



General Assembly

January Session, 2019

Raised Bill No. 7410

LCO No. 6787



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING CERTAIN TAX RECOMMENDATIONS OF THE COMMISSION ON FISCAL STABILITY AND ECONOMIC GROWTH AND ESTABLISHING A STEM SCHOLARSHIP PROGRAM.

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

1 Section 1. Subdivision (1) of section 12-408 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *January 1, 2020, and applicable to sales occurring on or after January 1,*
4 *2020*):

5 (1) (A) For the privilege of making any sales, as defined in
6 subdivision (2) of subsection (a) of section 12-407, as amended by this
7 act, at retail, in this state for a consideration, a tax is hereby imposed
8 on all retailers at the rate of six and thirty-five-hundredths per cent of
9 the gross receipts of any retailer from the sale of all tangible personal
10 property sold at retail or from the rendering of any services
11 constituting a sale in accordance with subdivision (2) of subsection (a)
12 of section 12-407, as amended by this act, except, in lieu of said rate, [of
13 six and thirty-five-hundredths per cent,] the rates provided in
14 subparagraphs (B) to (H), inclusive, of this subdivision;

15 (B) (i) At a rate of fifteen per cent with respect to each transfer of

16 occupancy, from the total amount of rent received by a hotel or
17 lodging house for the first period not exceeding thirty consecutive
18 calendar days;

19 (ii) At a rate of eleven per cent with respect to each transfer of
20 occupancy, from the total amount of rent received by a bed and
21 breakfast establishment for the first period not exceeding thirty
22 consecutive calendar days;

23 (iii) At a rate of six and thirty-five-hundredths per cent with respect
24 to each transfer of occupancy, from the total amount of rent received
25 by a campground for the first period not exceeding thirty consecutive
26 days;

27 (C) With respect to the sale of a motor vehicle to any individual who
28 is a member of the armed forces of the United States and is on full-time
29 active duty in Connecticut and who is considered, under 50 App USC
30 574, a resident of another state, or to any such individual and the
31 spouse thereof, at a rate of four and one-half per cent of the gross
32 receipts of any retailer from such sales, provided such retailer requires
33 and maintains a declaration by such individual, prescribed as to form
34 by the commissioner and bearing notice to the effect that false
35 statements made in such declaration are punishable, or other evidence,
36 satisfactory to the commissioner, concerning the purchaser's state of
37 residence under 50 App USC 574;

38 (D) (i) With respect to the sales of computer and data processing
39 services occurring on or after July 1, 2001, at the rate of one per cent,
40 and (ii) with respect to sales of Internet access services, on and after
41 July 1, 2001, such services shall be exempt from such tax;

42 (E) (i) With respect to the sales of labor that is otherwise taxable
43 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of
44 section 12-407 on existing vessels and repair or maintenance services
45 on vessels occurring on and after July 1, 1999, but prior to January 1,
46 2020, such services shall be exempt from such tax;

47 (ii) With respect to the sale of a vessel, a motor for a vessel or a
48 trailer used for transporting a vessel, at the rate of two and ninety-
49 nine-hundredths per cent, except that the sale of a vessel shall be
50 exempt from such tax if such vessel is docked in this state for sixty or
51 fewer days in a calendar year;

52 (F) With respect to patient care services for which payment is
53 received by the hospital on or after July 1, 1999, and prior to July 1,
54 2001, at the rate of five and three-fourths per cent and on and after July
55 1, 2001, such services shall be exempt from such tax;

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

59 (H) With respect to the sale of (i) a motor vehicle for a sales price
60 exceeding fifty thousand dollars, at a rate of seven and three-fourths
61 per cent on the entire sales price, (ii) jewelry, whether real or imitation,
62 for a sales price exceeding five thousand dollars, at a rate of seven and
63 three-fourths per cent on the entire sales price, and (iii) an article of
64 clothing or footwear intended to be worn on or about the human body,
65 a handbag, luggage, umbrella, wallet or watch for a sales price
66 exceeding one thousand dollars, at a rate of seven and three-fourths
67 per cent on the entire sales price. For purposes of this subparagraph,
68 "motor vehicle" has the meaning provided in section 14-1, but does not
69 include a motor vehicle subject to the provisions of subparagraph (C)
70 of this subdivision, a motor vehicle having a gross vehicle weight
71 rating over twelve thousand five hundred pounds, or a motor vehicle
72 having a gross vehicle weight rating of twelve thousand five hundred
73 pounds or less that is not used for private passenger purposes, but is
74 designed or used to transport merchandise, freight or persons in
75 connection with any business enterprise and issued a commercial
76 registration or more specific type of registration by the Department of
77 Motor Vehicles;

78 (I) The rate of tax imposed by this chapter shall be applicable to all
79 retail sales upon the effective date of such rate, except that a new rate
80 which represents an increase in the rate applicable to the sale shall not
81 apply to any sales transaction wherein a binding sales contract without
82 an escalator clause has been entered into prior to the effective date of
83 the new rate and delivery is made within ninety days after the effective
84 date of the new rate. For the purposes of payment of the tax imposed
85 under this section, any retailer of services taxable under subdivision
86 (37) of subsection (a) of section 12-407, as amended by this act, who
87 computes taxable income, for purposes of taxation under the Internal
88 Revenue Code of 1986, or any subsequent corresponding internal
89 revenue code of the United States, as from time to time amended, on
90 an accounting basis which recognizes only cash or other valuable
91 consideration actually received as income and who is liable for such
92 tax only due to the rendering of such services may make payments
93 related to such tax for the period during which such income is
94 received, without penalty or interest, without regard to when such
95 service is rendered;

96 (J) (i) For calendar quarters ending on or after September 30, 2019,
97 the commissioner shall deposit into the regional planning incentive
98 account, established pursuant to section 4-66k, six and seven-tenths
99 per cent of the amounts received by the state from the tax imposed
100 under [subparagraph (B)] subparagraphs (B)(i) and (B)(ii) of this
101 subdivision and ten and seven-tenths per cent of the amounts received
102 by the state from the tax imposed under subparagraph (G) of this
103 subdivision;

104 (ii) For calendar quarters ending on or after September 30, 2018, the
105 commissioner shall deposit into the Tourism Fund established under
106 section 10-395b ten per cent of the amounts received by the state from
107 the tax imposed under [subparagraph (B)] subparagraphs (B)(i) and
108 (B)(ii) of this subdivision;

109 (K) For calendar months commencing on or after July 1, 2021, the

110 commissioner shall deposit into the municipal revenue sharing
111 account established pursuant to section 4-66l seven and nine-tenths per
112 cent of the amounts received by the state from the tax imposed under
113 subparagraph (A) of this subdivision; and

114 (L) (i) For calendar months commencing on or after July 1, 2017, the
115 commissioner shall deposit into the Special Transportation Fund
116 established under section 13b-68 seven and nine-tenths per cent of the
117 amounts received by the state from the tax imposed under
118 subparagraph (A) of this subdivision;

119 (ii) For calendar months commencing on or after July 1, 2018, but
120 prior to July 1, 2019, the commissioner shall deposit into the Special
121 Transportation Fund established under section 13b-68 eight per cent of
122 the amounts received by the state from the tax imposed under
123 subparagraphs (A) and (H) of this subdivision on the sale of a motor
124 vehicle;

125 (iii) For calendar months commencing on or after July 1, 2019, but
126 prior to July 1, 2020, the commissioner shall deposit into the Special
127 Transportation Fund established under section 13b-68 thirty-three per
128 cent of the amounts received by the state from the tax imposed under
129 subparagraphs (A) and (H) of this subdivision on the sale of a motor
130 vehicle;

131 (iv) For calendar months commencing on or after July 1, 2020, but
132 prior to July 1, 2021, the commissioner shall deposit into the Special
133 Transportation Fund established under section 13b-68 fifty-six per cent
134 of the amounts received by the state from the tax imposed under
135 subparagraphs (A) and (H) of this subdivision on the sale of a motor
136 vehicle;

137 (v) For calendar months commencing on or after July 1, 2021, but
138 prior to July 1, 2022, the commissioner shall deposit into the Special
139 Transportation Fund established under section 13b-68 seventy-five per
140 cent of the amounts received by the state from the tax imposed under

141 subparagraphs (A) and (H) of this subdivision on the sale of a motor
142 vehicle; and

143 (vi) For calendar months commencing on or after July 1, 2022, the
144 commissioner shall deposit into the Special Transportation Fund
145 established under section 13b-68 one hundred per cent of the amounts
146 received by the state from the tax imposed under subparagraphs (A)
147 and (H) of this subdivision on the sale of a motor vehicle.

148 Sec. 2. Subdivision (1) of section 12-411 of the general statutes is
149 repealed and the following is substituted in lieu thereof (*Effective July*
150 *1, 2019, and applicable to sales occurring on or after July 1, 2019*):

151 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
152 consumption or any other use in this state of tangible personal
153 property purchased from any retailer for storage, acceptance,
154 consumption or any other use in this state, the acceptance or receipt of
155 any services constituting a sale in accordance with subdivision (2) of
156 subsection (a) of section 12-407, as amended by this act, purchased
157 from any retailer for consumption or use in this state, or the storage,
158 acceptance, consumption or any other use in this state of tangible
159 personal property which has been manufactured, fabricated,
160 assembled or processed from materials by a person, either within or
161 without this state, for storage, acceptance, consumption or any other
162 use by such person in this state, to be measured by the sales price of
163 materials, at the rate of six and thirty-five-hundredths per cent of the
164 sales price of such property or services, except, in lieu of said rate: [of
165 six and thirty-five-hundredths per cent;]

166 (B) (i) At a rate of fifteen per cent of the rent paid to a hotel or
167 lodging house for the first period not exceeding thirty consecutive
168 calendar days;

169 (ii) At a rate of eleven per cent of the rent paid to a bed and
170 breakfast establishment for the first period not exceeding thirty
171 consecutive calendar days;

172 (iii) At a rate of six and thirty-five-hundredths per cent with respect
173 to each transfer of occupancy, from the total amount of rent received
174 by a campground for the first period not exceeding thirty consecutive
175 days;

176 (C) With respect to the storage, acceptance, consumption or use in
177 this state of a motor vehicle purchased from any retailer for storage,
178 acceptance, consumption or use in this state by any individual who is a
179 member of the armed forces of the United States and is on full-time
180 active duty in Connecticut and who is considered, under 50 App USC
181 574, a resident of another state, or to any such individual and the
182 spouse of such individual at a rate of four and one-half per cent of the
183 sales price of such vehicle, provided such retailer requires and
184 maintains a declaration by such individual, prescribed as to form by
185 the commissioner and bearing notice to the effect that false statements
186 made in such declaration are punishable, or other evidence,
187 satisfactory to the commissioner, concerning the purchaser's state of
188 residence under 50 App USC 574;

189 (D) (i) With respect to the acceptance or receipt in this state of labor
190 that is otherwise taxable under subparagraph (C) or (G) of subdivision
191 (2) of subsection (a) of section 12-407 on existing vessels and repair or
192 maintenance services on vessels occurring on and after July 1, 1999, but
193 prior to January 1, 2020, such services shall be exempt from such tax;

194 (ii) (I) With respect to the storage, acceptance or other use of a vessel
195 in this state, at the rate of two and ninety-nine-hundredths per cent,
196 except that such storage, acceptance or other use shall be exempt from
197 such tax if such vessel is docked in this state for sixty or fewer days in
198 a calendar year;

199 (II) With respect to the storage, acceptance or other use of a motor
200 for a vessel or a trailer used for transporting a vessel in this state, at the
201 rate of two and ninety-nine-hundredths per cent;

202 (E) (i) With respect to the acceptance or receipt in this state of

203 computer and data processing services purchased from any retailer for
204 consumption or use in this state occurring on or after July 1, 2001, at
205 the rate of one per cent of such services, and (ii) with respect to the
206 acceptance or receipt in this state of Internet access services, on and
207 after July 1, 2001, such services shall be exempt from such tax;

208 (F) With respect to the acceptance or receipt in this state of patient
209 care services purchased from any retailer for consumption or use in
210 this state for which payment is received by the hospital on or after July
211 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths
212 per cent and on and after July 1, 2001, such services shall be exempt
213 from such tax;

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

217 (H) With respect to the acceptance or receipt in this state of (i) a
218 motor vehicle for a sales price exceeding fifty thousand dollars, at a
219 rate of seven and three-fourths per cent on the entire sales price, (ii)
220 jewelry, whether real or imitation, for a sales price exceeding five
221 thousand dollars, at a rate of seven and three-fourths per cent on the
222 entire sales price, and (iii) an article of clothing or footwear intended to
223 be worn on or about the human body, a handbag, luggage, umbrella,
224 wallet or watch for a sales price exceeding one thousand dollars, at a
225 rate of seven and three-fourths per cent on the entire sales price. For
226 purposes of this subparagraph, "motor vehicle" has the meaning
227 provided in section 14-1, but does not include a motor vehicle subject
228 to the provisions of subparagraph (C) of this subdivision, a motor
229 vehicle having a gross vehicle weight rating over twelve thousand five
230 hundred pounds, or a motor vehicle having a gross vehicle weight
231 rating of twelve thousand five hundred pounds or less that is not used
232 for private passenger purposes, but is designed or used to transport
233 merchandise, freight or persons in connection with any business
234 enterprise and issued a commercial registration or more specific type

235 of registration by the Department of Motor Vehicles;

236 (I) (i) For calendar quarters ending on or after September 30, 2019,
237 the commissioner shall deposit into the regional planning incentive
238 account, established pursuant to section 4-66k, six and seven-tenths
239 per cent of the amounts received by the state from the tax imposed
240 under [subparagraph (B)] subparagraphs (B)(i) and (B)(ii) of this
241 subdivision and ten and seven-tenths per cent of the amounts received
242 by the state from the tax imposed under subparagraph (G) of this
243 subdivision;

244 (ii) For calendar quarters ending on or after September 30, 2018, the
245 commissioner shall deposit into the Tourism Fund established under
246 section 10-395b ten per cent of the amounts received by the state from
247 the tax imposed under [subparagraph (B)] subparagraphs (B)(i) and
248 (B)(ii) of this subdivision;

249 (J) For calendar months commencing on or after July 1, 2021, the
250 commissioner shall deposit into said municipal revenue sharing
251 account seven and nine-tenths per cent of the amounts received by the
252 state from the tax imposed under subparagraph (A) of this
253 subdivision; and

254 (K) (i) For calendar months commencing on or after July 1, 2017, the
255 commissioner shall deposit into said Special Transportation Fund
256 seven and nine-tenths per cent of the amounts received by the state
257 from the tax imposed under subparagraph (A) of this subdivision;

258 (ii) For calendar months commencing on or after July 1, 2018, but
259 prior to July 1, 2019, the commissioner shall deposit into the Special
260 Transportation Fund established under section 13b-68 eight per cent of
261 the amounts received by the state from the tax imposed under
262 subparagraphs (A) and (H) of this subdivision on the acceptance or
263 receipt in this state of a motor vehicle;

264 (iii) For calendar months commencing on or after July 1, 2019, but

265 prior to July 1, 2020, the commissioner shall deposit into the Special
266 Transportation Fund established under section 13b-68 thirty-three per
267 cent of the amounts received by the state from the tax imposed under
268 subparagraphs (A) and (H) of this subdivision on the acceptance or
269 receipt in this state of a motor vehicle;

270 (iv) For calendar months commencing on or after July 1, 2020, but
271 prior to July 1, 2021, the commissioner shall deposit into the Special
272 Transportation Fund established under section 13b-68 fifty-six per cent
273 of the amounts received by the state from the tax imposed under
274 subparagraphs (A) and (H) of this subdivision on the acceptance or
275 receipt in this state of a motor vehicle;

276 (v) For calendar months commencing on or after July 1, 2021, but
277 prior to July 1, 2022, the commissioner shall deposit into the Special
278 Transportation Fund established under section 13b-68 seventy-five per
279 cent of the amounts received by the state from the tax imposed under
280 subparagraphs (A) and (H) of this subdivision on the acceptance or
281 receipt in this state of a motor vehicle; and

282 (vi) For calendar months commencing on or after July 1, 2022, the
283 commissioner shall deposit into the Special Transportation Fund
284 established under section 13b-68 one hundred per cent of the amounts
285 received by the state from the tax imposed under subparagraphs (A)
286 and (H) of this subdivision on the acceptance or receipt in this state of
287 a motor vehicle.

288 Sec. 3. Subdivision (13) of subsection (a) of section 12-407 of the
289 general statutes is repealed and the following is substituted in lieu
290 thereof (*Effective January 1, 2020, and applicable to sales occurring on or*
291 *after January 1, 2020*):

292 (13) "Tangible personal property" means personal property [which]
293 that may be seen, weighed, measured, felt or touched or [which] that is
294 in any other manner perceptible to the senses, [including] "Tangible
295 personal property" includes (A) digital goods and canned or

296 prewritten computer software, [Tangible personal property includes]
297 including prewritten software that is electronically accessed or
298 transferred and any additional content related to such software, and
299 (B) the distribution, generation or transmission of electricity.

300 Sec. 4. Subsection (a) of section 12-407 of the general statutes is
301 amended by adding subdivision (43) as follows (*Effective January 1,*
302 *2020, and applicable to sales occurring on or after January 1, 2020*):

303 (NEW) (43) "Digital goods" means audio works, visual works,
304 audio-visual works, reading materials or ring tones, that are
305 electronically accessed or transferred.

