shall not
2126 exceed sixty per cent of the amount of tax due under sections 12-263a
2127 to 12-263e, inclusive, and 12-263i, as amended by this act, with respect
2128 to such calendar quarter prior to the application of such credit or
2129 credits. For each calendar quarter commencing on or after January 1,
2130 2018, and prior to January 1, 2019, the amount of tax credit or credits
2131 otherwise allowable against the taxes imposed under sections 12-263a
2132 to 12-263e, inclusive, and 12-263i, as amended by this act, shall not
2133 exceed sixty-five per cent of the amount of tax due under sections 12-
2134 263a to 12-263e, inclusive, and 12-263i, as amended by this act, with
2135 respect to such calendar quarter prior to the application of such credit
2136 or credits. For each calendar quarter commencing on or after January 1,
2137 2019, the amount of tax credit or credits otherwise allowable against
2138 the taxes imposed under sections 12-263a to 12-263e, inclusive, and 12-
2139 263i, as amended by this act, shall not exceed seventy per cent of the
2140 amount of tax due under sections 12-263a to 12-263e, inclusive, and 12-
2141 263i, as amended by this act, with respect to such calendar quarter
2142 prior to the application of such credit or credits.

2143 Sec. 29. Section 3-115b of the 2016 supplement to the general statutes
2144 is repealed and the following is substituted in lieu thereof (*Effective*
2145 *from passage*):

2146 (a) Commencing with the fiscal year ending June 30, 2014, the

2147 Comptroller, in the Comptroller's sole discretion, may initiate a
2148 process intended to result in the implementation of the use of
2149 generally accepted accounting principles, as prescribed by the
2150 Governmental Accounting Standards Board, with respect to the
2151 preparation and maintenance of the annual financial statements of the
2152 state pursuant to section 3-115.

2153 (b) Commencing with the fiscal year ending June 30, 2014, the
2154 Secretary of the Office of Policy and Management shall initiate a
2155 process intended to result in the implementation of generally accepted
2156 accounting principles, as prescribed by the Governmental Accounting
2157 Standards Board, with respect to the preparation of the biennial
2158 budget of the state.

2159 (c) The Comptroller shall establish an opening combined balance
2160 sheet for each appropriated fund as of July 1, 2013, on the basis of
2161 generally accepted accounting principles. The accumulated deficit in
2162 the General Fund on June 30, 2013, as determined on the basis of
2163 generally accepted accounting principles and identified in the
2164 comprehensive annual financial report of the state as the unassigned
2165 negative balance of the General Fund on said date, reduced by any
2166 funds deposited in the General Fund from other resources for the
2167 purpose of reducing the negative unassigned balance of the fund, shall
2168 be amortized in equal increments in each fiscal year of each biennial
2169 budget, commencing with the fiscal year ending June 30, 2016, and for
2170 the succeeding twelve fiscal years. The Comptroller shall, to the extent
2171 necessary to report the fiscal position of the state in accordance with
2172 generally accepted accounting principles, reconcile the unassigned
2173 balance in the General Fund at the end of each fiscal year to the
2174 unassigned balance in the General Fund on June 30, 2013, the portion
2175 already amortized and any unassigned balance created after June 30,
2176 2013.

2177 (d) The unreserved negative balance in the General Fund reported
2178 in the comprehensive annual financial report issued by the
2179 Comptroller for the fiscal year ending June 30, 2014, reduced by (1) the

2180 negative unassigned balance in the General Fund for the fiscal year
2181 ending June 30, 2013, and (2) any funds from other resources deposited
2182 in the General Fund for the purpose of reducing the negative
2183 unassigned balance of the fund shall be amortized in equal increments
2184 in each fiscal year of each biennial budget, commencing with the fiscal
2185 year ending June 30, [2017] 2018, and for the succeeding [eleven] ten
2186 fiscal years.

2187 Sec. 30. Subparagraph (B) of subdivision (20) of subsection (a) of
2188 section 12-701 of the 2016 supplement to the general statutes is
2189 repealed and the following is substituted in lieu thereof (*Effective from*
2190 *passage and applicable to taxable years commencing on or after January 1,*
2191 *2017*):

2192 (B) There shall be subtracted therefrom (i) to the extent properly
2193 includable in gross income for federal income tax purposes, any
2194 income with respect to which taxation by any state is prohibited by
2195 federal law, (ii) to the extent allowable under section 12-718, exempt
2196 dividends paid by a regulated investment company, (iii) the amount of
2197 any refund or credit for overpayment of income taxes imposed by this
2198 state, or any other state of the United States or a political subdivision
2199 thereof, or the District of Columbia, to the extent properly includable
2200 in gross income for federal income tax purposes, (iv) to the extent
2201 properly includable in gross income for federal income tax purposes
2202 and not otherwise subtracted from federal adjusted gross income
2203 pursuant to clause (x) of this subparagraph in computing Connecticut
2204 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
2205 extent any additional allowance for depreciation under Section 168(k)
2206 of the Internal Revenue Code, as provided by Section 101 of the Job
2207 Creation and Worker Assistance Act of 2002, for property placed in
2208 service after December 31, 2001, but prior to September 10, 2004, was
2209 added to federal adjusted gross income pursuant to subparagraph
2210 (A)(ix) of this subdivision in computing Connecticut adjusted gross
2211 income for a taxable year ending after December 31, 2001, twenty-five
2212 per cent of such additional allowance for depreciation in each of the
2213 four succeeding taxable years, (vi) to the extent properly includable in

2214 gross income for federal income tax purposes, any interest income
2215 from obligations issued by or on behalf of the state of Connecticut, any
2216 political subdivision thereof, or public instrumentality, state or local
2217 authority, district or similar public entity created under the laws of the
2218 state of Connecticut, (vii) to the extent properly includable in
2219 determining the net gain or loss from the sale or other disposition of
2220 capital assets for federal income tax purposes, any gain from the sale
2221 or exchange of obligations issued by or on behalf of the state of
2222 Connecticut, any political subdivision thereof, or public
2223 instrumentality, state or local authority, district or similar public entity
2224 created under the laws of the state of Connecticut, in the income year
2225 such gain was recognized, (viii) any interest on indebtedness incurred
2226 or continued to purchase or carry obligations or securities the interest
2227 on which is subject to tax under this chapter but exempt from federal
2228 income tax, to the extent that such interest on indebtedness is not
2229 deductible in determining federal adjusted gross income and is
2230 attributable to a trade or business carried on by such individual, (ix)
2231 ordinary and necessary expenses paid or incurred during the taxable
2232 year for the production or collection of income which is subject to
2233 taxation under this chapter but exempt from federal income tax, or the
2234 management, conservation or maintenance of property held for the
2235 production of such income, and the amortizable bond premium for the
2236 taxable year on any bond the interest on which is subject to tax under
2237 this chapter but exempt from federal income tax, to the extent that
2238 such expenses and premiums are not deductible in determining federal
2239 adjusted gross income and are attributable to a trade or business
2240 carried on by such individual, (x) (I) for a person who files a return
2241 under the federal income tax as an unmarried individual whose
2242 federal adjusted gross income for such taxable year is less than fifty
2243 thousand dollars, or as a married individual filing separately whose
2244 federal adjusted gross income for such taxable year is less than fifty
2245 thousand dollars, or for a husband and wife who file a return under
2246 the federal income tax as married individuals filing jointly whose
2247 federal adjusted gross income for such taxable year is less than sixty
2248 thousand dollars or a person who files a return under the federal

