



General Assembly

January Session, 2019

**Raised Bill No. 1136**

LCO No. 7242



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

**AN ACT ESTABLISHING A CREDIT AGAINST THE ESTATE TAX, REQUIRING RECOMMENDATIONS FOR THE ESTABLISHMENT OF A SOCIAL IMPACT BONDING PROGRAM AND CONCERNING A CAPITAL GAINS SURCHARGE AND THE USE OF THE REVENUE THEREFROM.**

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

1 Section 1. (NEW) (*Effective from passage*) With respect to the estates  
2 of decedents dying on or after January 1, 2020, the tax calculated  
3 pursuant to the provisions of section 12-391 of the general statutes  
4 shall be reduced by an amount equal to two hundred per cent of the  
5 amount invested by a decedent in (1) social impact bonds authorized  
6 under a social impact bonding program established by the Department  
7 of Economic and Community Development pursuant to a general  
8 statute or public act that empowers said commissioner to establish  
9 such program, (2) a venture capital fund established by Connecticut  
10 Innovations, Incorporated pursuant to section 32-4100 of the general  
11 statutes, or (3) both, provided any such amount invested by the  
12 decedent shall have been invested in such bonds or fund, as

13 applicable, for five years or more at the time of such decedent's death.

14       Sec. 2. (*Effective from passage*) Not later than January 17, 2020, the  
15 Commissioner of Economic and Community Development shall  
16 submit, in accordance with the provisions of section 11-4a of the  
17 general statutes, legislative recommendations to the joint standing  
18 committee of the General Assembly having cognizance of matters  
19 relating to bonding for the establishment of a social impact bonding  
20 program to be administered by the Department of Economic and  
21 Community Development. Such program shall be targeted at  
22 distressed municipalities, as defined in section 32-9p of the general  
23 statutes, or the residents of distressed municipalities. Such  
24 recommendations shall include, but not be limited to, provisions  
25 regarding (1) criteria for eligible services and service providers under  
26 the program, including, but not limited to, those that seek to reduce  
27 recidivism, improve student performance in schools, provide or  
28 improve early childhood education, promote economic development  
29 or affordable housing, increase home ownership rates within a defined  
30 area or increase property values within a defined area, (2) the structure  
31 of the program, including, but not limited to, the responsibilities and  
32 duties of the parties contracting with the department or other entities  
33 under the program to issue bonds or provide services, and (3)  
34 parameters or requirements for (A) investments, return on investments  
35 and other related payments made or received under the program, and  
36 (B) the use of any such investments, returns or payments.

37       Sec. 3. (NEW) (*Effective January 1, 2020*) (a) For taxable years  
38 commencing on or after January 1, 2020, there is imposed a surcharge  
39 on a taxpayer, excluding trusts or estates, whose Connecticut adjusted  
40 gross income is equal to or greater than the threshold amount specified  
41 in section 12-700 of the general statutes for imposition of the highest  
42 marginal rate on such taxpayer. Such surcharge shall be at the rate of  
43 one and one-half per cent of the net gain from the sale or exchange of  
44 capital assets, as determined for federal income tax purposes, that are  
45 includable in such taxpayer's Connecticut adjusted gross income and

46 are derived from or connected with sources within this state. The  
47 surcharge shall be in addition to any other tax, fee or surcharge for  
48 which the taxpayer is liable. The tax collected by the state under this  
49 section shall be deposited in the capital gains account established  
50 under subsection (g) of this section.

51 (b) Each taxpayer subject to the surcharge shall file a report, in  
52 accordance with the provisions of subsection (a) of section 12-719 of  
53 the general statutes, with the Commissioner of Revenue Services in  
54 such form and containing such information as the commissioner may  
55 prescribe. Such return shall accurately set forth the amount of the net  
56 gain calculated pursuant to subsection (a) of this section for the  
57 preceding taxable year and the amount of the taxpayer's surcharge  
58 liability for such year. A person required to file a report shall, without  
59 assessment, notice or demand, pay any surcharge due thereon to the  
60 commissioner on or before the date specified in subsection (a) of  
61 section 12-719 of the general statutes, determined without regard to  
62 any extension of time for filing the report.