306 Sec. 5. Subdivision (37) of subsection (a) of section 12-407 of the
307 general statutes is repealed and the following is substituted in lieu
308 thereof (*Effective January 1, 2020, and applicable to sales occurring on or*
309 *after January 1, 2020*):

310 (37) "Services" for purposes of subdivision (2) of this subsection,
311 means:

312 (A) Computer and data processing services, including, but not
313 limited to, time, programming, code writing, modification of existing
314 programs, feasibility studies and installation and implementation of
315 software programs and systems even where such services are rendered
316 in connection with the development, creation or production of canned
317 or custom software or the license of custom software, but excluding
318 digital goods;

319 (B) Credit information and reporting services;

320 (C) Services by employment agencies and agencies providing
321 personnel services;

322 (D) Private investigation, protection, patrol work, watchman and
323 armored car services, exclusive of (i) services of off-duty police officers
324 and off-duty firefighters, and (ii) coin and currency services provided

325 to a financial services company by or through another financial
326 services company. For purposes of this subparagraph, "financial
327 services company" has the same meaning as provided under
328 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
329 of section 12-218b;

330 (E) Painting and lettering services;

331 (F) Photographic studio services;

332 (G) Telephone answering services;

333 (H) Stenographic services;

334 (I) Services to industrial, commercial, [or] income-producing or
335 residential real property, including, but not limited to, such services as
336 management, electrical, plumbing, painting and carpentry, provided
337 income-producing property shall not include [property used
338 exclusively for residential purposes in which the owner resides and
339 which contains no more than three dwelling units, or] a housing
340 facility for low and moderate income families and persons owned or
341 operated by a nonprofit housing organization, as defined in
342 subdivision (29) of section 12-412;

343 (J) Business analysis, management, management consulting and
344 public relations services, excluding (i) any environmental consulting
345 services, (ii) any training services provided by an institution of higher
346 education licensed or accredited by the Board of Regents for Higher
347 Education or Office of Higher Education pursuant to sections 10a-35a
348 and 10a-34, respectively, and (iii) on and after January 1, 1994, any
349 business analysis, management, management consulting and public
350 relations services when such services are rendered in connection with
351 an aircraft leased or owned by a certificated air carrier or in connection
352 with an aircraft which has a maximum certificated take-off weight of
353 six thousand pounds or more;

354 (K) Services providing "piped-in" music to business or professional
355 establishments;

356 (L) Flight instruction and chartering services by a certificated air
357 carrier on an aircraft, the use of which for such purposes, but for the
358 provisions of subdivision (4) of section 12-410 and subdivision (12) of
359 section 12-411, would be deemed a retail sale and a taxable storage or
360 use, respectively, of such aircraft by such carrier;

361 (M) Motor vehicle repair services, including any type of repair,
362 painting or replacement related to the body or any of the operating
363 parts of a motor vehicle;

364 (N) Motor vehicle parking, [including the provision of space, other
365 than metered space, in a lot having thirty or more spaces,] excluding
366 [(i)] space in a parking lot owned or leased under the terms of a lease
367 of not less than ten years' duration and operated by an employer for
368 the exclusive use of its employees; [, (ii) space in municipally operated
369 railroad parking facilities in municipalities located within an area of
370 the state designated as a severe nonattainment area for ozone under
371 the federal Clean Air Act or space in a railroad parking facility in a
372 municipality located within an area of the state designated as a severe
373 nonattainment area for ozone under the federal Clean Air Act owned
374 or operated by the state on or after April 1, 2000, (iii) space in a
375 seasonal parking lot provided by an entity subject to the exemption set
376 forth in subdivision (1) of section 12-412, and (iv) space in a
377 municipally owned parking lot;]

378 (O) Radio or television repair services;

379 (P) Furniture reupholstering and repair services;

380 (Q) Repair services to any electrical or electronic device, including,
381 but not limited to, equipment used for purposes of refrigeration or
382 air-conditioning;

383 (R) Lobbying or consulting services for purposes of representing the
384 interests of a client in relation to the functions of any governmental
385 entity or instrumentality;

386 (S) Services of the agent of any person in relation to the sale of any
387 item of tangible personal property for such person, exclusive of the
388 services of a consignee selling works of art, as defined in subsection (b)
389 of section 12-376c, or articles of clothing or footwear intended to be
390 worn on or about the human body other than (i) any special clothing
391 or footwear primarily designed for athletic activity or protective use
392 and which is not normally worn except when used for the athletic
393 activity or protective use for which it was designed, and (ii) jewelry,
394 handbags, luggage, umbrellas, wallets, watches and similar items
395 carried on or about the human body but not worn on the body, under
396 consignment, exclusive of services provided by an auctioneer;

397 (T) Locksmith services;

398 (U) Advertising or public relations services, including layout, art
399 direction, graphic design, mechanical preparation or production
400 supervision, not related to the development of media advertising or
401 cooperative direct mail advertising;

402 (V) Landscaping and horticulture services;

403 (W) Window cleaning services;

404 (X) [Maintenance services] Services to buildings and dwellings,
405 including, but not limited to, maintenance, repair, renovation, exterior
406 cleaning, chimney cleaning, driveway cleaning, duct cleaning, drain or
407 gutter cleaning, refuse collection, snow plowing and all other such
408 services not specifically enumerated herein;

409 (Y) Janitorial services;

410 (Z) Exterminating services;

411 (AA) Swimming pool cleaning and maintenance services;

412 (BB) [Miscellaneous personal services included in industry group
413 729 in the Standard Industrial Classification Manual, United States
414 Office of Management and Budget, 1987 edition, or U.S. industry
415 532220, 812191, 812199 or 812990 in] Personal and laundry services
416 described in industry group 812 of the North American Industrial
417 Classification System United States Manual, United States Office of
418 Management and Budget (NAICS), [1997] 2017 edition, exclusive of [(i)
419 services rendered by massage therapists licensed pursuant to chapter
420 384a, and (ii) services rendered by an electrologist licensed pursuant to
421 chapter 388] death care services described in industry group 8122 of
422 the NAICS, 2017 edition and diaper cleaning services;

423 (CC) Any repair or maintenance service to any item of tangible
424 personal property including any contract of warranty or service related
425 to any such item;

426 (DD) Business analysis, management or managing consulting
427 services rendered by a general partner, or an affiliate thereof, to a
428 limited partnership, provided (i) the general partner, or an affiliate
429 thereof, is compensated for the rendition of such services other than
430 through a distributive share of partnership profits or an annual
431 percentage of partnership capital or assets established in the limited
432 partnership's offering statement, and (ii) the general partner, or an
433 affiliate thereof, offers such services to others, including any other
434 partnership. As used in this subparagraph "an affiliate of a general
435 partner" means an entity which is directly or indirectly owned fifty per
436 cent or more in common with a general partner;

437 (EE) Notwithstanding the provisions of section 12-412, as amended
438 by this act, except subdivision (87) of said section, [12-412,] patient care
439 services, as defined in subdivision (29) of this subsection by a hospital,
440 except that "sale" and "selling" does not include such patient care
441 services for which payment is received by the hospital during the

442 period commencing July 1, 2001, and ending June 30, 2003;

443 (FF) Health and athletic club services, exclusive of (i) any such
444 services provided without any additional charge which are included in
445 any dues or initiation fees paid to any such club, which dues or fees
446 are subject to tax under section 12-543, and (ii) any such services
447 provided by a municipality or an organization that is described in
448 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
449 corresponding internal revenue code of the United States, as from time
450 to time amended;

451 (GG) Motor vehicle storage services, including storage of motor
452 homes, campers and camp trailers, other than the furnishing of space
453 as described in subparagraph (P) of subdivision (2) of this subsection;

454 (HH) Packing and crating services, other than those provided in
455 connection with the sale of tangible personal property by the retailer of
456 such property;

457 (II) Motor vehicle towing and road services, other than motor
458 vehicle repair services;

459 (JJ) Intrastate transportation services provided by livery services,
460 including limousines, community cars or vans, with a driver. Intrastate
461 transportation services shall not include transportation by taxicab,
462 motor bus, ambulance or ambulette, scheduled public transportation,
463 nonemergency medical transportation provided under the Medicaid
464 program, paratransit services provided by agreement or arrangement
465 with the state or any political subdivision of the state, dial-a-ride
466 services or services provided in connection with funerals;

467 (KK) [Pet] Animal grooming and [pet] animal boarding services,
468 [except if such services are provided as an integral part of professional
469 veterinary services,] and pet obedience services;

470 (LL) Services in connection with a cosmetic medical procedure. For

471 purposes of this subparagraph, "cosmetic medical procedure" means
472 any medical procedure performed on an individual that is directed at
473 improving the individual's appearance and that does not meaningfully
474 promote the proper function of the body or prevent or treat illness or
475 disease. "Cosmetic medical procedure" includes, but is not limited to,
476 cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft
477 tissue fillers, dermabrasion and chemical peel, laser hair removal, laser
478 skin resurfacing, laser treatment of leg veins and sclerotherapy.
479 "Cosmetic medical procedure" does not include reconstructive surgery.
480 "Reconstructive surgery" includes any surgery performed on abnormal
481 structures caused by or related to congenital defects, developmental
482 abnormalities, trauma, infection, tumors or disease, including
483 procedures to improve function or give a more normal appearance;

484 (MM) Manicure services, pedicure services and all other nail
485 services, regardless of where performed, including airbrushing, fills,
486 full sets, nail sculpting, paraffin treatments and polishes;

487 (NN) Spa services, regardless of where performed, including body
488 waxing and wraps, peels, scrubs and facials; [and]

489 (OO) Car wash services, including coin-operated car washes; [.]

490 (PP) Travel arrangement and reservation services described in
491 industry group 5615 of the NAICS, 2017 edition, as amended from
492 time to time;

493 (QQ) Interior design services described in industry group 54141 of
494 the NAICS, 2017 edition, as amended from time to time;

495 (RR) Veterinary services described in industry group 54194 of the
496 NAICS, 2017 edition, as amended from time to time;

497 (SS) Sports and recreation instruction services described in industry
498 group 61162 of the NAICS, 2017 edition, as amended from time to
499 time; and

500 (TT) Waste management and remediation services provided by
501 establishments described in industry group 5621 of the NAICS, 2017
502 edition, as amended from time to time.

503 Sec. 6. Section 12-412 of the general statutes is amended by adding
504 subdivision (124) as follows (*Effective January 1, 2020, and applicable to*
505 *sales occurring on or after January 1, 2020*):

506 (NEW) (124) (A) Sales of services set forth in subparagraphs (PP) to
507 (RR), inclusive, and subparagraph (TT) of subdivision (37) of
508 subsection (a) of section 12-407, as amended by this act, and sales of
509 digital goods, that are purchased by a business for use by such
510 business.

511 (B) Each purchaser of services or digital goods exempt pursuant to
512 the provisions of this subdivision shall present, in order to qualify for
513 such exemption, a certificate to the retailer, in such form as the
514 commissioner may prescribe, certifying that the purchaser is a business
515 and is purchasing such services for its business. The purchaser of the
516 services or digital goods shall be liable for the tax otherwise imposed if
517 the certificate is improperly provided to the retailer, and any person
518 who wilfully delivers a certificate that is known to be fraudulent or
519 false in any material matter to a retailer shall, in addition to any other
520 penalty provided by law, be guilty of a class D felony.

521 Sec. 7. Subdivision (120) of section 12-412 of the general statutes is
522 repealed and the following is substituted in lieu thereof (*Effective*
523 *January 1, 2020, and applicable to sales occurring on or after January 1,*
524 *2020*):

525 (120) [On and after April 1, 2015, sales of the following
526 nonprescription drugs or medicines available for purchase for use in or
527 on the body: Vitamin or mineral concentrates; dietary supplements;
528 natural or herbal drugs or medicines; products intended to be taken for
529 coughs, cold, asthma or allergies, or antihistamines; laxatives;
530 antidiarrheal medicines; analgesics; antibiotic, antibacterial, antiviral

531 and antifungal medicines; antiseptics; astringents; anesthetics;
532 steroidal medicines; anthelmintics; emetics and antiemetics; antacids;
533 and any medication prepared to be used in the eyes, ears or nose.
534 Nonprescription drugs or medicines shall not include cosmetics,
535 dentrifices, mouthwash, shaving and hair care products, soaps or
536 deodorants] Sales of marijuana sold pursuant to chapter 420f by a
537 licensed dispensary for palliative use.

538 Sec. 8. Subparagraph (H) of subdivision (2) of subsection (a) of
539 section 12-407 of the general statutes is repealed and the following is
540 substituted in lieu thereof (*Effective January 1, 2020, and applicable to*
541 *sales occurring on or after January 1, 2020*):

542 (H) A transfer for a consideration of the occupancy of any room or
543 rooms in a hotel, lodging house or bed and breakfast establishment or
544 of any space in a campground, for a period of thirty consecutive
545 calendar days or less;

546 Sec. 9. Subparagraph (A) of subdivision (3) of subsection (a) of
547 section 12-407 of the general statutes is repealed and the following is
548 substituted in lieu thereof (*Effective January 1, 2020, and applicable to*
549 *sales occurring on or after January 1, 2020*):

550 (3) (A) "Retail sale" or "sale at retail" means and includes a sale for
551 any purpose other than resale in the regular course of business of (i)
552 tangible personal property, [or] (ii) a transfer for a consideration of the
553 occupancy of (I) any room or rooms in a hotel, lodging house or bed
554 and breakfast establishment for a period of thirty consecutive calendar
555 days or less, or (II) any space in a campground for a period of thirty
556 consecutive calendar days or less, or (iii) the rendering of any service
557 described in subdivision (2) of this subsection. The delivery in this
558 state of tangible personal property by an owner or former owner
559 thereof or by a factor, if the delivery is to a consumer pursuant to a
560 retail sale made by a retailer not engaged in business in this state, is a
561 retail sale in this state by the person making the delivery. Such person

562 shall include the retail selling price of the property in such person's
563 gross receipts.

564 Sec. 10. Subdivision (7) of subsection (a) of section 12-407 of the
565 general statutes is repealed and the following is substituted in lieu
566 thereof (*Effective January 1, 2020, and applicable to sales occurring on or*
567 *after January 1, 2020*):

568 (7) "Purchase" and "purchasing" means and includes: (A) Any
569 transfer, exchange or barter, conditional or otherwise, in any manner
570 or by any means whatsoever, of (i) tangible personal property for a
571 consideration, or (ii) of the occupancy of any room or rooms in a hotel,
572 lodging house or bed and breakfast establishment for a period of thirty
573 consecutive calendar days or less for a consideration or of any space in
574 a campground for a period of thirty consecutive calendar days or less
575 for a consideration; (B) a transaction whereby the possession of
576 property is transferred but the seller retains the title as security for the
577 payment of the price; (C) a transfer for a consideration of tangible
578 personal property which has been produced, fabricated or printed to
579 the special order of the customer, or of any publication; (D) when
580 performed outside this state or when the customer gives a resale
581 certificate pursuant to section 12-410, the producing, fabricating,
582 processing, printing or imprinting of tangible personal property for a
583 consideration for consumers who furnish either directly or indirectly
584 the materials used in the producing, fabricating, processing, printing
585 or imprinting; (E) the acceptance or receipt of any service described in
586 any of the subparagraphs of subdivision (2) of this subsection; (F) any
587 leasing or rental of tangible personal property. Wherever in this
588 chapter reference is made to the purchase or purchasing of tangible
589 personal property, it shall be construed to include purchases as
590 described in this subsection.

591 Sec. 11. Subparagraph (A) of subdivision (8) of subsection (a) of
592 section 12-407 of the general statutes is repealed and the following is
593 substituted in lieu thereof (*Effective January 1, 2020, and applicable to*

594 sales occurring on or after January 1, 2020):

595 (8) (A) "Sales price" means the total amount for which tangible
596 personal property is sold by a retailer, the total amount of rent for
597 which occupancy of a room or of a space in a campground is
598 transferred by an operator, the total amount for which any service
599 described in subdivision (2) of this subsection is rendered by a retailer
600 or the total amount of payment or periodic payments for which
601 tangible personal property is leased by a retailer, valued in money,
602 whether paid in money or otherwise, which amount is due and owing
603 to the retailer or operator and, subject to the provisions of subdivision
604 (1) of section 12-408, as amended by this act, whether or not actually
605 received by the retailer or operator, without any deduction on account
606 of any of the following: (i) The cost of the property sold; (ii) the cost of
607 materials used, labor or service cost, interest charged, losses or any
608 other expenses; (iii) for any sale occurring on or after July 1, 1993, any
609 charges by the retailer to the purchaser for shipping or delivery,
610 notwithstanding whether such charges are separately stated in a
611 written contract, or on a bill or invoice rendered to such purchaser or
612 whether such shipping or delivery is provided by the retailer or a third
613 party. The provisions of subparagraph (A) (iii) of this subdivision shall
614 not apply to any item exempt from taxation pursuant to section 12-412,
615 as amended by this act. Such total amount includes any services that
616 are a part of the sale; except as otherwise provided in subparagraph
617 (B)(v) or (B)(vi) of this subdivision, any amount for which credit is
618 given to the purchaser by the retailer, and all compensation and all
619 employment-related expenses, whether or not separately stated, paid
620 to or on behalf of employees of a retailer of any service described in
621 subdivision (2) of this subsection.

622 Sec. 12. Subparagraph (A) of subdivision (9) of subsection (a) of
623 section 12-407 of the general statutes is repealed and the following is
624 substituted in lieu thereof (*Effective January 1, 2020, and applicable to*
625 *sales occurring on or after January 1, 2020*):

626 (9) (A) "Gross receipts" means the total amount of the sales price
627 from retail sales of tangible personal property by a retailer, the total
628 amount of the rent from transfers of occupancy of rooms or of space in
629 a campground by an operator, the total amount of the sales price from
630 retail sales of any service described in subdivision (2) of this subsection
631 by a retailer of services, or the total amount of payment or periodic
632 payments from leases or rentals of tangible personal property by a
633 retailer, valued in money, whether received in money or otherwise,
634 which amount is due and owing to the retailer or operator and, subject
635 to the provisions of subdivision (1) of section 12-408, as amended by
636 this act, whether or not actually received by the retailer or operator,
637 without any deduction on account of any of the following: (i) The cost
638 of the property sold; however, in accordance with such regulations as
639 the Commissioner of Revenue Services may prescribe, a deduction
640 may be taken if the retailer has purchased property for some other
641 purpose than resale, has reimbursed the retailer's vendor for tax which
642 the vendor is required to pay to the state or has paid the use tax with
643 respect to the property, and has resold the property prior to making
644 any use of the property other than retention, demonstration or display
645 while holding it for sale in the regular course of business. If such a
646 deduction is taken by the retailer, no refund or credit will be allowed
647 to the retailer's vendor with respect to the sale of the property; (ii) the
648 cost of the materials used, labor or service cost, interest paid, losses or
649 any other expense; (iii) for any sale occurring on or after July 1, 1993,
650 except for any item exempt from taxation pursuant to section 12-412,
651 as amended by this act, any charges by the retailer to the purchaser for
652 shipping or delivery, notwithstanding whether such charges are
653 separately stated in the written contract, or on a bill or invoice
654 rendered to such purchaser or whether such shipping or delivery is
655 provided by the retailer or a third party. The total amount of the sales
656 price includes any services that are a part of the sale; all receipts, cash,
657 credits and property of any kind; except as otherwise provided in
658 subparagraph (B)(v) or (B)(vi) of this subdivision, any amount for
659 which credit is allowed by the retailer to the purchaser; and all

660 compensation and all employment-related expenses, whether or not
661 separately stated, paid to or on behalf of employees of a retailer of any
662 service described in subdivision (2) of this subsection.