2249 income tax as a head of household whose federal adjusted gross
2250 income for such taxable year is less than sixty thousand dollars, an
2251 amount equal to the Social Security benefits includable for federal
2252 income tax purposes; and (II) for a person who files a return under the
2253 federal income tax as an unmarried individual whose federal adjusted
2254 gross income for such taxable year is fifty thousand dollars or more, or
2255 as a married individual filing separately whose federal adjusted gross
2256 income for such taxable year is fifty thousand dollars or more, or for a
2257 husband and wife who file a return under the federal income tax as
2258 married individuals filing jointly whose federal adjusted gross income
2259 from such taxable year is sixty thousand dollars or more or for a
2260 person who files a return under the federal income tax as a head of
2261 household whose federal adjusted gross income for such taxable year
2262 is sixty thousand dollars or more, an amount equal to the difference
2263 between the amount of Social Security benefits includable for federal
2264 income tax purposes and the lesser of twenty-five per cent of the Social
2265 Security benefits received during the taxable year, or twenty-five per
2266 cent of the excess described in Section 86(b)(1) of the Internal Revenue
2267 Code, (xi) to the extent properly includable in gross income for federal
2268 income tax purposes, any amount rebated to a taxpayer pursuant to
2269 section 12-746, (xii) to the extent properly includable in the gross
2270 income for federal income tax purposes of a designated beneficiary,
2271 any distribution to such beneficiary from any qualified state tuition
2272 program, as defined in Section 529(b) of the Internal Revenue Code,
2273 established and maintained by this state or any official, agency or
2274 instrumentality of the state, (xiii) to the extent allowable under section
2275 12-701a, contributions to accounts established pursuant to any
2276 qualified state tuition program, as defined in Section 529(b) of the
2277 Internal Revenue Code, established and maintained by this state or
2278 any official, agency or instrumentality of the state, (xiv) to the extent
2279 properly includable in gross income for federal income tax purposes,
2280 the amount of any Holocaust victims' settlement payment received in
2281 the taxable year by a Holocaust victim, (xv) to the extent properly
2282 includable in gross income for federal income tax purposes of an
2283 account holder, as defined in section 31-51ww, interest earned on

2284 funds deposited in the individual development account, as defined in
2285 section 31-51ww, of such account holder, (xvi) to the extent properly
2286 includable in the gross income for federal income tax purposes of a
2287 designated beneficiary, as defined in section 3-123aa, interest,
2288 dividends or capital gains earned on contributions to accounts
2289 established for the designated beneficiary pursuant to the Connecticut
2290 Homecare Option Program for the Elderly established by sections 3-
2291 123aa to 3-123ff, inclusive, (xvii) to the extent properly includable in
2292 gross income for federal income tax purposes, any income received
2293 from the United States government as retirement pay for a retired
2294 member of (I) the Armed Forces of the United States, as defined in
2295 Section 101 of Title 10 of the United States Code, or (II) the National
2296 Guard, as defined in Section 101 of Title 10 of the United States Code,
2297 (xviii) to the extent properly includable in gross income for federal
2298 income tax purposes for the taxable year, any income from the
2299 discharge of indebtedness in connection with any reacquisition, after
2300 December 31, 2008, and before January 1, 2011, of an applicable debt
2301 instrument or instruments, as those terms are defined in Section 108 of
2302 the Internal Revenue Code, as amended by Section 1231 of the
2303 American Recovery and Reinvestment Act of 2009, to the extent any
2304 such income was added to federal adjusted gross income pursuant to
2305 subparagraph (A)(xi) of this subdivision in computing Connecticut
2306 adjusted gross income for a preceding taxable year, (xix) to the extent
2307 not deductible in determining federal adjusted gross income, the
2308 amount of any contribution to a manufacturing reinvestment account
2309 established pursuant to section 32-9zz in the taxable year that such
2310 contribution is made, and (xx) to the extent properly includable in
2311 gross income for federal income tax purposes, for the taxable year
2312 commencing January 1, 2015, ten per cent of the income received from
2313 the state teachers' retirement system, for the taxable [year] years
2314 commencing January 1, 2016, and January 1, 2017, twenty-five per cent
2315 of the income received from the state teachers' retirement system, and
2316 for the taxable year commencing January 1, [2017] 2018, and each
2317 taxable year thereafter, fifty per cent of the income received from the
2318 state teachers' retirement system.

2319 Sec. 31. Section 12-409 of the general statutes is repealed and the
2320 following is substituted in lieu thereof (*Effective from passage*):

2321 (a) No person shall engage in or transact business as a seller within
2322 this state, unless a permit or permits have been issued to such person
2323 as prescribed in this section.

2324 (b) Every person desiring to engage in or conduct business as a
2325 seller within this state shall file with the commissioner an application
2326 for a permit for each place of business. Every application for a permit
2327 shall be made upon a form prescribed by the commissioner and shall
2328 set forth the name under which the applicant transacts or intends to
2329 transact business, the location of the applicant's place or places of
2330 business and such other information as the commissioner requires. The
2331 application shall be signed by the owner if a natural person; in the case
2332 of an association or partnership, by a member or partner; in the case of
2333 a corporation, by an executive officer or some person specifically
2334 authorized by the corporation to sign the application.

2335 (c) (1) At the time of making an initial application the applicant shall
2336 pay to the Commissioner of Revenue Services a permit fee of one
2337 hundred dollars for each permit.

2338 (2) Any permit issued on or after July 1, 1985, but prior to October 1,
2339 2003, shall expire biennially on the anniversary date of the issuance of
2340 such permit unless renewed in accordance with such procedure and
2341 application form as prescribed by the commissioner.

2342 (3) Any permit issued on or after October 1, 2003, [shall expire on
2343 the fifth anniversary date of the issuance of such permit unless
2344 renewed in accordance with such procedure and application form as
2345 prescribed by the commissioner.] but prior to January 1, 2017, that is in
2346 effect on January 1, 2017, shall expire on said date unless (A) such
2347 permit is renewed in accordance with such procedure and application
2348 form as prescribed by the commissioner, and (B) the permit holder
2349 pays to the commissioner a permit renewal fee as follows: (i) Three
2350 hundred fifty dollars for each permit renewal issued to a person whose

2351 total tax liability for the twelve-month period ending on the preceding
2352 June thirtieth was four thousand dollars or more; (ii) one hundred
2353 dollars for each permit renewal issued to a person whose total tax
2354 liability for the twelve-month period ending on the preceding June
2355 thirtieth was less than four thousand dollars; and (iii) fifty dollars for
2356 each permit renewal issued to a person whose total tax liability for the
2357 twelve-month period ending on the preceding June thirtieth was less
2358 than one thousand dollars.

2359 (4) Any permit issued on or after January 1, 2017, shall expire
2360 biennially on the anniversary date of the issuance of such permit,
2361 unless (A) such permit is renewed in accordance with such procedure
2362 and application form as prescribed by the commissioner, and (B) the
2363 permit holder pays to the commissioner a permit renewal fee in the
2364 amount required under subdivision (3) of this subsection based on
2365 total tax liability.

2366 (d) After compliance with subsections (a), (b) and (c) of this section
2367 by the applicant, the commissioner shall grant and issue to such
2368 applicant a separate permit for each place of business within the state.
2369 A permit is not assignable and is valid only for the person in whose
2370 name it is issued and for the transaction of business at the place
2371 designated therein. It shall at all times be conspicuously displayed at
2372 the place for which issued. Only a person actively engaging in or
2373 conducting business as a seller may hold a permit. Any person not so
2374 engaged shall surrender the permit to the commissioner for
2375 cancellation.

2376 (e) A seller whose permit has been suspended or revoked shall pay
2377 to the Commissioner of Revenue Services a fee of one hundred dollars
2378 for the reissuance of a permit.

2379 (f) Whenever any person fails to comply with any provision of this
2380 chapter relating to the sales tax or any regulation of the commissioner
2381 relating to the sales tax prescribed and adopted under this chapter, the
2382 commissioner, upon hearing, after giving such person ten days' notice
2383 in writing specifying the time and place of hearing and requiring such

2384 person to show cause why such person's permit or permits should not
2385 be revoked, may revoke or suspend any one or more of the permits
2386 held by the person. The notice may be served personally or by
2387 registered or certified mail. The commissioner shall not issue a new
2388 permit after the revocation of a permit unless the commissioner is
2389 satisfied that the former holder of the permit will comply with the
2390 provisions of this chapter relating to the sales tax and the regulations
2391 of the commissioner.

2392 (g) Whenever any seller files returns for four successive monthly or
2393 quarterly periods, or for two successive annual periods, as the case
2394 may be, showing no sales, the commissioner, upon hearing, after
2395 giving such seller thirty days notice, in writing, specifying the time
2396 and place of hearing and requiring such seller to show cause why such
2397 seller's permit or permits should not be cancelled, may cancel one or
2398 more of the permits held by such seller. The notice may be served
2399 personally or by mail. The commissioner shall not issue a new permit
2400 after the cancellation of a permit unless the commissioner is satisfied
2401 that the former holder of the permit will make sales subject to the
2402 provisions of this chapter relating to the sales tax and the regulations
2403 of the commissioner.

2404 (h) (1) Any person who knowingly violates any provision of this
2405 section shall be fined not more than five hundred dollars or
2406 imprisoned not more than three months or both for each offense.