63 (c) If any person fails to pay the amount of the surcharge reported  
64 due on a report within the time specified, there shall be imposed a  
65 penalty equal to ten per cent of such amount due and unpaid, or fifty  
66 dollars, whichever is greater. Such amount shall bear interest at the  
67 rate of one per cent per month or fraction thereof, from the due date of  
68 such surcharge until the date of payment. Subject to the provisions of  
69 section 12-3a of the general statutes, the commissioner may waive all  
70 or part of the penalties provided under this section when it is proven  
71 to the commissioner's satisfaction that the failure to pay any surcharge  
72 was due to reasonable cause and was not intentional or due to neglect.

73 (d) The provisions of sections 12-550 to 12-554, inclusive, and  
74 sections 12-555a, 12-723, 12-728, 12-729 and 12-733 of the general  
75 statutes shall apply to the provisions of this section in the same  
76 manner and with the same force and effect as if the language of said  
77 sections had been incorporated in full into this section and had

78 expressly referred to the surcharge under this section, except to the  
79 extent that any provision is inconsistent with a provision in this  
80 section.

81 (e) The commissioner may adopt regulations, in accordance with the  
82 provisions of chapter 54 of the general statutes, to implement the  
83 provisions of this section.

84 (f) At the close of each fiscal year commencing with the fiscal year  
85 ending June 30, 2020, the Comptroller is authorized to record as  
86 revenue for such fiscal year the amount of the surcharge imposed  
87 under the provisions of this section that is received by the  
88 commissioner not later than five business days from the last day of  
89 July immediately following the end of such fiscal year.

90 (g) There is established an account to be known as the "capital gains  
91 account" which shall be a separate, nonlapsing account within the  
92 General Fund. The account shall contain any moneys required by law  
93 to be deposited in the account. Moneys in the account shall be  
94 expended by the Treasurer as follows:

95 (1) For fiscal years commencing July 1, 2019, and July 1, 2020,  
96 making the payments required pursuant to section 5-156a of the  
97 general statutes or 10-183z of the general statutes or both, as selected  
98 by the Treasurer in the best interests of the state; and

99 (2) For fiscal years commencing on or after July 1, 2021, as selected  
100 by the Treasurer in the best interests of the state, for (A) making  
101 additional payments toward unfunded past service liability of the state  
102 employees retirement system or of the teachers' retirement system, (B)  
103 making payments to investors under a social impact bonding program  
104 established by the Department of Economic and Community  
105 Development pursuant to a general statute or public act that  
106 empowers said commissioner to establish such program, or (C) a  
107 combination of subdivisions (1) and (2) of this subsection. Any  
108 payments made pursuant to this subdivision shall be in addition to

109 any other contributions or payments required pursuant to section 5-  
110 156a of the general statutes, 10-183z of the general statutes or  
111 subdivision (1) of subsection (c) of section 4-30a of the general statutes.

112 Sec. 4. Section 12-391 of the general statutes is repealed and the  
113 following is substituted in lieu thereof (*Effective from passage*):