663 Sec. 13. Subparagraph (A) of subdivision (15) of subsection (a) of
664 section 12-407 of the general statutes is repealed and the following is
665 substituted in lieu thereof (*Effective January 1, 2020, and applicable to*
666 *sales occurring on or after January 1, 2020*):

667 (15) (A) "Engaged in business in the state" means and, to the extent
668 not prohibited by the Constitution of the United States, includes, but
669 shall not be limited to, the following acts or methods of transacting
670 business: (i) Selling in this state, or any activity in this state in
671 connection with selling in this state, tangible personal property for use,
672 storage or consumption within the state; (ii) engaging in the transfer
673 for a consideration of the occupancy of (I) any room or rooms in a
674 hotel, lodging house or bed and breakfast establishment for a period of
675 thirty consecutive calendar days or less, or (II) any space in a
676 campground for a period of thirty consecutive calendar days or less;
677 (iii) rendering in this state any service described in any of the
678 subparagraphs of subdivision (2) of this subsection; (iv) maintaining,
679 occupying or using, permanently or temporarily, directly or indirectly,
680 through a subsidiary or agent, by whatever name called, any office,
681 place of distribution, sales or sample room or place, warehouse or
682 storage point or other place of business or having any representative,
683 agent, salesman, canvasser or solicitor operating in this state for the
684 purpose of selling, delivering or taking orders; (v) notwithstanding the
685 fact that retail sales are made from outside this state to a destination
686 within this state, engaging in regular or systematic solicitation of sales
687 of tangible personal property in this state by the display of
688 advertisements on billboards or other outdoor advertising in this state,
689 by the distribution of catalogs, periodicals, advertising flyers or other
690 advertising by means of print, radio or television media, or by mail,
691 telegraphy, telephone, computer data base, cable, optic, microwave,
692 Internet or other communication system, for the purpose of effecting

693 retail sales of tangible personal property, provided at least two
694 hundred fifty thousand dollars of gross receipts are received and two
695 hundred or more retail sales from outside this state to destinations
696 within this state are made during the twelve-month period ended on
697 the September thirtieth immediately preceding the monthly or
698 quarterly period with respect to which liability for tax under this
699 chapter is determined; (vi) being owned or controlled, either directly
700 or indirectly, by a retailer engaged in business in this state which is the
701 same as or similar to the line of business in which the retailer so owned
702 or controlled is engaged; (vii) being owned or controlled, either
703 directly or indirectly, by the same interests that own or control, either
704 directly or indirectly, a retailer engaged in business in this state which
705 is the same as or similar to the line of business in which the retailer so
706 owned or controlled is engaged; (viii) being the assignee of a person
707 engaged in the business of leasing tangible personal property to others,
708 where leased property of such person is situated within this state and
709 such assignee has a security interest, as defined in subdivision (35) of
710 subsection (b) of section 42a-1-201, in such property; (ix)
711 notwithstanding the fact that retail sales of items of tangible personal
712 property are made from outside this state to a destination within this
713 state, repairing or servicing such items, under a warranty, in this state,
714 either directly or indirectly through an agent, independent contractor
715 or subsidiary; and (x) selling tangible personal property or services
716 through an agreement with a person located in this state, under which
717 such person located in this state, for a commission or other
718 consideration that is based upon the sale of tangible personal property
719 or services by the retailer, directly or indirectly refers potential
720 customers, whether by a link on an Internet web site or otherwise, to
721 the retailer, provided the cumulative gross receipts from sales by the
722 retailer to customers in the state who are referred to the retailer by all
723 such persons with this type of agreement with the retailer is in excess
724 of two hundred fifty thousand dollars during the four preceding four
725 quarterly periods ending on the last day of March, June, September
726 and December.

727 Sec. 14. Subdivisions (18) and (19) of subsection (a) of section 12-407
728 of the general statutes are repealed and the following is substituted in
729 lieu thereof (*Effective January 1, 2020, and applicable to sales occurring on*
730 *or after January 1, 2020*):

731 (18) "Operator" means any person operating a hotel, lodging house,
732 [or] bed and breakfast establishment or campground in the state,
733 including, but not limited to, the owner or proprietor of such premises,
734 lessee, sublessee, mortgagee in possession, licensee or any other person
735 otherwise operating such hotel, lodging house, [or] bed and breakfast
736 establishment or campground.

737 (19) "Occupancy" means the use or possession, or the right to the
738 use or possession, of any room or rooms in a hotel, lodging house or
739 bed and breakfast establishment or of any space in a campground, or
740 the right to the use or possession of the furnishings or the services and
741 accommodations accompanying the use and possession of such room
742 or rooms or such space, for the first period of not more than thirty
743 consecutive calendar days.

744 Sec. 15. Section 12-640 of the general statutes is repealed and the
745 following is substituted in lieu thereof (*Effective from passage and*
746 *applicable to gifts made on or after January 1, 2019*):

747 For [the calendar year 1991 and each year thereafter] calendar years
748 commencing January 1, 1991, but prior to January 1, 2019, a tax
749 computed as provided in section 12-642, as amended by this act, is
750 hereby imposed on the transfer of property by gift during such taxable
751 year by any individual resident or nonresident provided, for the
752 calendar year commencing January 1, 1991, such tax shall be imposed
753 only on those gifts [which are] that were transferred on or after
754 September 1, 1991.

755 Sec. 16. Section 12-642 of the general statutes is repealed and the
756 following is substituted in lieu thereof (*Effective from passage*):

757 (a) (1) With respect to calendar years commencing prior to January
 758 1, 2001, the tax imposed by section 12-640, as amended by this act, for
 759 the calendar year shall be at a rate of the taxable gifts made by the
 760 donor during the calendar year set forth in the following schedule:

T1	Amount of Taxable Gifts	Rate of Tax
T2	Not over \$25,000	1%
T3	Over \$25,000	\$250, plus 2% of the excess
T4	but not over \$50,000	over \$25,000
T5	Over \$50,000	\$750, plus 3% of the excess
T6	but not over \$75,000	over \$50,000
T7	Over \$75,000	\$1,500, plus 4% of the excess
T8	but not over \$100,000	over \$75,000
T9	Over \$100,000	\$2,500, plus 5% of the excess
T10	but not over \$200,000	over \$100,000
T11	Over \$200,000	\$7,500, plus 6% of the excess
T12		over \$200,000

761 (2) With respect to the calendar years commencing January 1, 2001,
 762 January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed
 763 by section 12-640, as amended by this act, for each such calendar year
 764 shall be at a rate of the taxable gifts made by the donor during the
 765 calendar year set forth in the following schedule:

T13	Amount of Taxable Gifts	Rate of Tax
T14	Over \$25,000	\$250, plus 2% of the excess
T15	but not over \$50,000	over \$25,000
T16	Over \$50,000	\$750, plus 3% of the excess
T17	but not over \$75,000	over \$50,000
T18	Over \$75,000	\$1,500, plus 4% of the excess
T19	but not over \$100,000	over \$75,000
T20	Over \$100,000	\$2,500, plus 5% of the excess
T21	but not over \$675,000	over \$100,000
T22	Over \$675,000	\$31,250, plus 6% of the excess

T23 over \$675,000

766 (3) With respect to Connecticut taxable gifts, as defined in section
 767 12-643, as amended by this act, made by a donor during a calendar
 768 year commencing on or after January 1, 2005, but prior to January 1,
 769 2010, including the aggregate amount of all Connecticut taxable gifts
 770 made by the donor during all calendar years commencing on or after
 771 January 1, 2005, but prior to January 1, 2010, the tax imposed by
 772 section 12-640, as amended by this act, for the calendar year shall be at
 773 the rate set forth in the following schedule, with a credit allowed
 774 against such tax for any tax previously paid to this state pursuant to
 775 this subdivision:

T24	Amount of Taxable Gifts	Rate of Tax
T25	Not over \$2,000,000	None
T26	Over \$2,000,000	
T27	but not over \$2,100,000	5.085% of the excess over \$0
T28	Over \$2,100,000	\$106,800 plus 8% of the excess
T29	but not over \$2,600,000	over \$2,100,000
T30	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T31	but not over \$3,100,000	over \$2,600,000
T32	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T33	but not over \$3,600,000	over \$3,100,000
T34	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T35	but not over \$4,100,000	over \$3,600,000
T36	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T37	but not over \$5,100,000	over \$4,100,000
T38	Over \$5,100,000	\$402,800 plus 12% of the excess
T39	but not over \$6,100,000	over \$5,100,000
T40	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T41	but not over \$7,100,000	over \$6,100,000
T42	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T43	but not over \$8,100,000	over \$7,100,000
T44	Over \$8,100,000	\$786,800 plus 14.4% of the excess

T45	but not over \$9,100,000	over \$8,100,000
T46	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T47	but not over \$10,100,000	over \$9,100,000
T48	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T49		over \$10,100,000

776 (4) With respect to Connecticut taxable gifts, as defined in section
777 12-643, as amended by this act, made by a donor during a calendar
778 year commencing on or after January 1, 2010, but prior to January 1,
779 2011, including the aggregate amount of all Connecticut taxable gifts
780 made by the donor during all calendar years commencing on or after
781 January 1, 2005, the tax imposed by section 12-640, as amended by this
782 act, for the calendar year shall be at the rate set forth in the following
783 schedule, with a credit allowed against such tax for any tax previously
784 paid to this state pursuant to this subdivision or pursuant to
785 subdivision (3) of this subsection, provided such credit shall not
786 exceed the amount of tax imposed by this section:

T50	Amount of Taxable Gifts	Rate of Tax
T51	Not over \$3,500,000	None
T52	Over \$3,500,000	7.2% of the excess
T53	but not over \$3,600,000	over \$3,500,000
T54	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T55	but not over \$4,100,000	over \$3,600,000
T56	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T57	but not over \$5,100,000	over \$4,100,000
T58	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T59	but not over \$6,100,000	over \$5,100,000
T60	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T61	but not over \$7,100,000	over \$6,100,000
T62	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T63	but not over \$8,100,000	over \$7,100,000
T64	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T65	but not over \$9,100,000	over \$8,100,000

T66	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T67	but not over \$10,100,000	over \$9,100,000
T68	Over \$10,100,000	\$640,200 plus 12% of the excess
T69		over \$10,100,000

787 (5) With respect to Connecticut taxable gifts, as defined in section
 788 12-643, as amended by this act, made by a donor during a calendar
 789 year commencing on or after January 1, 2011, but prior to January 1,
 790 2018, including the aggregate amount of all Connecticut taxable gifts
 791 made by the donor during all calendar years commencing on or after
 792 January 1, 2005, the tax imposed by section 12-640, as amended by this
 793 act, for the calendar year shall be at the rate set forth in the following
 794 schedule, with a credit allowed against such tax for any tax previously
 795 paid to this state pursuant to this subdivision or pursuant to
 796 subdivision (3) or (4) of this subsection, provided such credit shall not
 797 exceed the amount of tax imposed by this section:

T70	Amount of Taxable Gifts	Rate of Tax
T71	Not over \$2,000,000	None
T72	Over \$2,000,000	7.2% of the excess
T73	but not over \$3,600,000	over \$2,000,000
T74	Over \$3,600,000	\$115,200 plus 7.8% of the excess
T75	but not over \$4,100,000	over \$3,600,000
T76	Over \$4,100,000	\$154,200 plus 8.4% of the excess
T77	but not over \$5,100,000	over \$4,100,000
T78	Over \$5,100,000	\$238,200 plus 9.0% of the excess
T79	but not over \$6,100,000	over \$5,100,000
T80	Over \$6,100,000	\$328,200 plus 9.6% of the excess
T81	but not over \$7,100,000	over \$6,100,000
T82	Over \$7,100,000	\$424,200 plus 10.2% of the excess
T83	but not over \$8,100,000	over \$7,100,000
T84	Over \$8,100,000	\$526,200 plus 10.8% of the excess
T85	but not over \$9,100,000	over \$8,100,000
T86	Over \$9,100,000	\$634,200 plus 11.4% of the excess

T87	but not over \$10,100,000	over \$9,100,000
T88	Over \$10,100,000	\$748,200 plus 12% of the excess
T89		over \$10,100,000

798 (6) With respect to Connecticut taxable gifts, as defined in section
799 12-643, as amended by this act, made by a donor during a calendar
800 year commencing on or after January 1, 2018, but prior to January 1,
801 2019, including the aggregate amount of all Connecticut taxable gifts
802 made by the donor during all calendar years commencing on or after
803 January 1, 2005, the tax imposed by section 12-640, as amended by this
804 act, for the calendar year shall be at the rate set forth in the following
805 schedule, with a credit allowed against such tax for any tax previously
806 paid to this state pursuant to this subdivision or pursuant to
807 subdivision (3), (4) or (5) of this subsection, provided such credit shall
808 not exceed the amount of tax imposed by this section:

T90	Amount of Taxable Gifts	Rate of Tax
T91	Not over \$2,600,000	None
T92	Over \$2,600,000	7.2% of the excess
T93	but not over \$3,600,000	over \$2,600,000
T94	Over \$3,600,000	\$72,000 plus 7.8% of the excess
T95	but not over \$4,100,000	over \$3,600,000
T96	Over \$4,100,000	\$111,000 plus 8.4% of the excess
T97	but not over \$5,100,000	over \$4,100,000
T98	Over \$5,100,000	\$195,000 plus 10% of the excess
T99	but not over \$6,100,000	over \$5,100,000
T100	Over \$6,100,000	\$295,000 plus 10.4% of the excess
T101	but not over \$7,100,000	over \$6,100,000
T102	Over \$7,100,000	\$399,000 plus 10.8% of the excess
T103	but not over \$8,100,000	over \$7,100,000
T104	Over \$8,100,000	\$507,000 plus 11.2% of the excess
T105	but not over \$9,100,000	over \$8,100,000
T106	Over \$9,100,000	\$619,000 plus 11.6% of the excess
T107	but not over \$10,100,000	over \$9,100,000

T108	Over \$10,100,000	\$735,000 plus 12% of the excess
T109		over \$10,100,000

809 [(7) With respect to Connecticut taxable gifts, as defined in section
810 12-643, made by a donor during a calendar year commencing on or
811 after January 1, 2019, but prior to January 1, 2020, including the
812 aggregate amount of all Connecticut taxable gifts made by the donor
813 during all calendar years commencing on or after January 1, 2005, the
814 tax imposed by section 12-640 for the calendar year shall be at the rate
815 set forth in the following schedule, with a credit allowed against such
816 tax for any tax previously paid to this state pursuant to this
817 subdivision or pursuant to subdivision (3), (4), (5) or (6) of this
818 subsection, provided such credit shall not exceed the amount of tax
819 imposed by this section:

T110	Amount of Taxable Gifts	Rate of Tax
T111	Not over \$3,600,000	None
T112	Over \$3,600,000	7.8% of the excess
T113	but not over \$4,100,000	over \$3,600,000
T114	Over \$4,100,000	\$39,000 plus 8.4% of the excess
T115	but not over \$5,100,000	over \$4,100,000
T116	Over \$5,100,000	\$123,000 plus 10% of the excess
T117	but not over \$6,100,000	over \$5,100,000
T118	Over \$6,100,000	\$223,000 plus 10.4% of the excess
T119	but not over \$7,100,000	over \$6,100,000
T120	Over \$7,100,000	\$327,000 plus 10.8% of the excess
T121	but not over \$8,100,000	over \$7,100,000
T122	Over \$8,100,000	\$435,000 plus 11.2% of the excess
T123	but not over \$9,100,000	over \$8,100,000
T124	Over \$9,100,000	\$547,000 plus 11.6% of the excess
T125	but not over \$10,100,000	over \$9,100,000
T126	Over \$10,100,000	\$663,000 plus 12% of the excess
T127		over \$10,100,000

820 (8) With respect to Connecticut taxable gifts, as defined in section
821 12-643, made by a donor during a calendar year commencing on or
822 after January 1, 2020, but prior to January 1, 2021, including the
823 aggregate amount of all Connecticut taxable gifts made by the donor
824 during all calendar years commencing on or after January 1, 2005, the
825 tax imposed by section 12-640 for the calendar year shall be at the rate
826 set forth in the following schedule, with a credit allowed against such
827 tax for any tax previously paid to this state pursuant to this
828 subdivision or pursuant to subdivision (3), (4), (5), (6) or (7) of this
829 subsection, provided such credit shall not exceed the amount of tax
830 imposed by this section:

T128	Amount of Taxable Gifts	Rate of Tax
T129	Not over \$5,100,000	None
T130	Over \$5,100,000	10% of the excess
T131	but not over \$6,100,000	over \$5,100,000
T132	Over \$6,100,000	\$100,000 plus 10.4% of the excess
T133	but not over \$7,100,000	over \$6,100,000
T134	Over \$7,100,000	\$204,000 plus 10.8% of the excess
T135	but not over \$8,100,000	over \$7,100,000
T136	Over \$8,100,000	\$312,000 plus 11.2% of the excess
T137	but not over \$9,100,000	over \$8,100,000
T138	Over \$9,100,000	\$424,000 plus 11.6% of the excess
T139	but not over \$10,100,000	over \$9,100,000
T140	Over \$10,100,000	\$540,000 plus 12% of the excess
T141		over \$10,100,000

831 (9) With respect to Connecticut taxable gifts, as defined in section
832 12-643, made by a donor during a calendar year commencing on or
833 after January 1, 2021, but prior to January 1, 2022, including the
834 aggregate amount of all Connecticut taxable gifts made by the donor
835 during all calendar years commencing on or after January 1, 2005, the
836 tax imposed by section 12-640 for the calendar year shall be at the rate
837 set forth in the following schedule, with a credit allowed against such
838 tax for any tax previously paid to this state pursuant to this

839 subdivision or pursuant to subdivision (3), (4), (5), (6), (7) or (8) of this
840 subsection, provided such credit shall not exceed the amount of tax
841 imposed by this section:

T142	Amount of Taxable Gifts	Rate of Tax
T143	Not over \$7,100,000	None
T144	Over \$7,100,000	10.8% of the excess
T145	but not over \$8,100,000	over \$7,100,000
T146	Over \$8,100,000	\$108,000 plus 11.2% of the excess
T147	but not over \$9,100,000	over \$8,100,000
T148	Over \$9,100,000	\$220,000 plus 11.6% of the excess
T149	but not over \$10,100,000	over \$9,100,000
T150	Over \$10,100,000	\$336,000 plus 12% of the excess
T151		over \$10,100,000

842 (10) With respect to Connecticut taxable gifts, as defined in section
843 12-643, made by a donor during a calendar year commencing on or
844 after January 1, 2022, but prior to January 1, 2023, including the
845 aggregate amount of all Connecticut taxable gifts made by the donor
846 during all calendar years commencing on or after January 1, 2005, the
847 tax imposed by section 12-640 for the calendar year shall be at the rate
848 set forth in the following schedule, with a credit allowed against such
849 tax for any tax previously paid to this state pursuant to this
850 subdivision or pursuant to subdivision (3), (4), (5), (6), (7), (8) or (9) of
851 this subsection, provided such credit shall not exceed the amount of
852 tax imposed by this section:

T152	Amount of Taxable Gifts	Rate of Tax
T153	Not over \$9,100,000	None
T154	Over \$9,100,000	11.6% of the excess
T155	but not over \$10,100,000	over \$9,100,000
T156	Over \$10,100,000	\$116,000 plus 12% of the excess
T157		over \$10,100,000

853 (11) With respect to Connecticut taxable gifts, as defined in section

854 12-643, made by a donor during a calendar year commencing on or
855 after January 1, 2023, including the aggregate amount of all
856 Connecticut taxable gifts made by the donor during all calendar years
857 commencing on or after January 1, 2005, the tax imposed by section 12-
858 640 for the calendar year shall be at the rate set forth in the following
859 schedule, with a credit allowed against such tax for any tax previously
860 paid to this state pursuant to this subdivision or pursuant to
861 subdivision (3), (4), (5), (6), (7), (8), (9) or (10) of this subsection,
862 provided such credit shall not exceed the amount of tax imposed by
863 this section:

T158	Amount of Taxable Gifts	Rate of Tax
T159	Not over the	None
T160	federal basic exclusion amount	
T161	Over the	12% of the excess over the
T162	federal basic exclusion amount	federal basic exclusion amount]

864 (b) The tax imposed by section 12-640, as amended by this act, shall
865 be paid by the donor. If the gift tax is not paid when due the donee of
866 any gift shall be personally liable for the tax to the extent of the value
867 of the gift.