2407 (2) Any person who fails to secure or renew a permit as provided in
2408 this section shall be subject to a civil penalty of two hundred fifty
2409 dollars for the first day such person engages in or transacts business
2410 without a permit and one hundred dollars for each subsequent day
2411 such person engages in or transacts business without such permit.
2412 Subject to the provisions of section 12-3a, the commissioner may waive
2413 all or any part of the civil penalty provided in this subdivision if it is
2414 proven to the commissioner's satisfaction that the failure to secure or
2415 renew such permit was due to reasonable cause and was not
2416 intentional or due to neglect.

2417 Sec. 32. Subsection (a) of section 12-217g of the 2016 supplement to
2418 the general statutes is repealed and the following is substituted in lieu
2419 thereof (*Effective July 1, 2017, and applicable to income or taxable years*
2420 *commencing on or after January 1, 2017*):

2421 (a) (1) There shall be allowed a credit for any taxpayer against the
2422 tax imposed under this chapter or chapter 229, other than the liability
2423 imposed by section 12-707, for any income year or taxable year with
2424 respect to each apprenticeship in the manufacturing trades
2425 commenced by such taxpayer in such year under a qualified
2426 apprenticeship training program as described in this section, certified
2427 in accordance with regulations adopted by the Labor Commissioner
2428 and registered with the Connecticut State Apprenticeship Council
2429 established under section 31-22n, in an amount equal to six dollars per
2430 hour multiplied by the total number of hours worked during the
2431 income year or taxable year by apprentices in the first half of a two-
2432 year term of apprenticeship and the first three-quarters of a four-year
2433 term of apprenticeship, provided the amount of credit allowed for any
2434 income year or taxable year with respect to each such apprenticeship
2435 may not exceed seven thousand five hundred dollars or fifty per cent
2436 of actual wages paid in such income year or taxable year to an
2437 apprentice in the first half of a two-year term of apprenticeship or in
2438 the first three-quarters of a four-year term of apprenticeship,
2439 whichever is less.

2440 [(2) Effective for income years commencing on and after January 1,
2441 2015, for purposes of this subsection, "taxpayer" includes an affected
2442 business entity, as defined in section 12-284b. Any affected business
2443 entity allowed a credit under this subsection may sell, assign or
2444 otherwise transfer such credit, in whole or in part, to one or more
2445 taxpayers to offset any state tax due or otherwise payable by such
2446 taxpayers under this chapter, or, with respect to income years
2447 commencing on or after January 1, 2016, chapter 212 or 227, provided
2448 such credit may be sold, assigned or otherwise transferred, in whole or
2449 in part, not more than three times.]

2450 (2) If the taxpayer is an S corporation or an entity treated as a
 2451 partnership for federal income tax purposes, the shareholders or
 2452 partners of such taxpayer may claim the credit. If the taxpayer is a
 2453 single member limited liability company that is disregarded as an
 2454 entity separate from its owner, the limited liability company's owner
 2455 may claim the credit.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2016	31-97
Sec. 2	from passage	12-217jj(a)(3)
Sec. 3	July 1, 2016	30-53
Sec. 4	July 1, 2016	7-34a(a)(1)
Sec. 5	July 1, 2016	7-73
Sec. 6	July 1, 2016	19a-323(b)
Sec. 7	from passage	45a-107
Sec. 8	from passage	45a-107b(a)
Sec. 9	January 1, 2017	12-541
Sec. 10	January 1, 2017	12-579
Sec. 11	July 1, 2017, and applicable to sales occurring on or after July 1, 2017	12-408(1)
Sec. 12	July 1, 2016, and applicable to sales occurring on or after said date	12-407(a)(37)(OO)
Sec. 13	July 1, 2017, and applicable to sales occurring on and after said date	12-412
Sec. 14	January 1, 2017, and applicable to taxable years commencing on or after January 1, 2017	12-702(a)(2)
Sec. 15	January 1, 2017, and applicable to taxable years commencing on or after January 1, 2017	12-703(a)(2)(I)

Sec. 16	<i>January 1, 2017, and applicable to taxable years commencing on or after January 1, 2017</i>	12-703(a)(2)
Sec. 17	<i>from passage</i>	22a-200c
Sec. 18	<i>from passage</i>	4-66l
Sec. 19	<i>from passage</i>	12-18b
Sec. 20	<i>January 1, 2017</i>	New section
Sec. 21	<i>July 1, 2016, and applicable to calendar quarters commencing on or after said date</i>	12-263i
Sec. 22	<i>January 1, 2017</i>	New section
Sec. 23	<i>January 1, 2017, and applicable to sales occurring on or after said date</i>	12-408(1)
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	53-278a(2)
Sec. 27	<i>January 1, 2017, and applicable to income years commencing on or after January 1, 2017</i>	12-217zz
Sec. 28	<i>July 1, 2016, and applicable to calendar quarters commencing on or after July 1, 2016</i>	12-263b
Sec. 29	<i>from passage</i>	3-115b
Sec. 30	<i>from passage and applicable to taxable years commencing on or after January 1, 2017</i>	12-701(a)(20)(B)
Sec. 31	<i>from passage</i>	12-409
Sec. 32	<i>July 1, 2017, and applicable to income or taxable years commencing on or after January 1, 2017</i>	12-217g(a)

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

Summary Impact of sHB 5046 by Revenue Categories and Major Funds / Accounts over the 2017 Midterm and into the Out Years (\$ - millions)						
	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Personal Income	2.0	(8.0)	(24.4)	(34.5)	(44.9)	(55.4)
Sales and Use	(1.0)	(12.2)	(16.0)	(22.1)	(25.4)	(26.4)
Corporation Tax	(1.7)	(2.0)	(1.5)	-	-	-
Admissions Tax	(1.1)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Health Provider Tax	(5.2)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
License, Permits, and Fees	34.4	9.5	34.2	9.5	34.2	9.5
Transfer To/From	19.0	-	-	-	-	-
Grand Total	46.5	(16.2)	(11.2)	(50.6)	(39.6)	(75.8)

Section-by-Section Analysis

Grievance Filing Fees

Section 1 increases, from \$25 to \$200, the filing fee both parties to a grievance must pay in order to bring a case before the State Board of Mediation and Arbitration. This results in an annual revenue gain of \$200,000 beginning in FY 17.

Film Tax Credits

Section 2 lifts the moratorium on film production tax credits for motion pictures meeting certain job and cost criteria, which is anticipated to result in a revenue loss of \$1.2 million in FY 17 only. This estimate assumes no more than two such productions would be

eligible for the maximum film tax credit of 30% of qualified production costs within FY 17.

Municipal Filing Fees

Sections 3 - 6 increase various fees collected by town clerks for the filing of various documents. These changes result in a minimal revenue gain to all municipalities, which will vary based on the number of filings.

Probate fees

Sections 7 and 9 cap the maximum probate fee allowable for probate proceedings related to decedents' estates. Fees are capped at \$40,000, effective for decedents who die on or after July 1, 2016. (The cap of \$40,000 would be reached at an estate value of \$8,877,000.)

The cap on the estate fee results in a revenue loss of approximately \$4.5 million to the Probate Court Administration Fund. sHB 5044, the revised FY 17 budget as favorably reported by the Appropriations Committee, added \$7 million to the FY 17 budget to support probate court operations.

Admissions Tax

Section 9 and 10 eliminate the 10% Admissions Tax on events at concert or sport venues. This results in a revenue loss of \$1.1 million in FY 17 (partial year) and \$2.2 million annually thereafter. This also results in a potentially significant revenue gain to municipalities choosing to levy the Admissions Tax as a local option under the provisions of the bill.

Sales and Use Tax Rates and Exemptions

Sections 11 - 13 make the follow changes to the sales and use tax.¹

“Luxury” Sales Tax Phase Down: The bill results in a revenue loss of

¹ PA 15-244, as amended by PA 15-5 JSS and PA 15-1 DSS, requires a monthly transfer of a portion of the sales tax generated into the Municipal Revenue Sharing Account and the Special Transportation Fund. The general sales and use tax rate, from which the diversion occurs, remains at 6.35%. Any policy impacting the base of the Sales Tax will impact the transfers to these two funds.

\$3.3 million in FY 18 and \$6.9 million in FY 19 by phasing down the “luxury” sales tax rate from 7.75% to 6.35% by FY 21. The annualized revenue loss once lowered to 6.35% is \$14.7 million in FY 21 and thereafter, subject to inflation.

Sales Tax Rate Decrease on Boat Purchases: The bill results in a revenue loss of \$400,000 in FY 18 and \$1 million in FY 19 by phasing down the sales tax on boats from 6.35% to 3.0% by FY 22. The annualized revenue loss once lowered to 3.0% is \$2.6 million in FY 22 and thereafter, subject to inflation.