114 (a) With respect to estates of decedents who die prior to January 1,  
115 2005, and except as otherwise provided in section 59 of public act 03-1  
116 of the June 30 special session, a tax is imposed upon the transfer of the  
117 estate of each person who at the time of death was a resident of this  
118 state. The amount of the tax shall be the amount of the federal credit  
119 allowable for estate, inheritance, legacy and succession taxes paid to  
120 any state or the District of Columbia under the provisions of the  
121 federal internal revenue code in force at the date of such decedent's  
122 death in respect to any property owned by such decedent or subject to  
123 such taxes as part of or in connection with the estate of such decedent.  
124 If real or tangible personal property of such decedent is located outside  
125 this state and is subject to estate, inheritance, legacy, or succession  
126 taxes by any state or states, other than the state of Connecticut, or by  
127 the District of Columbia for which such federal credit is allowable, the  
128 amount of tax due under this section shall be reduced by the lesser of:  
129 (1) The amount of any such taxes paid to such other state or states or  
130 said district and allowed as a credit against the federal estate tax; or (2)  
131 an amount computed by multiplying such federal credit by a fraction,  
132 (A) the numerator of which is the value of that part of the decedent's  
133 gross estate over which such other state or states or said district have  
134 jurisdiction for estate tax purposes to the same extent to which this  
135 state would assert jurisdiction for estate tax purposes under this  
136 chapter with respect to the residents of such other state or states or  
137 said district, and (B) the denominator of which is the value of the  
138 decedent's gross estate. Property of a resident estate over which this  
139 state has jurisdiction for estate tax purposes includes real property  
140 situated in this state, tangible personal property having an actual situs  
141 in this state, and intangible personal property owned by the decedent,

142 regardless of where it is located. The amount of any estate tax imposed  
143 under this subsection shall also be reduced, but not below zero, by the  
144 amount of any tax that is imposed under chapter 216 and that is  
145 actually paid to this state.

146 (b) With respect to the estates of decedents who die prior to January  
147 1, 2005, and except as otherwise provided in section 59 of public act 03-  
148 1 of the June 30 special session, a tax is imposed upon the transfer of  
149 the estate of each person who at the time of death was a nonresident of  
150 this state, the amount of which shall be computed by multiplying (1)  
151 the federal credit allowable for estate, inheritance, legacy, and  
152 succession taxes paid to any state or states or the District of Columbia  
153 under the provisions of the federal internal revenue code in force at the  
154 date of such decedent's death in respect to any property owned by  
155 such decedent or subject to such taxes as a part of or in connection  
156 with the estate of such decedent by (2) a fraction, (A) the numerator of  
157 which is the value of that part of the decedent's gross estate over which  
158 this state has jurisdiction for estate tax purposes and (B) the  
159 denominator of which is the value of the decedent's gross estate.  
160 Property of a nonresident estate over which this state has jurisdiction  
161 for estate tax purposes includes real property situated in this state and  
162 tangible personal property having an actual situs in this state. The  
163 amount of any estate tax imposed under this subsection shall also be  
164 reduced, but not below zero, by the amount of any tax that is imposed  
165 under chapter 216 and that is actually paid to this state.

166 (c) For purposes of this section and section 12-392:

167 (1) (A) "Connecticut taxable estate" means, with respect to the  
168 estates of decedents dying on or after January 1, 2005, but prior to  
169 January 1, 2010, (i) the gross estate less allowable deductions, as  
170 determined under Chapter 11 of the Internal Revenue Code, plus (ii)  
171 the aggregate amount of all Connecticut taxable gifts, as defined in  
172 section 12-643, made by the decedent for all calendar years beginning  
173 on or after January 1, 2005, but prior to January 1, 2010. The deduction

174 for state death taxes paid under Section 2058 of said code shall be  
175 disregarded.

176 (B) "Connecticut taxable estate" means, with respect to the estates of  
177 decedents dying on or after January 1, 2010, but prior to January 1,  
178 2015, (i) the gross estate less allowable deductions, as determined  
179 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate  
180 amount of all Connecticut taxable gifts, as defined in section 12-643,  
181 made by the decedent for all calendar years beginning on or after  
182 January 1, 2005. The deduction for state death taxes paid under Section  
183 2058 of said code shall be disregarded.