868 (c) [(1)] With respect to Connecticut taxable gifts, as defined in
869 section 12-643, as amended by this act, made by a donor during a
870 calendar year commencing on or after January 1, 2016, but prior to
871 January 1, 2019, the aggregate amount of tax imposed by section 12-
872 640, as amended by this act, for all calendar years commencing on or
873 after January 1, 2016, shall not exceed twenty million dollars.

874 [(2) With respect to Connecticut taxable gifts, as defined in section
875 12-643, made by a donor during a calendar year commencing on or
876 after January 1, 2019, the aggregate amount of tax imposed by section
877 12-640 for all calendar years commencing on or after January 1, 2016,
878 shall not exceed fifteen million dollars.]

879 Sec. 17. Subdivision (3) of section 12-643 of the general statutes is
880 repealed and the following is substituted in lieu thereof (*Effective from*
881 *passage and applicable to estates of decedents dying on or after January 1,*
882 *2019*):

883 (3) "Connecticut taxable gifts" means taxable gifts made during a
884 calendar year commencing on or after January 1, 2005, but prior to
885 January 1, 2019, that are, (A) for residents of this state, taxable gifts,
886 wherever located, but excepting gifts of real estate or tangible personal
887 property located outside this state, and (B) for nonresidents of this
888 state, gifts of real estate or tangible personal property located within
889 this state.

890 Sec. 18. Section 12-391 of the general statutes is repealed and the
891 following is substituted in lieu thereof (*Effective from passage and*
892 *applicable to decedents dying on or after January 1, 2019*):

893 (a) With respect to estates of decedents who die prior to January 1,
894 2005, and except as otherwise provided in section 59 of public act 03-1
895 of the June 30 special session, a tax is imposed upon the transfer of the
896 estate of each person who at the time of death was a resident of this
897 state. The amount of the tax shall be the amount of the federal credit
898 allowable for estate, inheritance, legacy and succession taxes paid to
899 any state or the District of Columbia under the provisions of the
900 federal internal revenue code in force at the date of such decedent's
901 death in respect to any property owned by such decedent or subject to
902 such taxes as part of or in connection with the estate of such decedent.
903 If real or tangible personal property of such decedent is located outside
904 this state and is subject to estate, inheritance, legacy, or succession
905 taxes by any state or states, other than the state of Connecticut, or by
906 the District of Columbia for which such federal credit is allowable, the
907 amount of tax due under this section shall be reduced by the lesser of:
908 (1) The amount of any such taxes paid to such other state or states or
909 said district and allowed as a credit against the federal estate tax; or (2)
910 an amount computed by multiplying such federal credit by a fraction,

911 (A) the numerator of which is the value of that part of the decedent's
912 gross estate over which such other state or states or said district have
913 jurisdiction for estate tax purposes to the same extent to which this
914 state would assert jurisdiction for estate tax purposes under this
915 chapter with respect to the residents of such other state or states or
916 said district, and (B) the denominator of which is the value of the
917 decedent's gross estate. Property of a resident estate over which this
918 state has jurisdiction for estate tax purposes includes real property
919 situated in this state, tangible personal property having an actual situs
920 in this state, and intangible personal property owned by the decedent,
921 regardless of where it is located. The amount of any estate tax imposed
922 under this subsection shall also be reduced, but not below zero, by the
923 amount of any tax that is imposed under chapter 216 and that is
924 actually paid to this state.

925 (b) With respect to the estates of decedents who die prior to January
926 1, 2005, and except as otherwise provided in section 59 of public act 03-
927 1 of the June 30 special session, a tax is imposed upon the transfer of
928 the estate of each person who at the time of death was a nonresident of
929 this state, the amount of which shall be computed by multiplying (1)
930 the federal credit allowable for estate, inheritance, legacy, and
931 succession taxes paid to any state or states or the District of Columbia
932 under the provisions of the federal internal revenue code in force at the
933 date of such decedent's death in respect to any property owned by
934 such decedent or subject to such taxes as a part of or in connection
935 with the estate of such decedent by (2) a fraction, (A) the numerator of
936 which is the value of that part of the decedent's gross estate over which
937 this state has jurisdiction for estate tax purposes and (B) the
938 denominator of which is the value of the decedent's gross estate.
939 Property of a nonresident estate over which this state has jurisdiction
940 for estate tax purposes includes real property situated in this state and
941 tangible personal property having an actual situs in this state. The
942 amount of any estate tax imposed under this subsection shall also be
943 reduced, but not below zero, by the amount of any tax that is imposed

944 under chapter 216 and that is actually paid to this state.

945 (c) For purposes of this section and section 12-392, as amended by
946 this act:

947 (1) (A) "Connecticut taxable estate" means, with respect to the
948 estates of decedents dying on or after January 1, 2005, but prior to
949 January 1, 2010, (i) the gross estate less allowable deductions, as
950 determined under Chapter 11 of the Internal Revenue Code, plus (ii)
951 the aggregate amount of all Connecticut taxable gifts, as defined in
952 section 12-643, as amended by this act, made by the decedent for all
953 calendar years beginning on or after January 1, 2005, but prior to
954 January 1, 2010. The deduction for state death taxes paid under Section
955 2058 of said code shall be disregarded.

956 (B) "Connecticut taxable estate" means, with respect to the estates of
957 decedents dying on or after January 1, 2010, but prior to January 1,
958 2015, (i) the gross estate less allowable deductions, as determined
959 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
960 amount of all Connecticut taxable gifts, as defined in section 12-643, as
961 amended by this act, made by the decedent for all calendar years
962 beginning on or after January 1, 2005. The deduction for state death
963 taxes paid under Section 2058 of said code shall be disregarded.

964 (C) "Connecticut taxable estate" means, with respect to the estates of
965 decedents dying on or after January 1, 2015, but prior to January 1,
966 2019, (i) the gross estate less allowable deductions, as determined
967 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
968 amount of all Connecticut taxable gifts, as defined in section 12-643, as
969 amended by this act, made by the decedent for all calendar years
970 beginning on or after January 1, 2005, other than Connecticut taxable
971 gifts that are includable in the gross estate for federal estate tax
972 purposes of the decedent, plus (iii) the amount of any tax paid to this
973 state pursuant to section 12-642, as amended by this act, by the
974 decedent or the decedent's estate on any gift made by the decedent or

975 the decedent's spouse during the three-year period preceding the date
976 of the decedent's death. The deduction for state death taxes paid under
977 Section 2058 of the Internal Revenue Code shall be disregarded.

978 (2) "Internal Revenue Code" means the Internal Revenue Code of
979 1986, or any subsequent corresponding internal revenue code of the
980 United States, as amended from time to time, except in the event of
981 repeal of the federal estate tax, then all references to the Internal
982 Revenue Code in this section shall mean the Internal Revenue Code as
983 in force on the day prior to the effective date of such repeal.

984 (3) "Gross estate" means the gross estate, for federal estate tax
985 purposes.

986 (d) (1) (A) With respect to the estates of decedents who die on or
987 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
988 upon the transfer of the estate of each person who at the time of death
989 was a resident of this state. The amount of the tax shall be determined
990 using the schedule in subsection (g) of this section. A credit shall be
991 allowed against such tax for any taxes paid to this state pursuant to
992 section 12-642, as amended by this act, for Connecticut taxable gifts
993 made on or after January 1, 2005, but prior to January 1, 2010.

994 (B) With respect to the estates of decedents who die on or after
995 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the
996 transfer of the estate of each person who at the time of death was a
997 resident of this state. The amount of the tax shall be determined using
998 the schedule in subsection (g) of this section. A credit shall be allowed
999 against such tax for any taxes paid to this state pursuant to section 12-
1000 642, as amended by this act, for Connecticut taxable gifts made on or
1001 after January 1, 2005, provided such credit shall not exceed the amount
1002 of tax imposed by this section.

1003 (C) With respect to the estates of decedents who die on or after
1004 January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the
1005 transfer of the estate of each person who at the time of death was a

1006 resident of this state. The amount of the tax shall be determined using
1007 the schedule in subsection (g) of this section. A credit shall be allowed
1008 against such tax for (i) any taxes paid to this state pursuant to section
1009 12-642, as amended by this act, by the decedent or the decedent's estate
1010 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
1011 any taxes paid by the decedent's spouse to this state pursuant to
1012 section 12-642, as amended by this act, for Connecticut taxable gifts
1013 made by the decedent on or after January 1, 2005, that are includable in
1014 the gross estate of the decedent, provided such credit shall not exceed
1015 the amount of tax imposed by this section.

1016 (D) With respect to the estates of decedents who die on or after
1017 January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the
1018 transfer of the estate of each person who at the time of death was a
1019 resident of this state. The amount of the tax shall be determined using
1020 the schedule in subsection (g) of this section. A credit shall be allowed
1021 against such tax for (i) any taxes paid to this state pursuant to section
1022 12-642, as amended by this act, by the decedent or the decedent's estate
1023 for Connecticut taxable gifts made on or after January 1, 2005, and (ii)
1024 any taxes paid by the decedent's spouse to this state pursuant to
1025 section 12-642, as amended by this act, for Connecticut taxable gifts
1026 made by the decedent on or after January 1, 2005, that are includable in
1027 the gross estate of the decedent, provided such credit shall not exceed
1028 the amount of tax imposed by this section. In no event shall the
1029 amount of tax payable under this section exceed twenty million
1030 dollars. Such twenty-million-dollar limit shall be reduced by the
1031 amount of (I) any taxes paid to this state pursuant to section 12-642, as
1032 amended by this act, by the decedent or the decedent's estate for
1033 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
1034 taxes paid by the decedent's spouse to this state pursuant to section 12-
1035 642, as amended by this act, for Connecticut taxable gifts made by the
1036 decedent on or after January 1, 2016, that are includable in the gross
1037 estate of the decedent, but in no event shall the amount be reduced
1038 below zero.

1039 [(E) With respect to the estates of decedents who die on or after
1040 January 1, 2019, a tax is imposed upon the transfer of the estate of each
1041 person who at the time of death was a resident of this state. The
1042 amount of the tax shall be determined using the schedule in subsection
1043 (g) of this section. A credit shall be allowed against such tax for (i) any
1044 taxes paid to this state pursuant to section 12-642 by the decedent or
1045 the decedent's estate for Connecticut taxable gifts made on or after
1046 January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this
1047 state pursuant to section 12-642 for Connecticut taxable gifts made by
1048 the decedent on or after January 1, 2005, that are includable in the
1049 gross estate of the decedent, provided such credit shall not exceed the
1050 amount of tax imposed by this section. In no event shall the amount of
1051 tax payable under this section exceed fifteen million dollars. Such
1052 fifteen-million-dollar limit shall be reduced by the amount of (I) any
1053 taxes paid to this state pursuant to section 12-642 by the decedent or
1054 the decedent's estate for Connecticut taxable gifts made on or after
1055 January 1, 2016, and (II) any taxes paid by the decedent's spouse to this
1056 state pursuant to section 12-642 for Connecticut taxable gifts made by
1057 the decedent on or after January 1, 2016, that are includable in the
1058 gross estate of the decedent, but in no event shall the amount be
1059 reduced below zero.]

1060 (2) If real or tangible personal property of such decedent is located
1061 outside this state, the amount of tax due under this section shall be
1062 reduced by an amount computed by multiplying the tax otherwise due
1063 pursuant to subdivision (1) of this subsection, without regard to the
1064 credit allowed for any taxes paid to this state pursuant to section 12-
1065 642, as amended by this act, by a fraction, (A) the numerator of which
1066 is the value of that part of the decedent's gross estate attributable to
1067 real or tangible personal property located outside of the state, and (B)
1068 the denominator of which is the value of the decedent's gross estate.

1069 (3) For a resident estate, the state shall have the power to levy the
1070 estate tax upon real property situated in this state, tangible personal
1071 property having an actual situs in this state and intangible personal

1072 property included in the gross estate of the decedent, regardless of
1073 where it is located. The state is permitted to calculate the estate tax and
1074 levy said tax to the fullest extent permitted by the Constitution of the
1075 United States.

1076 (e) (1) (A) With respect to the estates of decedents who die on or
1077 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
1078 upon the transfer of the estate of each person who at the time of death
1079 was a nonresident of this state. The amount of such tax shall be
1080 computed by multiplying (i) the amount of tax determined using the
1081 schedule in subsection (g) of this section by (ii) a fraction, the
1082 numerator of which is the value of that part of the decedent's gross
1083 estate over which this state has jurisdiction for estate tax purposes, and
1084 the denominator of which is the value of the decedent's gross estate. A
1085 credit shall be allowed against such tax for any taxes paid to this state
1086 pursuant to section 12-642, as amended by this act, for Connecticut
1087 taxable gifts made on or after January 1, 2005, but prior to January 1,
1088 2010.

1089 (B) With respect to the estates of decedents who die on or after
1090 January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the
1091 transfer of the estate of each person who at the time of death was a
1092 nonresident of this state. The amount of such tax shall be computed by
1093 multiplying (i) the amount of tax determined using the schedule in
1094 subsection (g) of this section by (ii) a fraction, the numerator of which
1095 is the value of that part of the decedent's gross estate over which this
1096 state has jurisdiction for estate tax purposes, and the denominator of
1097 which is the value of the decedent's gross estate. A credit shall be
1098 allowed against such tax for any taxes paid to this state pursuant to
1099 section 12-642, as amended by this act, for Connecticut taxable gifts
1100 made on or after January 1, 2005, provided such credit shall not exceed
1101 the amount of tax imposed by this section.

1102 (C) With respect to the estates of decedents who die on or after
1103 January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the

1104 transfer of the estate of each person who at the time of death was a
1105 nonresident of this state. The amount of such tax shall be computed by
1106 multiplying (i) the amount of tax determined using the schedule in
1107 subsection (g) of this section by (ii) a fraction, the numerator of which
1108 is the value of that part of the decedent's gross estate over which this
1109 state has jurisdiction for estate tax purposes, and the denominator of
1110 which is the value of the decedent's gross estate. A credit shall be
1111 allowed against such tax for any taxes paid to this state pursuant to
1112 section 12-642, as amended by this act, for Connecticut taxable gifts
1113 made on or after January 1, 2005, provided such credit shall not exceed
1114 the amount of tax imposed by this section. In no event shall the
1115 amount of tax payable under this section exceed twenty million
1116 dollars. Such twenty-million-dollar limit shall be reduced by the
1117 amount of (I) any taxes paid to this state pursuant to section 12-642, as
1118 amended by this act, by the decedent or the decedent's estate for
1119 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
1120 taxes paid by the decedent's spouse to this state pursuant to section 12-
1121 642, as amended by this act, for Connecticut taxable gifts made by the
1122 decedent on or after January 1, 2016, that are includable in the gross
1123 estate of the decedent, but in no event shall the amount be reduced
1124 below zero.

1125 [(D) With respect to the estates of decedents who die on or after
1126 January 1, 2019, a tax is imposed upon the transfer of the estate of each
1127 person who at the time of death was a nonresident of this state. The
1128 amount of such tax shall be computed by multiplying the amount of
1129 tax determined using the schedule in subsection (g) of this section by a
1130 fraction, the numerator of which is the value of that part of the
1131 decedent's gross estate over which this state has jurisdiction for estate
1132 tax purposes, and the denominator of which is the value of the
1133 decedent's gross estate. A credit shall be allowed against such tax for
1134 (i) any taxes paid to this state pursuant to section 12-642 by the
1135 decedent or the decedent's estate for Connecticut taxable gifts made on
1136 or after January 1, 2005, and (ii) any taxes paid by the decedent's

1137 spouse to this state pursuant to section 12-642 for Connecticut taxable
1138 gifts made by the decedent on or after January 1, 2005, that are
1139 includable in the gross estate of the decedent, provided such credit
1140 shall not exceed the amount of tax imposed by this section. In no event
1141 shall the amount of tax payable under this section exceed fifteen
1142 million dollars. Such fifteen-million-dollar limit shall be reduced by
1143 the amount of (I) any taxes paid to this state pursuant to section 12-642
1144 by the decedent or the decedent's estate for Connecticut taxable gifts
1145 made on or after January 1, 2016, and (II) any taxes paid by the
1146 decedent's spouse to this state pursuant to section 12-642 for
1147 Connecticut taxable gifts made by the decedent on or after January 1,
1148 2016, that are includable in the gross estate of the decedent, but in no
1149 event shall the amount be reduced below zero.]

1150 (2) For a nonresident estate, the state shall have the power to levy
1151 the estate tax upon all real property situated in this state and tangible
1152 personal property having an actual situs in this state. The state is
1153 permitted to calculate the estate tax and levy said tax to the fullest
1154 extent permitted by the Constitution of the United States.

1155 (f) (1) For purposes of the tax imposed under this section, the value
1156 of the Connecticut taxable estate shall be determined taking into
1157 account all of the deductions available under the Internal Revenue
1158 Code of 1986, specifically including, but not limited to, the deduction
1159 available under Section 2056(b)(7) of said code for a qualifying income
1160 interest for life in a surviving spouse.

1161 (2) An election under said Section 2056(b)(7) may be made for state
1162 estate tax purposes regardless of whether any such election is made for
1163 federal estate tax purposes. The value of the gross estate shall include
1164 the value of any property in which the decedent had a qualifying
1165 income interest for life for which an election was made under this
1166 subsection.