Feminine Hygiene Products: The bill results in an annualized revenue loss of \$3.6 million beginning in FY 18 by exempting feminine hygiene products from the sales tax.

Children’s Diapers: The bill results in an annualized revenue loss of \$4.2 million beginning in FY 18 by exempting diapers from the sales tax.

Coin-Operated Car Wash Services: The bill results in an annualized revenue loss of \$500,000 by exempting coin-operated car wash services from the sales tax.

Single Filers Exemption

Sections 14 – 16 increase the exemption, from \$15,000 to \$20,000, for single filers under the Personal Income Tax in \$500 annual increments beginning in the 2017 income year. This results in a revenue loss of \$5 million in FY 17 and \$14.5 million in FY 18; the cumulative revenue loss is \$104.6 million over 10 years.

Regional Greenhouse Gas Initiative

Section 17 diverts \$20 million in total from the Regional Greenhouse Gas Initiative (RGGI) Fund and credit the total to the General Fund in FY 17. The revenues to be diverted represent 67% of the approximate \$30 million in anticipated proceeds from the next five quarterly auctions beginning June 1, 2016, through June 30, 2017. (The

average amount of proceeds per auction in FY 15 was \$6.2 million.) Under the terms of a Memorandum of Agreement between Connecticut and other states participating in the RGGI program, at least 25% of proceeds must be used for energy efficiency, renewables or non-carbon emitting technologies to ensure direct benefit to consumers.

In addition, transfer \$2 million from the current balance of the RGGI Fund within the Department of Energy and Environmental Protection (DEEP). The fund balance was \$3.8 million at the end of FY 15 and was \$5.0 million total or \$4.0 less encumbrances as of April 1, 2016. The balance of this fund supports administration.

The RGGI program sets a cap on carbon emissions from power plants, which must purchase emission allowances at a quarterly auction. The proceeds from allowance sales are reinvested programmatically as follows: 1) energy efficiency (69% through Conservation & Load Management programs administered by the state's utilities); 2) renewables (23% via the CT Green Bank formerly known as CEFIA; and 3) program dues and administration (7.5% to the DEEP). PA 13-184 diverted \$6.2 million and \$19.2 million in FY 14 and FY 15, respectively, from CEFIA.

Municipal Revenue Sharing Account

Section 18 makes a variety of changes to payments from the Municipal Revenue Sharing Account (MRSA). It: 1) changes the calculation of the motor vehicle mill rate cap for towns that had revaluations in either 2014 or 2015, 2) freezes supplemental PILOT payments at FY 17 levels for FY 18 and FY 19, and 3) makes changes regarding the municipal spending cap.

The bill results in a cost, estimated to be at least \$12 million in FY 17, to the Municipal Revenue Sharing Account. This increases the General Fund transfer necessary to fully fund grants from MRSA from \$600,000

to \$12.6 million.² The bill: 1) increases grants to towns that conducted a revaluation in 2014, based on the impact that revaluation had on their mill rates, and 2) specifies that municipalities that conducted revaluations in 2015 will receive a dollar-for-dollar reimbursement for their FY 17 revenue loss.

Section 19 results in a savings to MRSA by freezing supplemental PILOT payments at \$46.1 million in FY 18 and FY 19, and allowing towns to opt out of receiving MRSA grants. These provisions result in a potentially significant savings to MRSA that will vary based on: 1) changes in municipal mill rates and grand lists, and 2) which towns choose to opt out.

Sales Tax Remittance and Reporting Requirements

Section 20 results in an enhancement of revenue collections up to \$5 million annually by requiring “payment settlement entities” to submit monthly informational reports to DRS detailing the credit and debit card payments they made to Connecticut retailers in the prior month.

Ambulatory Surgical Center Tax Exemption and Rate Change

Section 21 results in a revenue loss of up to \$1.0 million in FY 17 and up to \$1.8 in FY 18 by (1) lowering the tax rate from 6.0% to 5.50% in FY 17 and from 5.50% to 5.25% in FY 18 and (2) increasing the exemption on the first \$1 million of an ambulatory surgical center's gross receipts in the applicable fiscal year to the first \$1.1 million.

Hotel Occupancy Tax Diversion - Statewide Marketing and Promotion Account

Sections 22 and 23 result in a revenue loss to the General Fund (and a corresponding revenue gain to the “state-wide marketing and promotion “ account) of \$5.5 million in FY 17 and \$11 million in FY 18

² PA 15-1, DSS, allows the Office of Policy and Management to draw from the Resources of the General Fund to make MRSA-related grant payments if there is not enough money in MRSA. Under current law, it is projected that a \$600,000 transfer from the Resources of the General Fund will be necessary to fully fund MRSA.

by transferring 9% of occupancy tax collections from the General Fund to the account.

The bill creates the account as a separate non-lapsing account in the General Fund to be administered by the Department of Economic and Community Development (DECD). As background, DECD's General Fund appropriated budget includes a "statewide marketing" account through which statewide marketing initiatives like the "Still Revolutionary" campaign are funded. The FY 17 appropriation under sHB 5044, as reported favorably by the Appropriations Committee, provides \$8 million.

Daily Fantasy Sports

Sections 24 - 26 establish a registration fee and 8.75% surcharge on gross receipts of Daily Fantasy Sports companies. This is anticipated to result in a revenue gain of \$9.5 million annually beginning in FY 17.

The Department of Consumer Protection would require a Gaming Investigator (AR-22) with a salary of \$77,110 to monitor transactions for Daily Fantasy Sports. The associated fringe benefits would be \$30,800. Additionally the investigator would require a laptop and other supplies totaling \$2,000. The total cost is therefore \$109,910.

R&D/R&E Credits

Section 27 accelerates the phase-up of the tax credit cap for the Research & Development and Research & Experimental tax credits, which results in a revenue loss of \$500,000 in FY 17, \$2.0 million in FY 18, and \$1.5 million in FY 19.

Hospital Tax - Small Hospital Exemption

Section 28 excludes hospitals that (1) have \$35 million or less in net inpatient revenue and (2) are part of the small hospital pool from paying the inpatient user fee. This proposal will result in a revenue loss of \$3.9 million. The bill's provisions exempt Milford Hospital and Day Kimball Hospital.

Generally Accepted Accounting Principles

Section 29 delays the provision in PA 15-1 DSS (Sections 8-11) which amortizes the \$108.7 million growth in the GAAP deficit between FY 13 and FY 14. This provision amortizes the \$108.7 million over 12 years beginning in FY 17 by requiring the Finance Revenue and Bonding Committee to set aside \$9 million in each year's revenue schedule in addition to the revenue amounts needed to: (1) balance the budget; and (2) amortize the \$618.5 million (\$47.6 million per year over 13 years) GAAP deficit as of the close of FY 13, subsequent to the receipt of \$598.5 million in proceeds from the issuance of GAAP Conversion Bonds. The delay by one year would amortize the \$108.7 million over 11 years, instead, and increase the annual amounts needed to be set aside to \$9.9 million beginning in FY 18.

Teachers' Pension Exemption

Section 30 delays the scheduled increase (from 25% to 50%) in the teachers' pension exemption under the Personal Income Tax for one year. This results in a revenue gain of \$7.0 million in FY 17 and FY 18.

Sales Tax Permit Renewal Fee

Section 31 establishes a 3-tier fee for Sales Tax permit renewals and requires that all current permit holders renew by January 1, 2017. The renewal fee is \$350 for permit holders who remit sales taxes monthly, \$100 for quarterly remitters, and \$50 for annual remitters. Also, reduce the renewal period from five years to two years. This results in a revenue gain of \$24.7 million in FY 17 and biennially thereafter.

Apprenticeship Tax Credit

Section 32 allows pass-through entities to apply manufacturing apprenticeship tax credits against their personal income tax liability. This does not result in any revenue impact as it assumed these credits would be otherwise utilized against the Corporation Business Tax, Petroleum Products Gross Earnings Tax, or Public Service Companies Tax as allowed in PA 15-1 of the December Special Session (i.e.,

December deficit mitigation plan). It is anticipated that this provision would result in a one-time cost of less than \$100,000 in FY 17 to the DRS associated with updates to the online Taxpayer Service Center to allow pass-through entities to claim the credit on their tax forms.

