



General Assembly

Substitute Bill No. 443

February Session, 2022



AN ACT CONCERNING THE TAX INCIDENCE REPORT AND TAX INCIDENCE ANALYSES.

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

1 Section 1. Section 12-7c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2022*):

3 (a) The Commissioner of Revenue Services shall, on or before
4 [February 15, 2022] December 15, 2023, and biennially thereafter, submit
5 to the joint standing committee of the General Assembly having
6 cognizance of matters relating to finance, revenue and bonding, and
7 post on the department's Internet web site a report on the overall
8 incidence of the income tax, sales and excise taxes, the corporation
9 business tax and property tax, for each of the most recent ten tax years
10 for which complete data are available. The report shall include incidence
11 projections for each such tax and shall present information on the
12 distribution of the tax burden as follows:

13 (1) For individuals:

14 (A) Income classes, including income distribution expressed for (i)
15 every ten percentage points, (ii) the top five per cent of all income
16 taxpayers, and (iii) the top one per cent of all income taxpayers;

17 (B) For each income class, the percentage of taxpayers who (i) are
18 homeowners, (ii) are single, (iii) are married, (iv) are seniors, or (v) have
19 children;

20 (C) For each income class, the average market value of a home and
21 the average monthly rent; and

22 ~~[(B)]~~ (D) Other appropriate taxpayer characteristics, as determined by
23 said commissioner.

24 (2) For businesses:

25 (A) Business size as established by gross receipts;

26 (B) Legal organization; and

27 (C) Industry by NAICS code.

28 (b) The Commissioner of Revenue Services may enter into a contract
29 with any public or private entity for the purpose of preparing the report
30 required pursuant to subsection (a) of this section.

31 Sec. 2. (NEW) (*Effective July 1, 2022*) The cochairpersons of the joint
32 standing committee of the General Assembly having cognizance of
33 matters relating to finance, revenue and bonding may request the
34 Commissioner of Revenue Services to prepare an incidence impact
35 analysis of any bill or proposal to change any tax system in effect, which
36 bill or proposal is projected by the legislative Office of Fiscal Analysis to
37 increase or decrease tax revenue by more than twenty million dollars or
38 redistribute the tax burden by more than twenty million dollars. Such
39 analysis shall:

40 (1) Present information using system-wide measures, by income
41 classes, taxpayer characteristics or other relevant categories;

42 (2) Include an analysis of the effect of the bill or proposal on
43 representative taxpayers;

44 (3) Include, to the extent data are available on the effect the changes
45 contemplated under the bill or proposal may have on the distribution of
46 the tax burden, a report on the incidence effects the commissioner
47 believes would result if the bill or proposal were enacted; and

48 (4) Include a statement of the incidence assumptions that were used
49 to determine any distribution or redistribution of the tax burden.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	12-7c
Sec. 2	July 1, 2022	New section

Statement of Legislative Commissioners:

In Section 2, "by more than twenty million dollars" was added after "tax revenue" for clarity.

FIN *Joint Favorable Subst.*