1167 (g) (1) With respect to the estates of decedents dying on or after

1168 January 1, 2005, but prior to January 1, 2010, the tax based on the
1169 Connecticut taxable estate shall be as provided in the following
1170 schedule:

T163	Amount of Connecticut	
T164	Taxable Estate	Rate of Tax
T165	Not over \$2,000,000	None
T166	Over \$2,000,000	
T167	but not over \$2,100,000	5.085% of the excess over \$0
T168	Over \$2,100,000	\$106,800 plus 8% of the excess
T169	but not over \$2,600,000	over \$2,100,000
T170	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T171	but not over \$3,100,000	over \$2,600,000
T172	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T173	but not over \$3,600,000	over \$3,100,000
T174	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T175	but not over \$4,100,000	over \$3,600,000
T176	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T177	but not over \$5,100,000	over \$4,100,000
T178	Over \$5,100,000	\$402,800 plus 12% of the excess
T179	but not over \$6,100,000	over \$5,100,000
T180	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T181	but not over \$7,100,000	over \$6,100,000
T182	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T183	but not over \$8,100,000	over \$7,100,000
T184	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T185	but not over \$9,100,000	over \$8,100,000
T186	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T187	but not over \$10,100,000	over \$9,100,000
T188	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T189		over \$10,100,000

1171 (2) With respect to the estates of decedents dying on or after January
1172 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut

1173 taxable estate shall be as provided in the following schedule:

T190	Amount of Connecticut	
T191	Taxable Estate	Rate of Tax
T192	Not over \$3,500,000	None
T193	Over \$3,500,000	7.2% of the excess
T194	but not over \$3,600,000	over \$3,500,000
T195	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T196	but not over \$4,100,000	over \$3,600,000
T197	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T198	but not over \$5,100,000	over \$4,100,000
T199	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T200	but not over \$6,100,000	over \$5,100,000
T201	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T202	but not over \$7,100,000	over \$6,100,000
T203	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T204	but not over \$8,100,000	over \$7,100,000
T205	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T206	but not over \$9,100,000	over \$8,100,000
T207	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T208	but not over \$10,100,000	over \$9,100,000
T209	Over \$10,100,000	\$640,200 plus 12% of the excess
T210		over \$10,100,000

1174 (3) With respect to the estates of decedents dying on or after January
 1175 1, 2011, but prior to January 1, 2018, the tax based on the Connecticut
 1176 taxable estate shall be as provided in the following schedule:

T211	Amount of Connecticut	
T212	Taxable Estate	Rate of Tax
T213	Not over \$2,000,000	None
T214	Over \$2,000,000	7.2% of the excess
T215	but not over \$3,600,000	over \$2,000,000
T216	Over \$3,600,000	\$115,200 plus 7.8% of the excess

T217	but not over \$4,100,000	over \$3,600,000
T218	Over \$4,100,000	\$154,200 plus 8.4% of the excess
T219	but not over \$5,100,000	over \$4,100,000
T220	Over \$5,100,000	\$238,200 plus 9.0% of the excess
T221	but not over \$6,100,000	over \$5,100,000
T222	Over \$6,100,000	\$328,200 plus 9.6% of the excess
T223	but not over \$7,100,000	over \$6,100,000
T224	Over \$7,100,000	\$424,200 plus 10.2% of the excess
T225	but not over \$8,100,000	over \$7,100,000
T226	Over \$8,100,000	\$526,200 plus 10.8% of the excess
T227	but not over \$9,100,000	over \$8,100,000
T228	Over \$9,100,000	\$634,200 plus 11.4% of the excess
T229	but not over \$10,100,000	over \$9,100,000
T230	Over \$10,100,000	\$748,200 plus 12% of the excess
T231		over \$10,100,000

1177 (4) With respect to the estates of decedents dying on or after January
1178 1, 2018, but prior to January 1, 2019, the tax based on the Connecticut
1179 taxable estate shall be as provided in the following schedule:

T232	Amount of Connecticut	
T233	Taxable Estate	Rate of Tax
T234	Not over \$2,600,000	None
T235	Over \$2,600,000	7.2% of the excess
T236	but not over \$3,600,000	over \$2,600,000
T237	Over \$3,600,000	\$72,000 plus 7.8% of the excess
T238	but not over \$4,100,000	over \$3,600,000
T239	Over \$4,100,000	\$111,000 plus 8.4% of the excess
T240	but not over \$5,100,000	over \$4,100,000
T241	Over \$5,100,000	\$195,000 plus 10% of the excess
T242	but not over \$6,100,000	over \$5,100,000
T243	Over \$6,100,000	\$295,000 plus 10.4% of the excess
T244	but not over \$7,100,000	over \$6,100,000
T245	Over \$7,100,000	\$399,000 plus 10.8% of the excess

T246	but not over \$8,100,000	over \$7,100,000
T247	Over \$8,100,000	\$507,000 plus 11.2% of the excess
T248	but not over \$9,100,000	over \$8,100,000
T249	Over \$9,100,000	\$619,000 plus 11.6% of the excess
T250	but not over \$10,100,000	over \$9,100,000
T251	Over \$10,100,000	\$735,000 plus 12% of the excess
T252		over \$10,100,000

1180 [(5) With respect to the estates of decedents dying on or after
 1181 January 1, 2019, but prior to January 1, 2020, the tax based on the
 1182 Connecticut taxable estate shall be as provided in the following
 1183 schedule:

T253	Amount of Connecticut	
T254	Taxable Estate	Rate of Tax
T255	Not over \$3,600,000	None
T256	Over \$3,600,000	7.8% of the excess
T257	but not over \$4,100,000	over \$3,600,000
T258	Over \$4,100,000	\$39,000 plus 8.4% of the excess
T259	but not over \$5,100,000	over \$4,100,000
T260	Over \$5,100,000	\$123,000 plus 10% of the excess
T261	but not over \$6,100,000	over \$5,100,000
T262	Over \$6,100,000	\$223,000 plus 10.4% of the excess
T263	but not over \$7,100,000	over \$6,100,000
T264	Over \$7,100,000	\$327,000 plus 10.8% of the excess
T265	but not over \$8,100,000	over \$7,100,000
T266	Over \$8,100,000	\$435,000 plus 11.2% of the excess
T267	but not over \$9,100,000	over \$8,100,000
T268	Over \$9,100,000	\$547,000 plus 11.6% of the excess
T269	but not over \$10,100,000	over \$9,100,000
T270	Over \$10,100,000	\$663,000 plus 12% of the excess
T271		over \$10,100,000

1184 (6) With respect to the estates of decedents dying on or after January

1185 1, 2020, but prior to January 1, 2021, the tax based on the Connecticut
1186 taxable estate shall be as provided in the following schedule:

T272	Amount of Connecticut	
T273	Taxable Estate	Rate of Tax
T274	Not over \$5,100,000	None
T275	Over \$5,100,000	10% of the excess
T276	but not over \$6,100,000	over \$5,100,000
T277	Over \$6,100,000	\$100,000 plus 10.4% of the excess
T278	but not over \$7,100,000	over \$6,100,000
T279	Over \$7,100,000	\$204,000 plus 10.8% of the excess
T280	but not over \$8,100,000	over \$7,100,000
T281	Over \$8,100,000	\$312,000 plus 11.2% of the excess
T282	but not over \$9,100,000	over \$8,100,000
T283	Over \$9,100,000	\$424,000 plus 11.6% of the excess
T284	but not over \$10,100,000	over \$9,100,000
T285	Over \$10,100,000	\$540,000 plus 12% of the excess
T286		over \$10,100,000

1187 (7) With respect to the estates of decedents dying on or after January
1188 1, 2021, but prior to January 1, 2022, the tax based on the Connecticut
1189 taxable estate shall be as provided in the following schedule:

T287	Amount of Connecticut	
T288	Taxable Estate	Rate of Tax
T289	Not over \$7,100,000	None
T290	Over \$7,100,000	10.8% of the excess
T291	but not over \$8,100,000	over \$7,100,000
T292	Over \$8,100,000	\$108,000 plus 11.2% of the excess
T293	but not over \$9,100,000	over \$8,100,000
T294	Over \$9,100,000	\$220,000 plus 11.6% of the excess
T295	but not over \$10,100,000	over \$9,100,000
T296	Over \$10,100,000	\$336,000 plus 12% of the excess
T297		over \$10,100,000

1190 (8) With respect to the estates of decedents dying on or after January
 1191 1, 2022, but prior to January 1, 2023, the tax based on the Connecticut
 1192 taxable estate shall be as provided in the following schedule:

T298	Amount of Connecticut	
T299	Taxable Estate	Rate of Tax
T300	Not over \$9,100,000	None
T301	Over \$9,100,000	11.6% of the excess
T302	but not over \$10,100,000	over \$9,100,000
T303	Over \$10,100,000	\$116,000 plus 12% of the excess
T304		over \$10,100,000

1193 (9) With respect to the estates of decedents dying on or after January
 1194 1, 2023, the tax based on the Connecticut taxable estate shall be as
 1195 provided in the following schedule:

T305	Amount of Connecticut	
T306	Taxable Estate	Rate of Tax
T307	Not over the	None
T308	federal basic exclusion amount	
T309	Over the	12% of the excess over the
T310	federal basic exclusion amount	federal basic exclusion amount]

1196 (h) (1) For the purposes of this chapter, each decedent shall be
 1197 presumed to have died a resident of this state. The burden of proof in
 1198 an estate tax proceeding shall be upon any decedent's estate claiming
 1199 exemption by reason of the decedent's alleged nonresidency.

1200 (2) Any person required to make and file a tax return under this
 1201 chapter, believing that the decedent died a nonresident of this state,
 1202 may file a request for determination of domicile in writing with the
 1203 Commissioner of Revenue Services, stating the specific grounds upon
 1204 which the request is founded provided (A) such person has filed such
 1205 return, (B) at least two hundred seventy days, but no more than three

1206 years, has elapsed since the due date of such return or, if an
1207 application for extension of time to file such return has been granted,
1208 the extended due date of such return, (C) such person has not been
1209 notified, in writing, by said commissioner that a written agreement of
1210 compromise with the taxing authorities of another jurisdiction, under
1211 section 12-395a, is being negotiated, and (D) the commissioner has not
1212 previously determined whether the decedent died a resident of this
1213 state. Not later than one hundred eighty days following receipt of such
1214 request for determination, the commissioner shall determine whether
1215 such decedent died a resident or a nonresident of this state. If the
1216 commissioner commences negotiations over a written agreement of
1217 compromise with the taxing authorities of another jurisdiction after a
1218 request for determination of domicile is filed, the one-hundred-eighty-
1219 day period shall be tolled for the duration of such negotiations. When,
1220 before the expiration of such one-hundred-eighty-day period, both the
1221 commissioner and the person required to make and file a tax return
1222 under this chapter have consented in writing to the making of such
1223 determination after such time, the determination may be made at any
1224 time prior to the expiration of the period agreed upon. The period so
1225 agreed upon may be extended by subsequent agreements in writing
1226 made before the expiration of the period previously agreed upon. The
1227 commissioner shall mail notice of his proposed determination to the
1228 person required to make and file a tax return under this chapter. Such
1229 notice shall set forth briefly the commissioner's findings of fact and the
1230 basis of such proposed determination. Sixty days after the date on
1231 which it is mailed, a notice of proposed determination shall constitute
1232 a final determination unless the person required to make and file a tax
1233 return under this chapter has filed, as provided in subdivision (3) of
1234 this subsection, a written protest with the Commissioner of Revenue
1235 Services.

1236 (3) On or before the sixtieth day after mailing of the proposed
1237 determination, the person required to make and file a tax return under
1238 this chapter may file with the commissioner a written protest against

1239 the proposed determination in which such person shall set forth the
1240 grounds on which the protest is based. If such a protest is filed, the
1241 commissioner shall reconsider the proposed determination and, if the
1242 person required to make and file a tax return under this chapter has so
1243 requested, may grant or deny such person or the authorized
1244 representatives of such person an oral hearing.

1245 (4) Notice of the commissioner's determination shall be mailed to
1246 the person required to make and file a tax return under this chapter
1247 and such notice shall set forth briefly the commissioner's findings of
1248 fact and the basis of decision in each case decided adversely to such
1249 person.

1250 (5) The action of the commissioner on a written protest shall be final
1251 upon the expiration of one month from the date on which he mails
1252 notice of his action to the person required to make and file a tax return
1253 under this chapter unless within such period such person seeks review
1254 of the commissioner's determination pursuant to subsection (b) of
1255 section 12-395.

1256 (6) Nothing in this subsection shall be construed to relieve any
1257 person filing a request for determination of domicile of the obligation
1258 to pay the correct amount of tax on or before the due date of the tax.

1259 (i) The tax calculated pursuant to the provisions of this section shall
1260 be reduced in an amount equal to half of the amount invested by a
1261 decedent in a private investment fund or fund of funds pursuant to
1262 subdivision (43) of section 32-39, provided (1) any such reduction shall
1263 not exceed five million dollars for any such decedent, (2) any such
1264 amount invested by the decedent shall have been invested in such
1265 fund or fund of funds for ten years or more, and (3) the aggregate
1266 amount of all taxes reduced under this subsection shall not exceed
1267 thirty million dollars.

1268 Sec. 19. Section 12-392 of the general statutes is repealed and the
1269 following is substituted in lieu thereof (*Effective from passage and*

1270 *applicable to decedents dying on or after January 1, 2019):*

1271 (a) (1) For the estates of decedents dying prior to July 1, 2009, the tax
1272 imposed by this chapter shall become due at the date of the taxable
1273 transfer and shall become payable, and shall be paid, without
1274 assessment, notice or demand, to the Commissioner of Revenue
1275 Services at the expiration of nine months from the date of death. For
1276 the estates of decedents dying on or after July 1, 2009, but prior to
1277 January 1, 2019, the tax imposed by this chapter shall become due at
1278 the date of the taxable transfer and shall become payable and shall be
1279 paid, without assessment, notice or demand, to the commissioner at
1280 the expiration of six months from the date of death. Executors,
1281 administrators, trustees, grantees, donees, beneficiaries and surviving
1282 joint owners shall be liable for the tax and for any interest or penalty
1283 thereon until it is paid, notwithstanding any provision of chapter 802b,
1284 except that no executor, administrator, trustee, grantee, donee,
1285 beneficiary or surviving joint owner shall be liable for a greater sum
1286 than the value of the property actually received by him or her. If the
1287 amount of tax reported to be due on the return is not paid, for the
1288 estates of decedents dying prior to July 1, 2009, within such nine
1289 months, or for the estates of decedents dying on or after July 1, 2009,
1290 but prior to January 1, 2019, within such six months, there shall be
1291 imposed a penalty equal to ten per cent of such amount due and
1292 unpaid, or fifty dollars, whichever is greater. Such amount shall bear
1293 interest at the rate of one per cent per month or fraction thereof from
1294 the due date of such tax until the date of payment. Subject to the
1295 provisions of section 12-3a, the commissioner may waive all or part of
1296 the penalties provided under this chapter when it is proven to the
1297 commissioner's satisfaction that the failure to pay any tax was due to
1298 reasonable cause and was not intentional or due to neglect.

1299 (2) The Commissioner of Revenue Services may, for reasonable
1300 cause shown, extend the time for payment. The commissioner may
1301 require the filing of a tentative return and the payment of the tax
1302 reported to be due thereon in connection with such extension. Any

1303 additional tax which may be found to be due on the filing of a return
1304 as allowed by such extension shall bear interest at the rate of one per
1305 cent per month or fraction thereof from the original due date of such
1306 tax to the date of actual payment.

1307 (3) (A) Whenever there is a claimed overpayment of the tax imposed
1308 by this chapter, the Commissioner of Revenue Services shall return to
1309 the fiduciary or transferee the overpayment [which] that shall bear
1310 interest at the rate of two-thirds of one per cent per month or fraction
1311 thereof, such interest commencing, for the estates of decedents dying
1312 prior to July 1, 2009, from the expiration of nine months after the death
1313 of the transferor or date of payment, whichever is later, or, for the
1314 estates of decedents dying on or after July 1, 2009, but prior to January
1315 1, 2019, from the expiration of six months after the death of the
1316 transferor or date of payment, whichever is later, as provided in
1317 subparagraphs (B) and (C) of this subdivision.

1318 (B) In case of such overpayment pursuant to a tax return, no interest
1319 shall be allowed or paid under this subdivision on such overpayment
1320 for any month or fraction thereof prior to (i) the ninety-first day after
1321 the last day prescribed for filing the tax return associated with such
1322 overpayment, determined without regard to any extension of time for
1323 filing, or (ii) the ninety-first day after the date such return was filed,
1324 whichever is later.

1325 (C) In case of such overpayment pursuant to an amended tax return,
1326 no interest shall be allowed or paid under this subdivision on such
1327 overpayment for any month or fraction thereof prior to the ninety-first
1328 day after the date such amended tax return was filed.

1329 (b) (1) The tax imposed by this chapter shall be reported on a tax
1330 return which shall be filed on or before the date fixed for paying the
1331 tax, determined without regard to any extension of time for paying the
1332 tax. The commissioner shall design a form of return and forms for such
1333 additional statements or schedules as the commissioner may require to

1334 be filed. Such forms shall provide for the setting forth of such facts as
1335 the commissioner deems necessary for the proper enforcement of this
1336 chapter. The commissioner shall furnish appropriate forms to each
1337 taxpayer upon application or otherwise as the commissioner deems
1338 necessary. Failure to receive a form shall not relieve any person from
1339 the obligation to file a return under the provisions of this chapter. In
1340 any case in which the commissioner believes that it would be
1341 advantageous to him or her in the administration of the tax imposed
1342 by this chapter, the commissioner may require that a true copy of the
1343 federal estate tax return made to the Internal Revenue Service be
1344 provided.

1345 (2) Any tax return or other document, including any amended tax
1346 return under section 12-398, that is required to be filed under this
1347 chapter shall be filed, and shall be treated as filed, only if filed with (A)
1348 the Commissioner of Revenue Services, if required under subdivision
1349 (3) of this subsection, and (B) (i) the court of probate for the district
1350 within which the decedent resided at the date of his or her death, or,
1351 (ii) if the decedent died a nonresident of this state, in the court of
1352 probate for the district within which real estate or tangible personal
1353 property of the decedent is situated. The return shall contain a
1354 statement, to be signed under penalty of false statement by the person
1355 who is required to make and file the return under this chapter, that the
1356 return has been filed with the Commissioner of Revenue Services, if
1357 required under subdivision (3) of this subsection, and the appropriate
1358 court of probate.

1359 (3) (A) A tax return shall be filed, in the case of every decedent who
1360 died prior to January 1, 2005, and at the time of death was (i) a resident
1361 of this state, or (ii) a nonresident of this state whose gross estate
1362 includes any real property situated in this state or tangible personal
1363 property having an actual situs in this state, whenever the personal
1364 representative of the estate is required by the laws of the United States
1365 to file a federal estate tax return.

1366 (B) A tax return shall be filed, in the case of every decedent who dies
1367 on or after January 1, 2005, but prior to January 1, 2010, and at the time
1368 of death was (i) a resident of this state, or (ii) a nonresident of this state
1369 whose gross estate includes any real property situated in this state or
1370 tangible personal property having an actual situs in this state. If the
1371 decedent's Connecticut taxable estate is over two million dollars, such
1372 tax return shall be filed with the Commissioner of Revenue Services
1373 and a copy of such return shall be filed with the court of probate for
1374 the district within which the decedent resided at the date of his or her
1375 death or, if the decedent died a nonresident of this state, the court of
1376 probate for the district within which such real property or tangible
1377 personal property is situated. If the decedent's Connecticut taxable
1378 estate is two million dollars or less, such return shall be filed with the
1379 court of probate for the district within which the decedent resided at
1380 the date of his or her death or, if the decedent died a nonresident of
1381 this state, the court of probate for the district within which such real
1382 property or tangible personal property is situated, and no such return
1383 shall be filed with the Commissioner of Revenue Services. The judge of
1384 probate for the district in which such return is filed shall review each
1385 such return and shall issue a written opinion to the estate
1386 representative in each case in which the judge determines that the
1387 estate is not subject to tax under this chapter.