The Out Years

State Impact: See Summary Impact table above

Municipal Impact: See Summary Impact table above

OLR Bill Analysis**sHB 5046*****AN ACT CONCERNING REVENUE.*****SUMMARY:**

This bill makes many changes affecting state and municipal revenue. It imposes registration requirements and fees on fantasy sports contest operators, diverts funds from the regional greenhouse gas initiative's account, and increases the State Board of Mediation and Arbitration's grievance filing fee. It also delays, from FY 17 to FY 18, the date when the state must begin paying off unreserved negative unassigned balances from FY 14. The bill caps at \$40,000 the probate fees for settling estates valued at \$8.877 million or more.

The bill makes several changes to the sales and use tax. It reduces, in stages, the tax rate on boats and luxury goods and exempts from the tax feminine hygiene products, disposable or reusable diapers, and coin-operated car washes. It requires all retailers to renew their sales tax permits by January 1, 2017, and imposes a renewal fee for these permits based on how often the retailers must remit the tax. It also requires "payment settlement entities" to submit monthly reports to the revenue services commissioner detailing the prior month's credit and debit card payments made to Connecticut retailers.

The bill reduces the gross receipts tax on ambulatory surgical centers and exempts from the hospital tax hospitals that are not part of a hospital system and meet other specified criteria.

The bill changes the conditions for accessing various business tax credits. It (1) allows the owners and partners of businesses organized as pass-through entities to claim the apprenticeship tax credit against their personal income taxes, (2) lifts the moratorium on film and digital media production tax credits for motion pictures meeting narrow

criteria, and (3) accelerates the schedule for raising the cap on R&D tax credits back to 70% of a business's corporation business tax.

The bill makes changes to the personal income tax exemption and credit. It increases the personal exemption for single filers over 10 years and correspondingly increases the income threshold at which the exemption begins to phase out. The bill also expands the income ranges in which these filers qualify for the personal income tax credit. The bill delays, from 2017 to 2018, the scheduled increase in the teacher pension income tax exemption.

The bill eliminates the 10% tax on admission charges at venues hosting concerts and athletic events and allows municipalities to impose a maximum 10% tax on admission charges to these events instead.

The bill makes other changes affecting municipal revenue. It increases various fees municipalities must charge for filing certain documents and obtaining certain permits. It establishes new formulas for calculating motor vehicle property tax grants dispersed to municipalities that implemented a property tax revaluation in the 2014 and 2015 assessment years. The bill also expands the types of expenditures excluded from the spending cap linked to municipal revenue sharing grants.

The bill delays, from FY 18 to FY 20, the implementation of a mechanism for increasing payments in lieu of taxes (PILOTs) to municipalities with relatively high mill rates and percentages of tax-exempt property.

Lastly, the bill creates a statewide marketing and promotion account as a separate, nonlapsing General Fund account and requires the revenue services commissioner to deposit in that account 9% of the revenue the room occupancy tax generates.

EFFECTIVE DATE: Various, see below.

§ 1 — STATE BOARD OF MEDIATION AND ARBITRATION FEE

The bill increases, from \$25 to \$200, the fee an employer and its employee must each pay when submitting a grievance or dispute to the State Board of Mediation and Arbitration. By law, the board assigns the case to one of its two three-member panels, each consisting of one labor, business, and public member. The board must refund the fee if the parties agree to have the public member arbitrate the matter.

EFFECTIVE DATE: July 1, 2016

§ 2 — FILM PRODUCTION TAX CREDIT

This bill lifts, for certain productions, the FY 16 & FY 17 moratorium on film and digital media production tax credits. Specifically, it allows eligible production companies to earn credits for expenses incurred in making productions (1) that produce at least 50% of their entertainment content in Connecticut, (2) whose personnel are comprised of at least 50% Connecticut residents, and (3) that have a total production cost of less than \$2 million.

As under current law, the moratorium does not apply to motion pictures that conduct at least 25% of their principal photography days in a Connecticut facility that (1) receives at least \$25 million in private investment and (2) opened for business on or after July 1, 2013.

EFFECTIVE DATE: Upon passage

§§ 3-6 — MUNICIPAL FEE INCREASES

The bill increases the fees municipalities must charge for various permits and filings, as shown in Table 1.

Table 1: Municipal Fee Increases

<i>Fee Description</i>	<i>Current Law</i>	<i>Bill</i>
Liquor permit filing	\$2	\$20
Filing any document	5	10
Survey or map filing and indexing	10	20
Subdivision survey or map indexing	20	30
Notary public: commission and oath filing	10	20
Notary public: character certification	2	5

Marriage license (including surcharge)	30	50
Burial or removal, transit, and burial permit	3	5
Cremation permit	3	5

EFFECTIVE DATE: July 1, 2016

§§ 7 & 8 — PROBATE FEES

The bill caps at \$40,000 the probate fees for settling estates valued at \$8.877 million and more, as shown in Table 2. The fee changes apply to estate proceedings for people who die on or after July 1, 2016. The bill also makes a conforming change.

Table 2: Probate Fees for Settling Estates (Ranges Changed by the Bill)

<i>Current Law</i>		<i>Bill</i>	
<i>Estate Value</i>	<i>Fee</i>	<i>Estate Value</i>	<i>Fee</i>
At least \$2 million	\$5,615, plus 0.5% of the excess over \$2 million	\$2 million to \$8.877 million	\$5,615, plus 0.5% of the excess over \$2 million
		At least \$8.877 million	\$40,000

EFFECTIVE DATE: Upon passage

§§ 9 & 10 — ADMISSIONS TAX

The bill simultaneously (1) exempts from the state's 10% admission tax the charges imposed on patrons attending concerts or athletic events and (2) allows any municipality to impose a maximum 10% admission tax on such charges. It exempts from the local tax charges imposed on patrons attending events in which all the proceeds go exclusively to tax-exempt organizations that actively engage and assume the event's financial risks, which is the same exemption that currently applies to the state tax.

A municipality that chooses to tax admission charges to concerts and athletic events must adopt an implementing ordinance, which it must do under current law to tax admission charges to state-licensed jai alai, racing, and off-track betting facilities.

In authorizing this local tax, the bill specifically applies it to the amount a patron pays for tickets; license fees; or skyboxes, luxury suites, or club rental charges or purchase prices. It also applies the tax to amounts paid to obtain the right to buy seats or secure admission. The bill excludes from the tax any portion of a charge for instructions.

EFFECTIVE DATE: January 1, 2017

§§ 11 – 13 — SALES AND USE TAX CHANGES

Sales Tax on Vessels (§ 11)

Under current law, vessels and vessel motor sales are subject to the 6.35% sales and use tax, except that sales of vessels docked in the state for 60 days or less in a calendar year are exempt.

The bill reduces, from 6.35% to 3% over five years, the tax rate on vessel motor sales and taxable vessel sales. Specifically, it reduces the rate to 5.75% in FY 17, 5% in FY 18, 4.25% in FY 19, 3.5% in FY 20, and 3% beginning in FY 21.

EFFECTIVE DATE: July 1, 2017 and applicable to sales occurring on or after that date.

Luxury Tax Reduction (§ 11)

The bill reduces, from 7.75% to 6.35% over four years, the sales and use tax rate on luxury goods. Specifically, it reduces the rate to 7.4% in FY 17, 7.05% in FY 18, 6.7% in FY 19, and 6.35% beginning in FY 20.

By law, the rate applies to the full sales price of motor vehicles, jewelry, clothing, footwear, and accessories costing more than (1) \$50,000 for motor vehicles, with certain exceptions; (2) \$5,000 for jewelry (real or imitation); and (3) \$1,000 for clothing, footwear, handbags, luggage, umbrellas, wallets, and watches.

EFFECTIVE DATE: July 1, 2017 and applicable to sales occurring on or after that date.

Coin-operated Car Wash Exemption (§ 12)

The bill exempts coin-operated car washes from the sales and use tax. As under existing law, all other car wash services are subject to this tax.

EFFECTIVE DATE: July 1, 2016, and applicable to sales occurring on or after that date.

Feminine Hygiene Product and Diaper Exemptions (§13)

The bill exempts from the sales tax sales of feminine hygiene products and disposable and reusable diapers.

EFFECTIVE DATE: July 1, 2017 and applicable to sales occurring on or after that date.

§§ 14-16 — PERSONAL INCOME TAX REDUCTIONS FOR SINGLE FILERS

Personal Exemption

The law exempts a specified amount of taxable income from the personal income tax for all taxpayers, regardless of their filing status (i.e., personal exemption). It also gradually decreases that amount as income increases. The current maximum exemption for single filers is \$15,000 with taxable income up to \$30,000, and is gradually reduced for those with income above this amount.

