



General Assembly

Raised Bill No. 5403

February Session, 2022

LCO No. 2553



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT ESTABLISHING A CHILD TAX CREDIT AGAINST THE PERSONAL INCOME TAX.

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

1 Section 1. (NEW) (*Effective July 1, 2022, and applicable to taxable years*
2 *commencing on or after January 1, 2022*) (a) As used in this section:

3 (1) "Child" means an individual who is under seventeen years of
4 age;

5 (2) "Eligible taxpayer" means a resident of this state who is subject to
6 the tax under chapter 229 of the general statutes; and

7 (3) "Resident of this state" has the same meaning as provided in
8 subsection (a) of section 12-701 of the general statutes.

9 (b) (1) Any eligible taxpayer shall be allowed a credit against the tax
10 imposed under chapter 229 of the general statutes, other than the
11 liability imposed under section 12-707 of the general statutes, for each
12 child, up to a maximum of three children, that the eligible taxpayer
13 validly claims as a dependent on such taxpayer's return filed under the

14 federal income tax for the applicable taxable year.

15 (2) An eligible taxpayer may claim one of the options set forth in
16 this subdivision:

17 (A) Six hundred dollars per child, provided such amount shall be
18 reduced ten per cent for every one thousand dollars, or fraction
19 thereof, of federal adjusted gross income over (i) one hundred
20 thousand dollars for an individual who files a return under the federal
21 income tax as an unmarried individual or a married individual filing
22 separately, (ii) one hundred sixty thousand dollars for an individual
23 who files a return under the federal income tax as a head of household,
24 and (iii) two hundred thousand dollars for individuals who file a
25 return under the federal income tax as married individuals filing
26 jointly or as a surviving spouse, as defined in Section 2(a) of the
27 Internal Revenue Code of 1986, or any subsequent corresponding
28 internal revenue code of the United States, as amended from time to
29 time. The credit allowed under this subparagraph shall not be used to
30 reduce the taxpayer's liability to less than zero; or

31 (B) Four hundred twenty dollars per child, provided such amount
32 shall be reduced ten per cent for every one thousand dollars, or
33 fraction thereof, of federal adjusted gross income over (i) one hundred
34 thousand dollars for an individual who files a return under the federal
35 income tax as an unmarried individual or a married individual filing
36 separately, (ii) one hundred sixty thousand dollars for an individual
37 who files a return under the federal income tax as a head of household,
38 and (iii) two hundred thousand dollars for individuals who file a
39 return under the federal income tax as married individuals filing
40 jointly or as a surviving spouse. The credit allowed under this
41 subparagraph shall not exceed four and one-half per cent of the
42 eligible taxpayer's federal adjusted gross income. If the amount of the
43 credit allowed pursuant to this subparagraph exceeds the eligible
44 taxpayer's liability for the tax imposed under chapter 229 of the
45 general statutes, the Commissioner of Revenue Services shall treat
46 such excess as an overpayment and, except as provided under section

47 12-739 or 12-742 of the general statutes, shall refund the amount of
48 such excess, without interest, to the eligible taxpayer.

49 (c) For the purposes of this section, the tax liability of an eligible
50 taxpayer shall be calculated without regard to the credit allowed under
51 section 12-704e of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022, and applicable to taxable years commencing on or after January 1, 2022</i>	New section

FIN *Joint Favorable*