1388 (C) A tax return shall be filed, in the case of every decedent who
1389 dies on or after January 1, 2010, but prior to January 1, 2011, and at the
1390 time of death was (i) a resident of this state, or (ii) a nonresident of this
1391 state whose gross estate includes any real property situated in this
1392 state or tangible personal property having an actual situs in this state.
1393 If the decedent's Connecticut taxable estate is over three million five
1394 hundred thousand dollars, such tax return shall be filed with the
1395 Commissioner of Revenue Services and a copy of such return shall be
1396 filed with the court of probate for the district within which the
1397 decedent resided at the date of his or her death or, if the decedent died
1398 a nonresident of this state, the court of probate for the district within

1399 which such real property or tangible personal property is situated. If
1400 the decedent's Connecticut taxable estate is three million five hundred
1401 thousand dollars or less, such return shall be filed with the court of
1402 probate for the district within which the decedent resided at the date
1403 of his or her death or, if the decedent died a nonresident of this state,
1404 the court of probate for the district within which such real property or
1405 tangible personal property is situated, and no such return shall be filed
1406 with the Commissioner of Revenue Services. The judge of probate for
1407 the district in which such return is filed shall review each such return
1408 and shall issue a written opinion to the estate representative in each
1409 case in which the judge determines that the estate is not subject to tax
1410 under this chapter.

1411 (D) A tax return shall be filed, in the case of every decedent who
1412 dies on or after January 1, 2011, but prior to January 1, 2018, and at the
1413 time of death was (i) a resident of this state, or (ii) a nonresident of this
1414 state whose gross estate includes any real property situated in this
1415 state or tangible personal property having an actual situs in this state.
1416 If the decedent's Connecticut taxable estate is over two million dollars,
1417 such tax return shall be filed with the Commissioner of Revenue
1418 Services and a copy of such return shall be filed with the court of
1419 probate for the district within which the decedent resided at the date
1420 of his or her death or, if the decedent died a nonresident of this state,
1421 the court of probate for the district within which such real property or
1422 tangible personal property is situated. If the decedent's Connecticut
1423 taxable estate is two million dollars or less, such return shall be filed
1424 with the court of probate for the district within which the decedent
1425 resided at the date of his or her death or, if the decedent died a
1426 nonresident of this state, the court of probate for the district within
1427 which such real property or tangible personal property is situated, and
1428 no such return shall be filed with the Commissioner of Revenue
1429 Services. The judge of probate for the district in which such return is
1430 filed shall review each such return and shall issue a written opinion to
1431 the estate representative in each case in which the judge determines

1432 that the estate is not subject to tax under this chapter.

1433 (E) A tax return shall be filed, in the case of every decedent who dies
1434 on or after January 1, 2018, but prior to January 1, 2019, and at the time
1435 of death was (i) a resident of this state, or (ii) a nonresident of this state
1436 whose gross estate includes any real property situated in this state or
1437 tangible personal property having an actual situs in this state. If the
1438 decedent's Connecticut taxable estate is over two million six hundred
1439 thousand dollars, such tax return shall be filed with the Commissioner
1440 of Revenue Services and a copy of such return shall be filed with the
1441 court of probate for the district within which the decedent resided at
1442 the date of his or her death or, if the decedent died a nonresident of
1443 this state, the court of probate for the district within which such real
1444 property or tangible personal property is situated. If the decedent's
1445 Connecticut taxable estate is two million six hundred thousand dollars
1446 or less, such return shall be filed with the court of probate for the
1447 district within which the decedent resided at the date of his or her
1448 death or, if the decedent died a nonresident of this state, the court of
1449 probate for the district within which such real property or tangible
1450 personal property is situated, and no such return shall be filed with the
1451 Commissioner of Revenue Services. The judge of probate for the
1452 district in which such return is filed shall review each such return and
1453 shall issue a written opinion to the estate representative in each case in
1454 which the judge determines that the estate is not subject to tax under
1455 this chapter.

1456 [(F) A tax return shall be filed, in the case of every decedent who
1457 dies on or after January 1, 2019, but prior to January 1, 2020, and at the
1458 time of death was (i) a resident of this state, or (ii) a nonresident of this
1459 state whose gross estate includes any real property situated in this
1460 state or tangible personal property having an actual situs in this state.
1461 If the decedent's Connecticut taxable estate is over three million six
1462 hundred thousand dollars, such tax return shall be filed with the
1463 Commissioner of Revenue Services and a copy of such return shall be
1464 filed with the court of probate for the district within which the

1465 decedent resided at the date of his or her death or, if the decedent died
1466 a nonresident of this state, the court of probate for the district within
1467 which such real property or tangible personal property is situated. If
1468 the decedent's Connecticut taxable estate is three million six hundred
1469 thousand dollars or less, such return shall be filed with the court of
1470 probate for the district within which the decedent resided at the date
1471 of his or her death or, if the decedent died a nonresident of this state,
1472 the court of probate for the district within which such real property or
1473 tangible personal property is situated, and no such return shall be filed
1474 with the Commissioner of Revenue Services. The judge of probate for
1475 the district in which such return is filed shall review each such return
1476 and shall issue a written opinion to the estate representative in each
1477 case in which the judge determines that the estate is not subject to tax
1478 under this chapter.

1479 (G) A tax return shall be filed, in the case of every decedent who
1480 dies on or after January 1, 2020, but prior to January 1, 2021, and at the
1481 time of death was (i) a resident of this state, or (ii) a nonresident of this
1482 state whose gross estate includes any real property situated in this
1483 state or tangible personal property having an actual situs in this state.
1484 If the decedent's Connecticut taxable estate is over five million one
1485 hundred thousand dollars, such tax return shall be filed with the
1486 Commissioner of Revenue Services and a copy of such return shall be
1487 filed with the court of probate for the district within which the
1488 decedent resided at the date of his or her death or, if the decedent died
1489 a nonresident of this state, the court of probate for the district within
1490 which such real property or tangible personal property is situated. If
1491 the decedent's Connecticut taxable estate is five million one hundred
1492 thousand dollars or less, such return shall be filed with the court of
1493 probate for the district within which the decedent resided at the date
1494 of his or her death or, if the decedent died a nonresident of this state,
1495 the court of probate for the district within which such real property or
1496 tangible personal property is situated, and no such return shall be filed
1497 with the Commissioner of Revenue Services. The judge of probate for

1498 the district in which such return is filed shall review each such return
1499 and shall issue a written opinion to the estate representative in each
1500 case in which the judge determines that the estate is not subject to tax
1501 under this chapter.

1502 (H) A tax return shall be filed, in the case of every decedent who
1503 dies on or after January 1, 2021, but prior to January 1, 2022, and at the
1504 time of death was (i) a resident of this state, or (ii) a nonresident of this
1505 state whose gross estate includes any real property situated in this
1506 state or tangible personal property having an actual situs in this state.
1507 If the decedent's Connecticut taxable estate is over seven million one
1508 hundred thousand dollars, such tax return shall be filed with the
1509 Commissioner of Revenue Services and a copy of such return shall be
1510 filed with the court of probate for the district within which the
1511 decedent resided at the date of his or her death or, if the decedent died
1512 a nonresident of this state, the court of probate for the district within
1513 which such real property or tangible personal property is situated. If
1514 the decedent's Connecticut taxable estate is seven million one hundred
1515 thousand dollars or less, such return shall be filed with the court of
1516 probate for the district within which the decedent resided at the date
1517 of his or her death or, if the decedent died a nonresident of this state,
1518 the court of probate for the district within which such real property or
1519 tangible personal property is situated, and no such return shall be filed
1520 with the Commissioner of Revenue Services. The judge of probate for
1521 the district in which such return is filed shall review each such return
1522 and shall issue a written opinion to the estate representative in each
1523 case in which the judge determines that the estate is not subject to tax
1524 under this chapter.

1525 (I) A tax return shall be filed, in the case of every decedent who dies
1526 on or after January 1, 2022, but prior to January 1, 2023, and at the time
1527 of death was (i) a resident of this state, or (ii) a nonresident of this state
1528 whose gross estate includes any real property situated in this state or
1529 tangible personal property having an actual situs in this state. If the
1530 decedent's Connecticut taxable estate is over nine million one hundred

1531 thousand dollars, such tax return shall be filed with the Commissioner
1532 of Revenue Services and a copy of such return shall be filed with the
1533 court of probate for the district within which the decedent resided at
1534 the date of his or her death or, if the decedent died a nonresident of
1535 this state, the court of probate for the district within which such real
1536 property or tangible personal property is situated. If the decedent's
1537 Connecticut taxable estate is nine million one hundred thousand
1538 dollars or less, such return shall be filed with the court of probate for
1539 the district within which the decedent resided at the date of his or her
1540 death or, if the decedent died a nonresident of this state, the court of
1541 probate for the district within which such real property or tangible
1542 personal property is situated, and no such return shall be filed with the
1543 Commissioner of Revenue Services. The judge of probate for the
1544 district in which such return is filed shall review each such return and
1545 shall issue a written opinion to the estate representative in each case in
1546 which the judge determines that the estate is not subject to tax under
1547 this chapter.

1548 (J) A tax return shall be filed, in the case of every decedent who dies
1549 on or after January 1, 2023, and at the time of death was (i) a resident
1550 of this state, or (ii) a nonresident of this state whose gross estate
1551 includes any real property situated in this state or tangible personal
1552 property having an actual situs in this state. If the decedent's
1553 Connecticut taxable estate is over five million four hundred ninety
1554 thousand dollars, such tax return shall be filed with the Commissioner
1555 of Revenue Services and a copy of such return shall be filed with the
1556 court of probate for the district within which the decedent resided at
1557 the date of his or her death or, if the decedent died a nonresident of
1558 this state, the court of probate for the district within which such real
1559 property or tangible personal property is situated. If the decedent's
1560 Connecticut taxable estate is equal to or less than five million four
1561 hundred ninety thousand dollars, such return shall be filed with the
1562 court of probate for the district within which the decedent resided at
1563 the date of his or her death or, if the decedent died a nonresident of

1564 this state, the court of probate for the district within which such real
1565 property or tangible personal property is situated, and no such return
1566 shall be filed with the Commissioner of Revenue Services. The judge of
1567 probate for the district in which such return is filed shall review each
1568 such return and shall issue a written opinion to the estate
1569 representative in each case in which the judge determines that the
1570 estate is not subject to tax under this chapter.]

1571 (4) The duly authorized executor or administrator shall file the
1572 return. If there is more than one executor or administrator, the return
1573 shall be made jointly by all. If there is no executor or administrator
1574 appointed, qualified and acting, each person in actual or constructive
1575 possession of any property of the decedent is constituted an executor
1576 for purposes of the tax and shall make and file a return. If in any case
1577 the executor is unable to make a complete return as to any part of the
1578 gross estate, the executor shall provide all the information available to
1579 him or her with respect to such property, including a full description,
1580 and the name of every person holding a legal or beneficial interest in
1581 the property. If the executor is unable to make a return as to any
1582 property, each person holding a legal or equitable interest in such
1583 property shall, upon notice from the commissioner, make a return as to
1584 that part of the gross estate.

1585 (5) On or before the last day of the month next succeeding each
1586 calendar quarter, and commencing with the calendar quarter ending
1587 September 30, 2005, each court of probate shall file with the
1588 commissioner a report for the calendar quarter in such form as the
1589 commissioner may prescribe. The report shall pertain to returns filed
1590 with the court of probate during the calendar quarter.

1591 (6) The Commissioner of Revenue Services may, for reasonable
1592 cause shown, extend the time for filing the return.

1593 (7) If any person required to make and file the tax return under this
1594 chapter fails to file the return within the time prescribed, the

1595 commissioner may assess and compute the tax upon the best
1596 information obtainable. To the tax imposed upon the basis of such
1597 return, there shall be added an amount equal to ten per cent of such
1598 tax or fifty dollars, whichever is greater. The tax shall bear interest at
1599 the rate of one per cent per month or fraction thereof from the due date
1600 of such tax until the date of payment.

1601 (8) The commissioner shall provide notice of any (A) deficiency
1602 assessment with respect to the payment of any tax under this chapter,
1603 (B) assessment with respect to any failure to make and file a return
1604 under this chapter by a person required to file, and (C) tax return or
1605 other document, including any amended tax return under section 12-
1606 398 that is required to be filed under this chapter to the court of
1607 probate for the district within which the commissioner contends that
1608 the decedent resided at the date of his or her death or, if the decedent
1609 died a nonresident of this state, to the court of probate for the district
1610 within which the commissioner contends that real estate or tangible
1611 personal property of the decedent is situated.

1612 (c) No person shall be subject to a penalty under both subsections
1613 (a) and (b) of this section in relation to the same tax period.

1614 Sec. 20. Subsection (b) of section 45a-107 of the general statutes is
1615 repealed and the following is substituted in lieu thereof (*Effective from*
1616 *passage*):

1617 (b) In the case of a decedent who dies on or after July 1, 2016, and
1618 prior to January 1, 2019, fees shall be computed as follows:

1619 (1) The basis for fees shall be (A) the greatest of (i) the gross estate
1620 for succession tax purposes, as provided in section 12-349, (ii) the
1621 inventory, including all supplements thereto, (iii) the Connecticut
1622 taxable estate, as defined in section 12-391, as amended by this act, or
1623 (iv) the gross estate for estate tax purposes, as provided in chapters 217
1624 and 218, except as provided in subdivisions (5) and (6) of this
1625 subsection, plus (B) all damages recovered for injuries resulting in

1626 death, minus any hospital and medical expenses for treatment of such
1627 injuries resulting in death, minus any hospital and medical expenses
1628 for treatment of such injuries that are not reimbursable by medical
1629 insurance, and minus the attorney's fees and other costs and expenses
1630 of recovering such damages. Any portion of the basis for fees that is
1631 determined by property passing to the surviving spouse shall be
1632 reduced by fifty per cent. Except as provided in subdivisions (3) and
1633 (4) of this subsection, in no case shall the minimum fee be less than
1634 twenty-five dollars.

1635 (2) Except as provided in subdivisions (3) and (4) of this subsection,
1636 fees shall be assessed in accordance with the following table:

T311	Basis for Computation	Total Fee
T312	Of Fees	
T313	0 to \$500	\$25
T314	\$501 to \$1,000	\$50
T315	\$1,000 to \$10,000	\$50, plus 1% of all
T316		in excess of \$1,000
T317	\$10,000 to \$500,000	\$150, plus .35% of all
T318		in excess of \$10,000
T319	\$500,000 to \$2,000,000	\$1,865, plus .25% of all
T320		in excess of \$500,000
T321	\$2,000,000 to \$8,877,000	\$5,615, plus .5% of all
T322		in excess of \$2,000,000
T323	\$8,877,000 and over	\$40,000

1637 (3) Notwithstanding the provisions of subdivision (1) of this
1638 subsection, if the basis for fees is less than ten thousand dollars and a
1639 full estate is opened, the minimum fee shall be one hundred fifty
1640 dollars.

1641 (4) In any matter in which the Commissioner of Administrative
1642 Services is the legal representative of the estate pursuant to section 4a-
1643 16, the fee shall be the lesser of (A) the amount calculated under

1644 subdivisions (1) and (2) of this subsection, or (B) the amount collected
1645 by the Commissioner of Administrative Services after paying the
1646 expense of funeral and burial in accordance with section 17b-84.

1647 (5) In the case of a deceased person who was domiciled in this state
1648 on the date of his or her death, the gross estate for estate tax purposes
1649 shall, for the purpose of determining the basis for fees pursuant to
1650 subdivision (1) of this subsection, be reduced by the fair market value
1651 of any real property or tangible personal property of the deceased
1652 person situated outside of this state.

1653 (6) In the case of a deceased person who was not domiciled in this
1654 state on the date of his or her death but who owned real property or
1655 tangible personal property situated in this state on the date of his or
1656 her death, only the fair market value of such real property or tangible
1657 personal property situated in this state shall be included in the basis
1658 for fees pursuant to subdivision (1) of this subsection.

1659 Sec. 21. Subdivision (79) of section 12-81 of the general statutes is
1660 repealed and the following is substituted in lieu thereof (*Effective*
1661 *October 1, 2019, and applicable to assessment years commencing on or after*
1662 *October 1, 2019*):

1663 (79) Tangible personal property with an original value of [not more
1664 than two hundred fifty] less than twenty-five thousand dollars that is
1665 owned by a business organization. [, provided this exemption shall not
1666 apply for the first ten full assessment years following the assessment
1667 year in which the property was acquired.]

1668 Sec. 22. Subsection (b) of section 12-284b of the general statutes is
1669 repealed and the following is substituted in lieu thereof (*Effective from*
1670 *passage and applicable to taxable years commencing on or after January 1,*
1671 *2019*):

1672 (b) Each limited liability company, limited liability partnership,
1673 limited partnership and S corporation shall be liable for the tax

1674 imposed by this section for each taxable year or portion thereof that
1675 such company, partnership or corporation is an affected business
1676 entity. For taxable years commencing prior to January 1, 2013, each
1677 affected business entity shall annually, on or before the fifteenth day of
1678 the fourth month following the close of its taxable year, pay to the
1679 Commissioner of Revenue Services a tax in the amount of two
1680 hundred fifty dollars. For taxable years commencing on or after
1681 January 1, 2013, but prior to January 1, 2019, each affected business
1682 entity shall, on or before the fifteenth day of the fourth month
1683 following the close of every other taxable year, pay to the
1684 Commissioner of Revenue Services a tax in the amount of two
1685 hundred fifty dollars.

1686 Sec. 23. Subdivision (2) of subsection (e) of section 12-217jj of the
1687 general statutes is repealed and the following is substituted in lieu
1688 thereof (*Effective from passage and applicable to taxable years commencing*
1689 *on or after January 1, 2019*):

1690 (2) Notwithstanding the provisions of subdivision (1) of this
1691 subsection, any entity that is not subject to tax under this chapter or
1692 chapter 207 shall not be subject to the limitations on the transfer of
1693 credits provided in subparagraphs (B) and (C) of said subdivision (1),
1694 provided such entity owns not less than fifty per cent, directly or
1695 indirectly, of a business entity, [subject to tax under] as defined in
1696 section 12-284b, as amended by this act.