The bill increases over 10 years the personal exemption for single filers in \$500 increments, from \$15,500 in 2017 to \$20,000 in 2026. And it correspondingly increases the income threshold at which the exemption begins to phase out from \$31,000 in 2017 to \$40,000 in 2026. As with other filers, the exemption is reduced by \$1,000 for each \$1,000 of adjusted gross income (AGI) above the specified threshold.

Personal Credit

The law grants a personal income tax credit for all filers that ranges from 1% to 75% of the tax liability, depending on their AGI. The credit for single filers currently ranges from 1% for those with AGIs between \$64,000 and \$64,500 to 75% for those with AGIs between \$15,000 and \$18,800. The bill increases over 10 years, from 2017 to 2026, the income

ranges in which single filers qualify for the credit. Table 3 shows the increase for the minimum 1% credit and the maximum 75% credit.

Table 3: Bill's 10-Year Increase in the Income Ranges for the Minimum and Maximum Personal Income Tax Credit

Year	Income Range for Minimum 1% Credit	Income Range for Maximum 75% Credit
2017	\$65,000-\$65,500	\$15,500-\$19,400
2018	67,000-67,500	16,000-20,000
2019	68,000-68,500	16,500-20,600
2020	70,000-70,500	17,000-21,300
2021	71,000-71,500	17,500-21,900
2022	73,000-73,500	18,000-22,500
2023	74,000-74,500	18,500-23,100
2024	76,000-76,500	19,000-23,800
2025	77,000-77,500	19,500-24,400
2026	79,000-79,500	20,000-25,000

EFFECTIVE DATE: January 1, 2017 and applicable to taxable years beginning on or after that date.

§ 17 — REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) FUND SWEEPS

The bill diverts \$20 million from RGGI auction proceeds in FY 18 for deposit in the General Fund. It requires the energy and environmental protection commissioner to do this by diverting \$5 million of the proceeds in July, October, January, and April of that fiscal year. The bill also requires the commissioner to transfer \$2 million from the regional greenhouse gas account to the General Fund by June 30, 2016.

RGGI is an interstate “cap and trade” program Connecticut and other northeastern states launched to reduce greenhouse gas emissions. The program subjects the region’s power plants to a declining cap on the amount of CO2 they can emit and requires them to purchase emission allowances at quarterly auctions. Those that exceed the cap may also buy credits from those that do not. The proceeds from the auction sales fund energy efficiency and renewable energy programs.

EFFECTIVE DATE: Upon passage

§ 18 — MUNICIPAL REVENUE SHARING ACCOUNT GRANT PROGRAMS

Motor Vehicle Property Tax Grants

Beginning in FY 17, the law requires OPM to distribute motor vehicle property tax grants to municipalities to mitigate the revenue loss attributed to the motor vehicle mill rate cap. Current law ties the grant amounts to the property taxes municipalities and special taxing districts levied on their 2013 grand lists and the amount of the levy for that year (i.e., FY 15) at the capped rate (32 mills for FY 17 and 29.36 mills for FY 18 and thereafter).

The bill changes the basis for the grants for municipalities that implemented a property tax revaluation for the 2014 or 2015 assessment years (see BACKGROUND). Table 4 summarizes the components of the new grant formulas.

Table 4: Motor Vehicle Property Tax Grant Changes

Grant Component	Current Law	Bill		
	All Municipalities	Municipalities with a 2014 Revaluation	Municipalities with a 2015 Revaluation	All Others
Motor Vehicle Grand List	2013	2013 (regular and supplemental)	2015 (regular and supplemental)	2013 (regular and supplemental)
Mill Rate	FY 15	FY 16	FY 17	FY 15

As the Table shows, for municipalities that implemented a revaluation in 2014, the bill ties the grant amounts to the property taxes municipalities and districts levied on their 2013 regular and supplemental grand lists (“2015 actual levy”), based on their FY 16 mill rates (“2016 assessed value”), and the amount of that levy at the capped rate (“levy that would have been received for the fiscal year ending June 30, 2016”). The grant is the difference between the “2015 actual levy” and the “levy that would have been received for the fiscal year ending June 30, 2016.”

For municipalities that implemented a revaluation in 2015, the bill ties the grant amounts to the property taxes municipalities and districts levied on their 2015 regular and supplemental grand lists (“2017 actual levy”), based on their FY 17 mill rates (“2017 assessed value”), and the amount of that levy at the capped rate (“levy that would have been received for the fiscal year ending June 30, 2017”). The grant is the difference between the “2017 actual levy” and the “levy that would have been received for the fiscal year ending June 30, 2017.”

For all others, the bill retains the existing grant formula, with the addition of the 2013 supplemental grand list. Under this formula, the grant amount is the difference between the property taxes municipalities and special taxing districts levied on their 2013 regular and supplemental grand lists and the amount of the levy for that year at the capped rate.

By law, the grants are limited to municipalities with mill rates, or combined municipal and district mill rates, greater than 32 mills in FY 17 or 29.36 mills in FY 18 and thereafter. The bill specifies that such mill rates are those the municipalities and districts impose on real and personal property other than motor vehicles.

Regional Services Grants

Beginning in FY 17, the law requires OPM to distribute regional services grants to councils of government (COGs), based on a formula determined by the OPM secretary. The bill requires COGs to use 35% of their grant funds to help regional education service centers merge their human resource, finance, or technology services with such services provided by municipalities in the region.

Municipal Revenue Sharing Grants

Beginning in FY 20, the law requires OPM to distribute municipal revenue sharing grants to municipalities according to a statutory formula. (The grant amounts are specified in statute for FYs 17 to 19.) Under current law, the formula for calculating each municipality’s

grant amount depends on its motor vehicle mill rate. The bill instead bases the formula on the mill rate for real and personal property other than motor vehicles.

Municipal Spending Cap

By law, beginning in FY 18, OPM must reduce municipal revenue sharing grant amounts for those municipalities whose spending, with certain exceptions, exceeds a spending cap. Under current law, the cap is the greater of the inflation rate or 2.5% or more of the prior fiscal year's authorized general budget expenditures. The bill specifies that the cap is based on a municipality's adopted budget expenditures, rather than general budget expenditures. Under the bill, "adopted budget expenditures" include expenditures from a municipality's general fund and any nonbudgeted funds.

The bill expands the types of expenditures excluded from the cap to include (1) budgeting for an audited deficit, (2) nonrecurring grants, (3) capital expenditures, and (4) payments on unfunded pension liabilities.

The bill also bars OPM from reducing a municipality's grant in any year in which its adopted budget expenditures exceed the cap by an amount proportionate to its population increase over the previous fiscal year (based on the most recent Department of Public Health population estimate).

EFFECTIVE DATE: Upon passage

§ 19 — PAYMENT IN LIEU OF TAXES (PILOT)

The bill extends, to FY 18 and FY 19, the same requirements that apply to FY 17 for proportionately reducing PILOT grants if the amount appropriated is not enough to fund the full amount to every municipality and district. Under those requirements, (1) municipalities and districts must receive PILOTs that equal or exceed the reimbursement rates they received in FY 15 and (2) specified municipalities and districts receive a supplemental PILOT grant.

In doing so, the bill delays, from FY 18 to FY 20, the implementation of a mechanism for increasing PILOT grants to municipalities with mill rates of at least 25 and a relatively high percentage of tax-exempt property on their grand lists.

EFFECTIVE DATE: Upon passage

§ 20 — NEW MONTHLY REPORTING FOR PAYMENT SETTLEMENT ENTITIES

The bill requires “payment settlement entities” (i.e., banks or third-party settlement organizations, such as MasterCard, Paypal, and Visa) that make payments to Connecticut retailers in connection with a credit or debit card transaction to submit monthly informational reports to DRS. The reports must list, by retailer, (1) each payment that the entity made to the retailer, (2) the date and time of each payment, (3) the name of the financial institution that maintains the account in which the payment was deposited, and (4) the account number. Entities must submit reports to DRS by the 20th day of the month following the monthly period (e.g., the first report for the monthly period ending on January 1, 2017 must be filed with DRS by February 20, 2017).

Under the bill, payment settlement entities must submit reports electronically on a form DRS prescribes. DRS must make the form available on an annual basis by December 1, beginning with December 1, 2016. (The form is due a month before the bill goes into effect.) Each time an entity fails to submit the required report, it faces a penalty of \$1,000 that cannot be waived.

The bill also allows the DRS commissioner to enter into agreements with payment settlement entities to facilitate the issue of tax warrants on the entities for payments the entities made to Connecticut retailers.