1697 Sec. 24. Subsection (a) of section 12-217zz of the general statutes is
1698 repealed and the following is substituted in lieu thereof (*Effective from*
1699 *passage and applicable to income years commencing on or after January 1,*
1700 *2019*):

1701 (a) Notwithstanding any other provision of law, and except as
1702 otherwise provided in subsection (b) of this section and sections 12-
1703 217aaa and 12-217bbb, the amount of tax credit or credits otherwise
1704 allowable against the tax imposed under this chapter shall be as

1705 follows:

1706 (1) For any income year commencing on or after January 1, 2002,
1707 and prior to January 1, 2015, the amount of tax credit or credits
1708 otherwise allowable shall not exceed seventy per cent of the amount of
1709 tax due from such taxpayer under this chapter with respect to any such
1710 income year of the taxpayer prior to the application of such credit or
1711 credits;

1712 (2) For any income year commencing on or after January 1, 2015, the
1713 amount of tax credit or credits otherwise allowable shall not exceed
1714 fifty and one one-hundredths per cent of the amount of tax due from
1715 such taxpayer under this chapter with respect to any such income year
1716 of the taxpayer prior to the application of such credit or credits;

1717 (3) Notwithstanding the provisions of subdivision (2) of this
1718 subsection, any taxpayer that possesses excess credits may utilize the
1719 excess credits as follows:

1720 (A) For income years commencing on or after January 1, 2016, and
1721 prior to January 1, 2017, the aggregate amount of tax credits and excess
1722 credits allowable shall not exceed fifty-five per cent of the amount of
1723 tax due from such taxpayer under this chapter with respect to any such
1724 income year of the taxpayer prior to the application of such credit or
1725 credits;

1726 (B) For income years commencing on or after January 1, 2017, and
1727 prior to January 1, 2018, the aggregate amount of tax credits and excess
1728 credits allowable shall not exceed sixty per cent of the amount of tax
1729 due from such taxpayer under this chapter with respect to any such
1730 income year of the taxpayer prior to the application of such credit or
1731 credits; and

1732 (C) For income years commencing on or after January 1, 2018, and
1733 prior to January 1, 2019, the aggregate amount of tax credits and excess
1734 credits allowable shall not exceed sixty-five per cent of the amount of

1735 tax due from such taxpayer under this chapter with respect to any such
1736 income year of the taxpayer prior to the application of such credit or
1737 credits;

1738 [(D) For income years commencing on or after January 1, 2019, the
1739 aggregate amount of tax credits and excess credits allowable shall not
1740 exceed seventy per cent of the amount of tax due from such taxpayer
1741 under this chapter with respect to any such income year of the
1742 taxpayer prior to the application of such credit or credits;]

1743 (4) For purposes of this subsection, "excess credits" means any
1744 remaining credits available under section 12-217j, 12-217n or 32-9t after
1745 tax credits are utilized in accordance with subdivision (2) of this
1746 subsection.

1747 Sec. 25. (NEW) (*Effective from passage and applicable to quarterly periods*
1748 *commencing on or after July 1, 2019*) Notwithstanding any provision of
1749 the general statutes allowing for a higher amount, for any quarterly
1750 periods commencing on or after July 1, 2019, the amount of tax credit
1751 or credits allowable against the tax imposed under chapter 211 of the
1752 general statutes, shall not exceed fifty and one one-hundredths per
1753 cent of the amount of tax due from a taxpayer under such chapter with
1754 respect to any such quarterly period of the taxpayer prior to the
1755 application of such credit or credits.

1756 Sec. 26. (NEW) (*Effective from passage and applicable to quarterly periods*
1757 *commencing on or after July 1, 2019*) Notwithstanding any provision of
1758 the general statutes allowing for a higher amount, for any quarterly
1759 periods commencing on or after July 1, 2019, the amount of tax credit
1760 or credits allowable against the tax imposed under chapter 212 of the
1761 general statutes, shall not exceed fifty and one one-hundredths per
1762 cent of the amount of tax due from a taxpayer under such chapter with
1763 respect to any such quarterly period of the taxpayer prior to the
1764 application of such credit or credits.

1765 Sec. 27. (NEW) (*Effective from passage and applicable to quarterly periods*

1766 commencing on or after July 1, 2019) Notwithstanding any provision of
1767 the general statutes allowing for a higher amount, for any quarterly
1768 periods commencing on or after July 1, 2019, the amount of tax credit
1769 or credits allowable against the tax imposed under chapter 227 of the
1770 general statutes, shall not exceed fifty and one one-hundredths per
1771 cent of the amount of tax due from a taxpayer under such chapter with
1772 respect to any such quarterly period of the taxpayer prior to the
1773 application of such credit or credits.

1774 Sec. 28. Subsection (a) of section 12-217 of the general statutes is
1775 repealed and the following is substituted in lieu thereof (*Effective July*
1776 *1, 2019*):

1777 (a) (1) In arriving at net income as defined in section 12-213, whether
1778 or not the taxpayer is taxable under the federal corporation net income
1779 tax, there shall be deducted from gross income: []

1780 (A) [all] All items deductible under the Internal Revenue Code
1781 effective and in force on the last day of the income year, except (i) any
1782 taxes imposed under the provisions of this chapter [which] that are
1783 paid or accrued in the income year and in the income year
1784 commencing January 1, 1989, and thereafter, any taxes in any state of
1785 the United States or any political subdivision of such state, or the
1786 District of Columbia, imposed on or measured by the income or profits
1787 of a corporation [which] that are paid or accrued in the income year,
1788 (ii) deductions for depreciation, which shall be allowed as provided in
1789 subsection (b) of this section, (iii) deductions for qualified domestic
1790 production activities income, as provided in Section 199 of the Internal
1791 Revenue Code, and (iv) in the case of any captive real estate
1792 investment trust, the deduction for dividends paid provided under
1793 Section 857(b)(2) of the Internal Revenue Code; [] and

1794 (B) [additionally,] Additionally, in the case of a regulated
1795 investment company, the sum of (i) the exempt-interest dividends, as
1796 defined in the Internal Revenue Code, and (ii) expenses, bond

1797 premium, and interest related to tax-exempt income that are
1798 disallowed as deductions under the Internal Revenue Code; [] and

1799 (C) [in] In the case of a taxpayer maintaining an international
1800 banking facility as defined in the laws of the United States or the
1801 regulations of the Board of Governors of the Federal Reserve System,
1802 as either may be amended from time to time, the gross income
1803 attributable to the international banking facility, provided, no expense
1804 or loss attributable to the international banking facility shall be a
1805 deduction under any provision of this section; [] and

1806 (D) [additionally,] Additionally, in the case of all taxpayers, all
1807 dividends as defined in the Internal Revenue Code effective and in
1808 force on the last day of the income year not otherwise deducted from
1809 gross income, including dividends received from a DISC or former
1810 DISC as defined in Section 992 of the Internal Revenue Code and
1811 dividends deemed to have been distributed by a DISC or former DISC
1812 as provided in Section 995 of said Internal Revenue Code, other than
1813 thirty per cent of dividends received from a domestic corporation in
1814 which the taxpayer owns less than twenty per cent of the total voting
1815 power and value of the stock of such corporation; [] and

1816 (E) [additionally,] Additionally, in the case of all taxpayers, the
1817 value of any capital gain realized from the sale of any land, or interest
1818 in land, to the state, any political subdivision of the state, or to any
1819 nonprofit land conservation organization where such land is to be
1820 permanently preserved as protected open space or to a water
1821 company, as defined in section 25-32a, where such land is to be
1822 permanently preserved as protected open space or as Class I or Class II
1823 water company land; [] and

1824 (F) [in] In the case of manufacturers, the amount of any contribution
1825 to a manufacturing reinvestment account established pursuant to
1826 section 32-9zz in the income year that such contribution is made to the
1827 extent not deductible for federal income tax purposes; [] and

1828 (G) [~~additionally,~~] Additionally, to the extent allowable under
1829 subsection (g) of section 32-776, the amount paid by a 7/7 participant,
1830 as defined in section 32-776, for the remediation of a brownfield; [~~]]
1831 and~~

1832 (H) [~~the~~] The amount of any contribution made on or after
1833 December 23, 2017, by the state of Connecticut or a political
1834 subdivision thereof to the extent included in a company's gross income
1835 under Section 118(b)(2) of the Internal Revenue Code.

1836 (2) (A) No deduction shall be allowed for (i) expenses related to
1837 dividends that are allowable as a deduction or credit under the
1838 Internal Revenue Code, and (ii) federal taxes on income or profits,
1839 losses of other calendar or fiscal years, retroactive to include all
1840 calendar or fiscal years beginning after January 1, 1935, interest
1841 received from federal, state and local government securities, if any
1842 such deductions are allowed by the federal government.

1843 (B) For purposes of this subdivision, expenses related to dividends
1844 shall equal five per cent of all dividends received by a company during
1845 an income year. The net income associated with the disallowance of
1846 expenses related to dividends shall be apportioned, if the company
1847 conducts business within and without the state or is required to
1848 apportion its income under section 12-218b, in accordance with this
1849 chapter.

1850 (3) Notwithstanding any provision of this section to the contrary, no
1851 dividend received from a real estate investment trust shall be
1852 deductible under this section by the recipient unless the dividend is:

1853 (A) Deductible under Section 243 of the Internal Revenue Code;

1854 (B) [~~received~~] Received by a qualified dividend recipient from a
1855 qualified real estate investment trust and, as of the last day of the
1856 period for which such dividend is paid, persons, not including the
1857 qualified dividend recipient or any person that is either a related

1858 person to, or an employee or director of, the qualified dividend
1859 recipient, have outstanding cash capital contributions to the qualified
1860 real estate investment trust that, in the aggregate, exceed five per cent
1861 of the fair market value of the aggregate real estate assets, valued as of
1862 the last day of the period for which such dividend is paid, then held by
1863 the qualified real estate investment trust; or

1864 (C) [received] Received from a captive real estate investment trust
1865 that is subject to the tax imposed under this chapter. For purposes of
1866 this section, a "related person" is as defined in subdivision (7) of
1867 subsection (a) of section 12-217m, "real estate assets" is as defined in
1868 Section 856 of the Internal Revenue Code, a "qualified dividend
1869 recipient" means a dividend recipient who has invested in a qualified
1870 real estate investment trust prior to April 1, 1997, and a "qualified real
1871 estate investment trust" means an entity that both was incorporated
1872 and had contributed to it a minimum of five hundred million dollars'
1873 worth of real estate assets prior to April 1, 1997, and that elects to be a
1874 real estate investment trust under Section 856 of the Internal Revenue
1875 Code prior to April 1, 1998.

1876 (4) Notwithstanding any provision of this section to the contrary: [L]

1877 (A) [any] Any excess of the deductions provided in this section for
1878 any income year commencing on or after January 1, 1973, over the
1879 gross income for such year or the amount of such excess apportioned
1880 to this state under the provisions of this chapter, shall be an operating
1881 loss of such income year and shall be deductible as an operating loss
1882 carry-over for operating losses incurred prior to income years
1883 commencing January 1, 2000, in each of the five income years
1884 following such loss year, and for operating losses incurred in income
1885 years commencing on or after January 1, 2000, in each of the twenty
1886 income years following such loss year, except that;

1887 (i) [for] For income years commencing prior to January 1, 2015, the
1888 portion of such operating loss [which] that may be deducted as an

1889 operating loss carry-over in any income year following such loss year
1890 shall be limited to the lesser of (I) any net income greater than zero of
1891 such income year following such loss year, or in the case of a company
1892 entitled to apportion its net income under the provisions of this
1893 chapter, the amount of such net income [which] that is apportioned to
1894 this state pursuant thereto, or (II) the excess, if any, of such operating
1895 loss over the total of such net income for each of any prior income
1896 years following such loss year, such net income of each of such prior
1897 income years following such loss year for such purposes being
1898 computed without regard to any operating loss carry-over from such
1899 loss year allowed under this subparagraph and being regarded as not
1900 less than zero, and provided further the operating loss of any income
1901 year shall be deducted in any subsequent year, to the extent available
1902 for such deduction, before the operating loss of any subsequent income
1903 year is deducted; [,]

1904 (ii) [for] For income years commencing on or after January 1, 2015,
1905 but prior to January 1, 2020, the portion of such operating loss [which]
1906 that may be deducted as an operating loss carry-over in any income
1907 year following such loss year shall be limited to the lesser of (I) fifty
1908 per cent of net income of such income year following such loss year, or
1909 in the case of a company entitled to apportion its net income under the
1910 provisions of this chapter, fifty per cent of such net income [which]
1911 that is apportioned to this state pursuant thereto, or (II) the excess, if
1912 any, of such operating loss over the operating loss deductions
1913 allowable with respect to such operating loss under this subparagraph
1914 for each of any prior income years following such loss year, such net
1915 income of each of such prior income years following such loss year for
1916 such purposes being computed without regard to any operating loss
1917 carry-over from such loss year allowed under this subparagraph and
1918 being regarded as not less than zero, and provided further the
1919 operating loss of any income year shall be deducted in any subsequent
1920 year, to the extent available for such deduction, before the operating
1921 loss of any subsequent income year is deducted; [,] and

1922 (iii) For income years commencing on or after January 1, 2020, the
1923 portion of such operating loss that may be deducted as an operating
1924 loss carry-over in any income year following such loss year shall be the
1925 amount allowed under Section 172 of the Internal Revenue Code.

1926 [(iii) if] (iv) If a combined group so elects, the combined group shall
1927 relinquish fifty per cent of its unused operating losses incurred prior to
1928 the income year commencing on or after January 1, 2015, and before
1929 January 1, 2016, and may utilize the remaining operating loss carry-
1930 over without regard to the limitations prescribed in subparagraph
1931 (A)(ii) of this subdivision. The portion of such operating loss carry-
1932 over that may be deducted shall be limited to the amount required to
1933 reduce a combined group's tax under this chapter, prior to surtax and
1934 prior to the application of credits, to two million five hundred
1935 thousand dollars in any income year commencing on or after January
1936 1, 2015. Only after the combined group's remaining operating loss
1937 carry-over for operating losses incurred prior to income years
1938 commencing January 1, 2015, has been fully utilized, will the
1939 limitations prescribed in subparagraph (A)(ii) of this subdivision
1940 apply. The combined group, or any member thereof, shall make such
1941 election on its return for the income year beginning on or after January
1942 1, 2015, and before January 1, 2016, by the due date for such return,
1943 including any extensions. Only combined groups with unused
1944 operating losses in excess of six billion dollars from income years
1945 beginning prior to January 1, 2013, may make the election prescribed
1946 in this clause; [.] and

1947 (B) [any] Any net capital loss, as defined in the Internal Revenue
1948 Code effective and in force on the last day of the income year, for any
1949 income year commencing on or after January 1, 1973, shall be allowed
1950 as a capital loss carry-over to reduce, but not below zero, any net
1951 capital gain, as so defined, in each of the five following income years,
1952 in order of sequence, to the extent not exhausted by the net capital gain
1953 of any of the preceding of such five following income years; [.] and

1954 (C) [any] Any net capital losses allowed and carried forward from
1955 prior years to income years beginning on or after January 1, 1973, for
1956 federal income tax purposes by companies entitled to a deduction for
1957 dividends paid under the Internal Revenue Code other than
1958 companies subject to the gross earnings taxes imposed under chapters
1959 211 and 212, shall be allowed as a capital loss carry-over.

1960 (5) This section shall not apply to a life insurance company as
1961 defined in the Internal Revenue Code effective and in force on the last
1962 day of the income year. For purposes of this section, the unpaid loss
1963 reserve adjustment required for nonlife insurance companies under the
1964 provisions of Section 832(b)(5) of the Internal Revenue Code of 1986 [,
1965 or any subsequent corresponding internal revenue code of the United
1966 States, as from time to time amended,] shall be applied without
1967 making the adjustment in Subparagraph (B) of said Section 832(b)(5).

1968 (6) For purposes of determining net income under this section for
1969 income years commencing on or after January 1, 2018, the deduction
1970 allowed for business interest paid or accrued shall be determined as
1971 provided under the Internal Revenue Code, except that in making such
1972 determination, the provisions of Section 163(j) of said code shall not
1973 apply.

1974 Sec. 29. Section 12-219 of the general statutes is repealed and the
1975 following is substituted in lieu thereof (*Effective from passage*):

1976 (a) (1) Each company subject to the provisions of this part shall pay
1977 for the privilege of carrying on or doing business within the state, (A)
1978 (i) for income years commencing prior to January 1, 2020, the larger of
1979 the tax, if any, imposed by section 12-214 and the tax calculated under
1980 this subsection, and (B) for income years commencing on or after
1981 January 1, 2020, the tax imposed by section 12-214. The tax calculated
1982 under this section shall be a tax of three and one-tenth mills per dollar
1983 for each income year of the amount derived [(A)] (i) by adding [(i)] (I)
1984 the average value of the issued and outstanding capital stock,

1985 including treasury stock at par or face value, fractional shares, scrip
1986 certificates convertible into shares of stock and amounts received on
1987 subscriptions to capital stock, computed on the balances at the
1988 beginning and end of the taxable year or period, the average value of
1989 surplus and undivided profit computed on the balances at the
1990 beginning and end of the taxable year or period, and [(ii)] (II) the
1991 average value of all surplus reserves computed on the balances at the
1992 beginning and end of the taxable year or period, [(B)] (ii) by
1993 subtracting from the sum so calculated [(i)] (I) the average value of any
1994 deficit carried on the balance sheet computed on the balances at the
1995 beginning and end of the taxable year or period, and [(ii)] (II) the
1996 average value of any holdings of stock of private corporations
1997 including treasury stock shown on the balance sheet computed on the
1998 balances at the beginning and end of the taxable year or period, and
1999 [(C)] (iii) by apportioning the remainder so derived between this and
2000 other states under the provisions of section 12-219a, provided in no
2001 event shall the tax so calculated exceed one million dollars or be less
2002 than two hundred fifty dollars.

2003 (2) For purposes of this subsection, in the case of a new domestic
2004 company, the balances at the beginning of its first fiscal year or period
2005 shall be the balances immediately after its organization or immediately
2006 after it commences business operations, whichever is earlier; and in the
2007 case of a foreign company, the balances at the beginning of its first
2008 fiscal year or period in which it becomes liable for the filing of a return
2009 in this state shall be the balances as established at the beginning of the
2010 fiscal year or period for tax purposes. In the case of a domestic
2011 company dissolving or limiting its existence, the balances at the end of
2012 the fiscal year or period shall be the balances immediately prior to the
2013 final distribution of all its assets; and in the case of a foreign company
2014 filing a certificate of withdrawal, the balances at the end of the fiscal
2015 year or period shall be the balances immediately prior to the
2016 withdrawal of all of its assets. When a taxpayer has carried on or had
2017 the right to carry on business within the state for eleven months or less

2018 of the income year, the tax calculated under this subsection shall be
2019 reduced in proportion to the fractional part of the year during which
2020 business was carried on by such taxpayer. The tax calculated under
2021 this subsection shall, in no case, be less than two hundred fifty dollars
2022 for each income year. The taxpayer shall report the items set forth in
2023 this subsection at the amounts at which such items appear upon its
2024 books; provided, when, in the opinion of the Commissioner of
2025 Revenue Services, the books of the taxpayer do not disclose a
2026 reasonable valuation of such items, the commissioner may require any
2027 additional information which may be necessary for a reasonable
2028 determination of the tax calculated under this subsection and shall, on
2029 the basis of the best information available, calculate such tax and notify
2030 the taxpayer thereof.

2031 (3) No tax credit allowed against the tax imposed by this chapter
2032 shall reduce a company's tax calculated under this subsection to an
2033 amount less than two hundred fifty dollars.

2034 (b) (1) With respect to income years commencing on or after January
2035 1, 1989, and prior to January 1, 1992, the additional tax imposed on any
2036 company and calculated in accordance with subsection (a) of this
2037 section shall, for each such income year, except when the tax so
2038 calculated is equal to two hundred fifty dollars, be increased by adding
2039 thereto an amount equal to twenty per cent of the additional tax so
2040 calculated for such income year, without reduction of the additional
2041 tax so calculated by the amount of any credit against such tax. The
2042 increased amount of tax payable by any company under this section,
2043 as determined in accordance with this subsection, shall become due
2044 and be paid, collected and enforced as provided in this chapter.

2045 (2) With respect to income years commencing on or after January 1,
2046 1992, and prior to January 1, 1993, the additional tax imposed on any
2047 company and calculated in accordance with subsection (a) of this
2048 section shall, for each such income year, except when the tax so
2049 calculated is equal to two hundred fifty dollars, be increased by adding

2050 thereto an amount equal to ten per cent of the additional tax so
2051 calculated for such income year, without reduction of the tax so
2052 calculated by the amount of any credit against such tax. The increased
2053 amount of tax payable by any company under this section, as
2054 determined in accordance with this subsection, shall become due and
2055 be paid, collected and enforced as provided in this chapter.

2056 (3) With respect to income years commencing on or after January 1,
2057 2003, and prior to January 1, 2004, the additional tax imposed on any
2058 company and calculated in accordance with subsection (a) of this
2059 section shall, for each such income year, be increased by adding
2060 thereto an amount equal to twenty per cent of the additional tax so
2061 calculated for such income year, without reduction of the tax so
2062 calculated by the amount of any credit against such tax. The increased
2063 amount of tax payable by any company under this section, as
2064 determined in accordance with this subsection, shall become due and
2065 be paid, collected and enforced as provided in this chapter.

2066 (4) With respect to income years commencing on or after January 1,
2067 2004, and prior to January 1, 2005, the additional tax imposed on any
2068 company and calculated in accordance with subsection (a) of this
2069 section shall, for each such income year, be increased by adding
2070 thereto an amount equal to twenty-five per cent of the additional tax so
2071 calculated for such income year, without reduction of the tax so
2072 calculated by the amount of any credit against such tax, except that
2073 any company that pays the minimum tax of two hundred fifty dollars
2074 under this section or section 12-223c, as amended by this act, for such
2075 income year shall not be subject to such additional tax. The increased
2076 amount of tax payable by any company under this subdivision, as
2077 determined in accordance with this subsection, shall become due and
2078 be paid, collected and enforced as provided in this chapter.

2079 (5) With respect to income years commencing on or after January 1,
2080 2006, and prior to January 1, 2007, the additional tax imposed on any
2081 company and calculated in accordance with subsection (a) of this

2082 section shall, for each such income year, except when the tax so
2083 calculated is equal to two hundred fifty dollars, be increased by adding
2084 thereto an amount equal to twenty per cent of the additional tax so
2085 calculated for such income year, without reduction of the tax so
2086 calculated by the amount of any credit against such tax. The increased
2087 amount of tax payable by any company under this section, as
2088 determined in accordance with this subsection, shall become due and
2089 be paid, collected and enforced as provided in this chapter.

2090 (6) (A) With respect to income years commencing on or after
2091 January 1, 2009, and prior to January 1, 2012, the additional tax
2092 imposed on any company and calculated in accordance with
2093 subsection (a) of this section shall, for each such income year, except
2094 when the tax so calculated is equal to two hundred fifty dollars, be
2095 increased by adding thereto an amount equal to ten per cent of the
2096 additional tax so calculated for such income year, without reduction of
2097 the tax so calculated by the amount of any credit against such tax. The
2098 increased amount of tax payable by any company under this section,
2099 as determined in accordance with this subsection, shall become due
2100 and be paid, collected and enforced as provided in this chapter.

2101 (B) Any company whose gross income for the income year was less
2102 than one hundred million dollars shall not be subject to the additional
2103 tax imposed under subparagraph (A) of this subdivision. This
2104 exception shall not apply to companies filing a combined return for the
2105 income year under section 12-223a or a unitary return under
2106 subsection (d) of section 12-218d.

2107 (7) (A) With respect to income years commencing on or after
2108 January 1, 2012, and prior to January 1, 2018, the additional tax
2109 imposed on any company and calculated in accordance with
2110 subsection (a) of this section shall, for each such income year, except
2111 when the tax so calculated is equal to two hundred fifty dollars, be
2112 increased by adding thereto an amount equal to twenty per cent of the
2113 additional tax so calculated for such income year, without reduction of

2114 the tax so calculated by the amount of any credit against such tax. The
2115 increased amount of tax payable by any company under this section,
2116 as determined in accordance with this subsection, shall become due
2117 and be paid, collected and enforced as provided in this chapter.

2118 (B) Any company whose gross income for the income year was less
2119 than one hundred million dollars shall not be subject to the additional
2120 tax imposed under subparagraph (A) of this subdivision. With respect
2121 to income years commencing on or after January 1, 2012, and prior to
2122 January 1, 2016, this exception shall not apply to companies filing a
2123 combined return for the income year under section 12-223a or a
2124 unitary return under subsection (d) of section 12-218d. With respect to
2125 income years commencing on or after January 1, 2016, and prior to
2126 January 1, 2018, this exception shall not apply to taxable members of a
2127 combined group that files a combined unitary tax return.

2128 (8) (A) With respect to income years commencing on or after
2129 January 1, 2018, and prior to January 1, 2019, the additional tax
2130 imposed on any company and calculated in accordance with
2131 subsection (a) of this section shall, for such income year, except when
2132 the tax so calculated is equal to two hundred fifty dollars, be increased
2133 by adding thereto an amount equal to ten per cent of the additional tax
2134 so calculated for such income year, without reduction of the tax so
2135 calculated by the amount of any credit against such tax. The increased
2136 amount of tax payable by any company under this section, as
2137 determined in accordance with this subsection, shall become due and
2138 be paid, collected and enforced as provided in this chapter.

2139 (B) Any company whose gross income for the income year was less
2140 than one hundred million dollars shall not be subject to the additional
2141 tax imposed under subparagraph (A) of this subdivision. This
2142 exception shall not apply to taxable members of a combined group that
2143 files a combined unitary tax return.

2144 (c) The tax imposed by this section shall be assessed and collected

2145 and be first applicable at the time or times herein provided for the tax
2146 measured by net income. This section shall not apply to insurance
2147 companies, real estate investment trusts, regulated investment
2148 companies, interlocal risk management agencies formed pursuant to
2149 chapter 113a or, except as otherwise provided by subsection (d) of this
2150 section, financial service companies, as defined in section 12-218b.

2151 (d) Each financial service company, as defined in section 12-218b,
2152 shall pay for the privilege of carrying on or doing business within the
2153 state, (A) for income years commencing prior to January 1, 2020, the
2154 larger of the tax, if any, imposed by section 12-214 and the tax
2155 calculated under this subsection, and (B) for income years commencing
2156 on or after January 1, 2020, the tax, if any, imposed by section 12-214.
2157 For each such financial service company, the tax calculated under this
2158 subsection shall be two hundred fifty dollars for each income year. No
2159 tax credit allowed against the tax imposed by this chapter shall reduce
2160 a financial service company's tax calculated under this subsection to an
2161 amount less than two hundred fifty dollars.

2162 (e) [The] For income years commencing prior to January 1, 2020, the
2163 additional tax base of taxable and nontaxable members of a combined
2164 group required to file a combined unitary tax return pursuant to
2165 section 12-222 shall be calculated as provided in subsection (f) of
2166 section 12-218e.

2167 Sec. 30. Subsection (a) of section 12-217ee of the general statutes is
2168 repealed and the following is substituted in lieu thereof (*Effective from*
2169 *passage*):

2170 (a) Any taxpayer that (1) is a qualified small business, (2) qualifies
2171 for a credit under section 12-217j or section 12-217n, and (3) cannot
2172 take such credit in the taxable year in which the credit could otherwise
2173 be taken as a result of having no tax liability under this chapter may
2174 elect to carry such credit forward under this chapter or may apply to
2175 the commissioner as provided in subsection (b) of this section to

2176 exchange such credit with the state for a credit refund equal to sixty-
2177 five per cent of the value of the credit. Any amount of credit refunded
2178 under this section shall be refunded to the taxpayer under the
2179 provisions of this chapter, except that such credit refund shall not be
2180 subject to the provisions of section 12-227. Payment of the capital base
2181 tax under section 12-219, as amended by this act, for an income year
2182 commencing on or after January 1, 2002, and prior to January 1, 2020,
2183 in which year the taxpayer reports no net income, as defined in section
2184 12-213, or payment of the minimum tax of two hundred fifty dollars
2185 under section 12-219, as amended by this act, or 12-223c, as amended
2186 by this act, for any income year, shall not be considered a tax liability
2187 for purposes of this section.

2188 Sec. 31. Section 12-223c of the general statutes is repealed and the
2189 following is substituted in lieu thereof (*Effective from passage*):

2190 [Each] For income years commencing prior to January 1, 2020, (1)
2191 each corporation included in a combined return under section 12-223a
2192 shall pay the minimum tax of two hundred fifty dollars prescribed
2193 under section 12-219, as amended by this act, [. No] and (2) no tax
2194 credit allowed against the tax imposed by this chapter shall reduce an
2195 included corporation's tax calculated under section 12-219, as amended
2196 by this act, to an amount less than two hundred fifty dollars.

2197 Sec. 32. (*Effective from passage*) Not later than December 31, 2019, the
2198 Commissioner of Revenue Services shall provide to the chairpersons
2199 and ranking members of the joint standing committee of the General
2200 Assembly having cognizance of matters relating to finance, revenue
2201 and bonding recommendations for additional amendments to the
2202 general statutes that are required to effectuate the changes in sections
2203 28 and 29 of this act related to the amount of the operating loss
2204 allowed as a carry-over and the elimination of the capital base tax.

2205 Sec. 33. (*Effective July 1, 2019*) (a) For the purposes described in
2206 subsection (b) of this section, the State Bond Commission shall have

2207 the power from time to time to authorize the issuance of bonds of the
2208 state in one or more series and in principal amounts not exceeding in
2209 the aggregate two hundred million dollars.

2210 (b) The proceeds of the sale of such bonds, to the extent of the
2211 amount stated in subsection (a) of this section, shall be used by the
2212 Office of Higher Education for the purpose of awarding scholarships
2213 under the STEM Scholarship Program established under section 34 of
2214 this act, provided no portion of such proceeds shall be used for
2215 administrative expenses.

2216 (c) All provisions of section 3-20 of the general statutes, or the
2217 exercise of any right or power granted thereby, that are not
2218 inconsistent with the provisions of this section are hereby adopted and
2219 shall apply to all bonds authorized by the State Bond Commission
2220 pursuant to this section. Temporary notes in anticipation of the money
2221 to be derived from the sale of any such bonds so authorized may be
2222 issued in accordance with section 3-20 of the general statutes and from
2223 time to time renewed. Such bonds shall mature at such time or times
2224 not exceeding twenty years from their respective dates as may be
2225 provided in or pursuant to the resolution or resolutions of the State
2226 Bond Commission authorizing such bonds. None of such bonds shall
2227 be authorized except upon a finding by the State Bond Commission
2228 that there has been filed with it a request for such authorization that is
2229 signed by or on behalf of the Secretary of the Office of Policy and
2230 Management and states such terms and conditions as said commission,
2231 in its discretion, may require. Such bonds issued pursuant to this
2232 section shall be general obligations of the state and the full faith and
2233 credit of the state of Connecticut are pledged for the payment of the
2234 principal of and interest on such bonds as the same become due, and
2235 accordingly and as part of the contract of the state with the holders of
2236 such bonds, appropriation of all amounts necessary for punctual
2237 payment of such principal and interest is hereby made, and the State
2238 Treasurer shall pay such principal and interest as the same become
2239 due.

2240 Sec. 34. (NEW) (*Effective July 1, 2019*) (a) There is established a STEM
2241 scholarship program administered by the Office of Higher Education.
2242 Commencing July 1, 2020, the program shall award scholarships for up
2243 to four thousand residents of the state in the first year and up to four
2244 thousand additional residents of the state in each of the next three
2245 years, who are enrolled (1) as full-time or part-time undergraduate
2246 students at a public or an independent institution of higher education
2247 in the state and are seeking a degree in a field related to science,
2248 technology, engineering, mathematics or a health profession, or (2) in a
2249 teacher preparation program, as defined in section 10-10a of the
2250 general statutes, and whose subject area major is in science,
2251 technology, engineering or mathematics.

2252 (b) Each scholarship awarded under subsection (a) of this section
2253 shall be in the amount of five thousand dollars annually and may be
2254 awarded for up to a four-year period, provided a scholarship recipient
2255 remains eligible for such scholarship in accordance with the standards
2256 established by the Office of Higher Education under subsection (c) of
2257 this section.

2258 (c) The Office of Higher Education shall establish (1) (A) the specific
2259 fields or majors for which a scholarship may be awarded, or (B)
2260 specific standards to determine whether a field or major is eligible for
2261 an enrollee to be considered for a scholarship under subsection (a) of
2262 this section, (2) eligibility standards for applicants, including, but not
2263 limited to, any minimum grade point averages required, (3) standards
2264 for scholarship recipients to remain eligible for such scholarship while
2265 enrolled, including, but not limited to, any minimum grade point
2266 averages required, (4) an application form and any additional
2267 information said office deems necessary to evaluate an application, (5)
2268 the deadlines for applications to be submitted and for final decisions to
2269 be issued by said office, and (6) any other criteria said office deems
2270 necessary to decide scholarship award recipients under this section.
2271 Said office shall post information about the STEM scholarship program
2272 on its Internet web site, including, at a minimum, the requirements

2273 established under this subsection.

2274 (d) Not later than July 31, 2021, and each year thereafter that
2275 scholarships under this section are awarded, the executive director of
2276 the Office of Higher Education shall submit a report, in accordance
2277 with the provisions of section 11-4a of the general statutes, to the joint
2278 standing committees of the General Assembly having cognizance of
2279 matters relating to higher education, labor and bonding, that includes,
2280 but is not limited to, (1) the number of scholarships awarded in the
2281 preceding year to enrollees described in subparagraph (A) of
2282 subdivision (1) of subsection (c) of this section and to enrollees
2283 described in subparagraph (B) of said subdivision, (2) the specific
2284 institutions of higher education that recipients of scholarship awards
2285 in the preceding year are attending, and (3) the fields or majors in
2286 which recipients of scholarship awards in the preceding year are
2287 enrolled.

2288 Sec. 35. Section 10a-1d of the general statutes is repealed and the
2289 following is substituted in lieu thereof (*Effective July 1, 2019*):

2290 (a) There is established an Office of Higher Education. The Office of
2291 Higher Education shall administer the programs set forth in sections
2292 10-155d, 10a-10a, 10a-11, 10a-11a, 10a-17d, 10a-19g, 10a-34 to 10a-34f,
2293 inclusive, 10a-35, 10a-166, 10a-168a, 10a-169a, 10a-169b, [and] 10a-173
2294 and section 34 of this act. The Office of Higher Education shall be
2295 responsible for approving any action taken pursuant to sections 10a-34
2296 to 10a-34f, inclusive.

2297 (b) The Governor shall appoint an executive director of the Office of
2298 Higher Education in accordance with the provisions of sections 4-5 to
2299 4-8, inclusive. The executive director shall have the responsibility for
2300 implementing the policies and directives of the office and shall have
2301 additional responsibilities as the board may prescribe.

2302 Sec. 36. Section 12-407e of the general statutes is repealed. (*Effective*
2303 *July 1, 2019*)

2304 Sec. 37. Subdivisions (91), (102), (108), (109) and (114) of section 12-
 2305 412 of the general statutes are repealed. (*Effective January 1, 2020*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-408(1)
Sec. 2	<i>July 1, 2019, and applicable to sales occurring on or after July 1, 2019</i>	12-411(1)
Sec. 3	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(13)
Sec. 4	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)
Sec. 5	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(37)
Sec. 6	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-412
Sec. 7	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-412(120)
Sec. 8	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(2)(H)

Sec. 9	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(3)(A)
Sec. 10	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(7)
Sec. 11	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(8)(A)
Sec. 12	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(9)(A)
Sec. 13	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(15)(A)
Sec. 14	<i>January 1, 2020, and applicable to sales occurring on or after January 1, 2020</i>	12-407(a)(18) and (19)
Sec. 15	<i>from passage and applicable to gifts made on or after January 1, 2019</i>	12-640
Sec. 16	<i>from passage</i>	12-642
Sec. 17	<i>from passage and applicable to estates of decedents dying on or after January 1, 2019</i>	12-643(3)
Sec. 18	<i>from passage and applicable to decedents dying on or after January 1, 2019</i>	12-391
Sec. 19	<i>from passage and applicable to decedents dying on or after January 1, 2019</i>	12-392
Sec. 20	<i>from passage</i>	45a-107(b)

Sec. 21	<i>October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019</i>	12-81(79)
Sec. 22	<i>from passage and applicable to taxable years commencing on or after January 1, 2019</i>	12-284b(b)
Sec. 23	<i>from passage and applicable to taxable years commencing on or after January 1, 2019</i>	12-217jj(e)(2)
Sec. 24	<i>from passage and applicable to income years commencing on or after January 1, 2019</i>	12-217zz(a)
Sec. 25	<i>from passage and applicable to quarterly periods commencing on or after July 1, 2019</i>	New section
Sec. 26	<i>from passage and applicable to quarterly periods commencing on or after July 1, 2019</i>	New section
Sec. 27	<i>from passage and applicable to quarterly periods commencing on or after July 1, 2019</i>	New section
Sec. 28	<i>July 1, 2019</i>	12-217(a)
Sec. 29	<i>from passage</i>	12-219
Sec. 30	<i>from passage</i>	12-217ee(a)
Sec. 31	<i>from passage</i>	12-223c
Sec. 32	<i>from passage</i>	New section
Sec. 33	<i>July 1, 2019</i>	New section
Sec. 34	<i>July 1, 2019</i>	New section
Sec. 35	<i>July 1, 2019</i>	10a-1d
Sec. 36	<i>July 1, 2019</i>	Repealer section
Sec. 37	<i>January 1, 2020</i>	Repealer section

Statement of Purpose:

To implement certain tax recommendations of the Commission on Economic Fiscal Stability and Economic Growth.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]