EFFECTIVE DATE: January 1, 2017

§ 21 — AMBULATORY SURGICAL CENTER TAX

The bill decreases, over two years, the tax rate on ambulatory

surgical center gross receipts. The tax rate is currently 6%; the bill reduces it to 5.5% beginning July 1, 2016 and to 5.25% beginning July 1, 2017.

Beginning July 1, 2016, the bill also increases, from \$1 million to \$1.1 million, the amount of each center's gross receipts in the applicable fiscal year. The law already excludes from the tax the portion of a center's gross receipts that constitutes the net patient revenue of a hospital liable for hospital taxes.

EFFECTIVE DATE: July 1, 2016 and applicable to calendar quarters beginning on or after that date.

§§ 22 & 23 — STATE-WIDE MARKETING AND PROMOTION ACCOUNT

The bill (1) establishes a State-wide Marketing and Promotion account as a separate, nonlapsing General Fund account and (2) requires DRS to transfer 9% of occupancy tax revenue to the account. Under the bill, the account must contain money the law requires to be deposited in the account. The Department of Economic and Community Development must use the money in the account to promote tourism in the state in order to maximize occupancy tax revenue.

EFFECTIVE DATE: January 1, 2017 and applicable to sales occurring on or after that date.

§§ 24-26 — DAILY FANTASY SPORTS CONTESTS

The bill (1) requires daily fantasy sports (DFS) contest operators to provide certain consumer protections and (2) imposes a 8.75% surcharge on the total entry fees less the amount paid out for such contests. It also specifically legalizes DFS contests under state law by exempting them from the definition of gambling.

Under the bill, a "daily fantasy sports contest" is a contest in which the offer or award of a prize is connected to the statistical performance or finishing position of one or more competitors in an underlying

amateur or professional sports competition but does not include the offer or award of a prize to a winner of or competitor in the underlying competition itself.

Consumer Protections

The bill requires the Department of Consumer Protection (DCP) commissioner to adopt regulations to protect DFS contest participants who pay an entry fee to an operator to play for prizes from unfair or deceptive acts or practices arising from the contests. An “entry fee” is the amount of cash or its equivalent that a DFS contest participant who resides in Connecticut must pay to a DFS contest operator to participate in a DFS contest.

The regulations must include:

1. a provision that DFS contests are not contests of chance;
2. a prohibition on operators allowing anyone under age 18 to participate in any DFS contests held or promoted by the operators;
3. protections for DFS contest participants’ funds deposited with operators;
4. requirements regarding truthful advertising by operators;
5. procedures to ensure the integrity of DFS contests offered in the state;
6. protections for problem gamblers with respect to DFS contests;
7. a registration requirement for operators;
8. an initial \$50,000 registration fee for operators and a \$10,000 annual renewal fee, except the (a) fee may not exceed 10% of the entry fees the operator collects, less the amount of cash or its equivalent paid by the operator to DFS contest participants in the state, and (b) amount of any surcharge due in a calendar

year must be deducted annually from the initial or annual registration fee for the calendar year; and

9. reporting requirements and procedures for demonstrating eligibility for reduced fees.

A violation of these regulations is deemed an unfair or deceptive act or practice (see **BACKGROUND**).

Surcharge

The bill imposes a monthly 8.75% surcharge on the gross receipts of each DFS contest involving one or more participants in the state who pay an entry fee to play. The “gross receipts” is the total of all entry fees the operator collects less the amount of cash or its equivalent paid by the operator to DFS contest players in the state. The operator must deposit the money collected into a separate surcharge bank account each month on or after the date the DFS regulations are effective.

Surcharge Bank Account. Under the bill, operators must establish a separate surcharge bank account with a financial institution where they must deposit the surcharge money. The money must be kept separate and apart from all of the operator’s other funds and assets. The bill prohibits operators from depositing any funds in the account for any reason other than for maintaining the account. A “financial institution” means a bank, Connecticut credit union, federal credit union, and an out-of-state bank or credit union that maintains a branch or office in this state. (Federally chartered financial institutions and out-of-state banks or credit unions operating branches in Connecticut are generally not governed by Connecticut banking laws. Thus, provisions of the bill that create requirements for financial institutions would apply only to state-chartered financial institutions.)

The surcharge bank account must be established under the designation, "(Name of person required to establish account), Trustee, Special Fund in Trust for the State of Connecticut, Department of Consumer Protection." The surcharge deposited in the account constitutes a fund in trust for the state and is payable only to DCP.

Any surcharge deposited in the account is state property and is not subject to any lien.

Unauthorized Use of Money From Account. If an operator or any person on his or her behalf, without the DCP commissioner's prior authorization, withdraws any money from the account for any reason other than to remit it to the commissioner, he or she is deemed to have stolen state property and is subject to larceny penalties. By law, the penalty for larceny varies, based on the amount of property taken, from a class C misdemeanor (punishable by up to three months in prison, a fine of up to \$500, or both) to a class B felony (punishable by up to 20 years in prison, a fine of up to \$15,000, or both). Under the bill, each unauthorized withdrawal is a separate offense.

Accounting. The commissioner may request an accounting of the separate account at any time from the financial institution maintaining the surcharge account. The financial institution must provide the accounting within two business days of the commissioner's request. If it fails to do so within two business days of the request, it is subject to a \$100 penalty each day until the accounting is provided. Any imposed penalty is not subject to waiver.

DCP Authority to Withdraw From Account. Under the bill, if the commissioner determines the collection of the surcharge is jeopardized by delay due to an operator's failure to remit a surcharge, he may withdraw the surcharge. Before making such withdrawal, the commissioner must notify the financial institution. The notice (1) must include the specific amount of the surcharge the commissioner seeks and (2) may be served on the financial institution by mailing a copy of it by certified mail, return receipt requested; electronic mail; or facsimile machine.

Financial Institutions Notice and Payment. When the financial institution receives the notice and the account contains an amount equal to or more than the commissioner seeks, it must immediately pay the amount requested. If the account does not have the amount sought, the institution must pay the amount in the account.

If, upon receiving the notice, the financial institution fails or refuses to pay the commissioner the amount he seeks, it is liable for the amount sought unless the surcharge account has insufficient funds to satisfy the amount. The amount the financial institution pays the commissioner must be applied toward the amount the operator owes.

The commissioner may file a petition with the Hartford Superior Court to compel the financial institution to turn over the amount of surcharge he seeks. If he files such a petition, he is entitled to the interest on the amount he seeks at the rate of $\frac{2}{3}$ of 1% per month or fraction thereof from the date he serves notice to the financial institution. The commissioner may seek, and the court may impose, penalties against the financial institution for failing or refusing to pay the amount the commissioner seeks.

Notice to DFS Operators. At the same time the DCP commissioner serves notice to the financial institution, the bill requires him to also notify the DFS operator, in writing, of his or her right to file a claim with the commissioner if the account contains funds other than the surcharge (e.g., funds for maintenance).

The notice must be given in person; left at the operator's dwelling or usual place of business; or sent by certified mail, return receipt requested, to the operator's last-known address. The operator then has 10 days from the date of service to file a claim with the commissioner on a form he prescribes. Failing to file a claim within this time constitutes a waiver of any demand against the state.

DCP Determination of Operator's Claim. The DCP commissioner must, within 30 days of receiving the operator's claim, determine whether the claim is valid and, if it is, return the funds that are not state property to the operator. The funds must not be subject to offset by the state.

If the commissioner determines the claim is not valid, he must mail a denial notice to the operator. On or before the seventh day after the mailing, the operator may file with the commissioner a written protest

stating the grounds on which the protest is based. If a protest is filed, the commissioner must reconsider the denial. He then must mail notice of his determination to the operator, which must briefly include the findings of fact and the basis of each adverse decision against the operator, either in whole or in part.

Appeal. Any operator aggrieved by the commissioner's determination may, within one month after service of such notice, appeal to Hartford Superior Court. The appeal must include a citation to the commissioner to appear before the court.

The commissioner's actions do not constitute collection actions for the purposes of a state collection agency or post-judgment procedures.

Surcharge Collection Regulations. The bill requires the commissioner to adopt regulations for assessing and collecting the surcharge. The regulations must include:

1. requirements for filing returns with information the commissioner deems necessary for properly administering the collection and enforcement of the surcharge;
2. penalties for delinquency, provided the commissioner may waive all or part of the penalties if it is proven to his satisfaction that failing to pay the surcharge within the time required was due to reasonable cause and was not intentional or due to neglect; and
3. requirements for surcharge bank accounts established pursuant to the bill.

EFFECTIVE DATE: Upon passage

§ 27 — R&D TAX CREDIT CAP

The law limits the extent to which corporations can use tax credits to reduce the amount of taxes they owe. By law, businesses cannot use tax credits to reduce their corporation tax liability by more than 50.01% in any income year, except that businesses holding certain types of

credits are subject to a higher tax credit cap.

This bill establishes a separate, higher tax credit cap for corporation business taxpayers whose total research and development (R&D) and research and experimental (R&E) tax credits exceed the applicable statutory cap. These taxpayers may reduce their tax liability, to the extent that their R&D and R&E tax credits exceed the applicable cap, by up to (1) 65% in 2017 and (2) 70% in 2018.

Existing law, unchanged by the bill, already allows corporations holding R&E and R&D tax credits to exceed the 50.01% tax credit cap. Specifically, the law allows corporations with any amount of R&E, R&D, or Urban and Industrial Site Reinvestment (UISR) tax credits (“excess credits”) to use their total credits and excess credits to reduce their tax liability by up to (1) 55% in 2016, (2) 60% in 2017, (3) 65% in 2018, and (4) 70% in 2019. Under the bill, corporations with total R&D and R&E tax credits that exceed this cap can reduce their tax liability by an additional 5% in 2017 and 2018.

EFFECTIVE DATE: January 1, 2017, and applicable to income years beginning on or after that date.

§ 28 — HOSPITAL TAX EXEMPTION

Beginning July 1, 2016, this bill exempts from the hospital tax hospitals that are not part of a “hospital system” and:

1. have no more than 160 beds,
2. are located in municipalities that are not contiguous to other municipalities with a hospital (i.e., a hospital subject to the tax), and
3. had less than \$35 million in annual net patient revenue for providing inpatient services in the base year for assessing the tax (currently federal fiscal year 2013).

By law, a hospital system is a (1) parent corporation of one or more hospitals and any entity affiliated with that corporation through

ownership, governance, or membership or (2) hospital and any entity affiliated with it through these means.

Under the bill, the exemption applies to the extent permitted by federal law. Current law exempts from the tax children's general hospitals and short-term acute care hospitals the state exclusively operates, except those the state operates as a receiver (i.e., Connecticut Children's Medical Center and John Dempsey Hospital).

EFFECTIVE DATE: July 1, 2016 and applicable to calendar quarters beginning on or after July 1, 2016

§ 29 — AMORTIZED FY 14 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) DEFICIT

Current law requires the state to pay off the General Fund's unreserved negative unassigned balance for FY 14, identified based on GAAP, and to do so over 12 years in equal increments, starting in FY 17 and ending in FY 28. The bill delays the start of these payments by one year and requires them to be amortized over 11 years in equal increments, from FY 18 to FY 28.

EFFECTIVE DATE: Upon passage

§ 30 — INCOME TAX EXEMPTION FOR TEACHER PENSIONS

The bill delays, from the 2017 to 2018 tax year, the scheduled increase in the teacher pension income tax exemption. Under current law, the exemption is scheduled to increase from 25% to 50% for 2017 and subsequent tax years. The bill instead maintains it at 25% for 2017 and increases it to 50% beginning in 2018.

EFFECTIVE DATE: Upon passage and applicable to tax years beginning on or after January 1, 2017.

§ 31 — SALES TAX PERMIT RENEWALS

The bill requires all retailers to renew their sales tax permits by January 1, 2017 and imposes a permit renewal fee. It also requires retailers to renew their sales tax permits every two years, instead of

every five years as current law requires.

Under the bill, the fee a retailer must pay to renew the sales tax permit depends on which of three categories they fall into. The categories (1) are based on their total annual sales tax liability from the year ending on the preceding June 30 and (2) coincide with those used, under existing law and regulations, to determine the frequency with which retailers file and remit sales taxes to DRS (CGS § 12-414 & Conn. Agencies Regs. §12-426-24). Table 5 shows the categories, the applicable fees, and tax filing frequency

Table 5: Sales Tax Permit Renewal Fees

<i>Renewal Fee</i>	<i>Annual Sales Tax Liability</i>	<i>Sales Tax Filing Frequency</i>
\$350	\$4,000 or more	Monthly
\$100	Less than \$4,000	Quarterly
\$50	Less than \$1,000	Annually

EFFECTIVE DATE: Upon passage

§ 32 — MANUFACTURING APPRENTICESHIP TAX CREDIT

The bill allows the owners and partners of S corporations, limited liability companies (LLCs), partnerships, and other pass-through entities to use the manufacturing apprenticeship tax credit to reduce their personal income tax liability. If the entity is an S corporation or one treated as a partnership for federal tax purposes, its shareholders or partners may claim the credit. If the entity is a single-member LLC that is disregarded as an entity separate from its owner, only the owner may claim the credit.

Under current law, the credit applies only against the corporation business tax, which is imposed on businesses organized as corporations. Businesses organized as pass-through entities are not liable for this tax, but their owners and partners must pay personal income taxes on the income they derive from these entities.

Although current law allows pass-through entities to earn the manufacturing apprenticeship tax credit, it bars their owners and partners from applying the credits to their personal income taxes. Instead, it allows them to cash in the credits by selling, assigning, or transferring them to corporations, utility companies, and petroleum products distribution companies, which can use the credits to reduce their tax liability. The bill eliminates the ability of pass-through entities to sell, assign, or transfer the credits to these other businesses.

By law, the credit equals \$6.00 per hour, up to the lesser of \$7,500 or 50% of the actual apprentice wages. The period for claiming the credit depends on the apprenticeship program's duration. The period is the first year for a two-year program and first three years for a four-year one.

EFFECTIVE DATE: July 1, 2017 and applicable to income or taxable years beginning on or after January 1, 2017.

BACKGROUND

Revaluation Dates

Table 6 lists the municipalities that implemented a revaluation in 2014 or 2015.

Table 6: Municipalities with 2014 or 2015 Revaluations

2014		2015		
Bloomfield	Old Lyme	Bridgeport	Haddam	Salisbury
Branford	Putnam	Brooklyn	Hamden	Seymour
Coventry	Stratford	Canterbury	Hartland	Somers
Mansfield	Thompson	Clinton	Ledyard	Southington
Monroe	Tolland	Colebrook	Marlborough	Stafford
Morris	Torrington	Deep River	New Milford	Trumbull
New Fairfield	Woodbridge	Durham	Newington	Voluntown
North Haven		East Hampton	North Branford	Wallingford
		Ellington	Oxford	West Haven
		Fairfield	Pomfret	Westport
		Greenwich	Prospect	

Source: OPM, *Municipal Fiscal Indicators FY 10 – FY 14*

R&D Tax Credit

The R&D credit generally applies to R&D spending a business

incurs in the state to develop or improve a product and qualifying research payments it makes to nonprofit organizations (i.e., nonincremental R&D spending) (CGS § 12-217n). The tentative credit amount generally ranges from 1% for spending of up to \$50 million to 6% for spending over \$200 million, except for eligible small businesses and certain companies headquartered in an enterprise zone.

R&E Tax Credits

The R&E tax credit applies to R&D spending a business incurs in Connecticut that exceeds the amount it spent during the preceding income year (i.e., incremental R&D spending) (CGS § 12-217j). Eligible businesses receive a credit equal to 20% of their incremental R&D spending.

UISR Credits

UISR credits are available to businesses investing in projects that will generate enough sales, personal income, and other tax revenue to recoup the foregone business tax revenue (CGS § 32-9t). Specifically, the credits are available for (1) remediating and developing contaminated property anywhere in the state and (2) developing property for a wide range of business uses in distressed municipalities, targeted investment communities, or municipalities with a population of over 100,000.

Related Bills

The following bills, favorably reported by the Finance, Revenue and Bonding Committee, contain similar or identical provisions, as indicated below:

1. SB 13 (File 655) caps at \$40,000 the probate fees for settling estates valued at \$8.877 million and more;
2. sSB 49 (File 673) exempts certain small hospitals from the hospital tax;
3. sSB 149 (File 656) exempts from the state's 10% admission tax any event held at a venue for concerts and athletic events and

allows municipalities to impose a local admission tax on any event held at these venues;

4. sSB 399 (File 679) establishes a higher tax credit cap for corporations whose total R&D and R&E tax credits exceed the applicable statutory cap;
5. HB 5491 (File 607) lifts the moratorium on film tax credits for certain productions; and
6. HB 5492 (File 593) increases the fees municipalities must charge for various permits and filings.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 30 Nay 21 (04/07/2016)