184 (C) "Connecticut taxable estate" means, with respect to the estates of  
185 decedents dying on or after January 1, 2015, (i) the gross estate less  
186 allowable deductions, as determined under Chapter 11 of the Internal  
187 Revenue Code, plus (ii) the aggregate amount of all Connecticut  
188 taxable gifts, as defined in section 12-643, made by the decedent for all  
189 calendar years beginning on or after January 1, 2005, other than  
190 Connecticut taxable gifts that are includable in the gross estate for  
191 federal estate tax purposes of the decedent, plus (iii) the amount of any  
192 tax paid to this state pursuant to section 12-642 by the decedent or the  
193 decedent's estate on any gift made by the decedent or the decedent's  
194 spouse during the three-year period preceding the date of the  
195 decedent's death. The deduction for state death taxes paid under  
196 Section 2058 of the Internal Revenue Code shall be disregarded.

197 (2) "Internal Revenue Code" means the Internal Revenue Code of  
198 1986, or any subsequent corresponding internal revenue code of the  
199 United States, as amended from time to time, except in the event of  
200 repeal of the federal estate tax, then all references to the Internal  
201 Revenue Code in this section shall mean the Internal Revenue Code as  
202 in force on the day prior to the effective date of such repeal.

203 (3) "Gross estate" means the gross estate, for federal estate tax  
204 purposes.

205 (d) (1) (A) With respect to the estates of decedents who die on or  
206 after January 1, 2005, but prior to January 1, 2010, a tax is imposed  
207 upon the transfer of the estate of each person who at the time of death  
208 was a resident of this state. The amount of the tax shall be determined  
209 using the schedule in subsection (g) of this section. A credit shall be  
210 allowed against such tax for any taxes paid to this state pursuant to  
211 section 12-642 for Connecticut taxable gifts made on or after January 1,  
212 2005, but prior to January 1, 2010.

213 (B) With respect to the estates of decedents who die on or after  
214 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the  
215 transfer of the estate of each person who at the time of death was a  
216 resident of this state. The amount of the tax shall be determined using  
217 the schedule in subsection (g) of this section. A credit shall be allowed  
218 against such tax for any taxes paid to this state pursuant to section 12-  
219 642 for Connecticut taxable gifts made on or after January 1, 2005,  
220 provided such credit shall not exceed the amount of tax imposed by  
221 this section.

222 (C) With respect to the estates of decedents who die on or after  
223 January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the  
224 transfer of the estate of each person who at the time of death was a  
225 resident of this state. The amount of the tax shall be determined using  
226 the schedule in subsection (g) of this section. A credit shall be allowed  
227 against such tax for (i) any taxes paid to this state pursuant to section  
228 12-642 by the decedent or the decedent's estate for Connecticut taxable  
229 gifts made on or after January 1, 2005, and (ii) any taxes paid by the  
230 decedent's spouse to this state pursuant to section 12-642 for  
231 Connecticut taxable gifts made by the decedent on or after January 1,  
232 2005, that are includable in the gross estate of the decedent, provided  
233 such credit shall not exceed the amount of tax imposed by this section.

234 (D) With respect to the estates of decedents who die on or after  
235 January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the  
236 transfer of the estate of each person who at the time of death was a



237 resident of this state. The amount of the tax shall be determined using  
238 the schedule in subsection (g) of this section. A credit shall be allowed  
239 against such tax for (i) any taxes paid to this state pursuant to section  
240 12-642 by the decedent or the decedent's estate for Connecticut taxable  
241 gifts made on or after January 1, 2005, and (ii) any taxes paid by the  
242 decedent's spouse to this state pursuant to section 12-642 for  
243 Connecticut taxable gifts made by the decedent on or after January 1,  
244 2005, that are includable in the gross estate of the decedent, provided  
245 such credit shall not exceed the amount of tax imposed by this section.  
246 In no event shall the amount of tax payable under this section exceed  
247 twenty million dollars. Such twenty-million-dollar limit shall be  
248 reduced by the amount of (I) any taxes paid to this state pursuant to  
249 section 12-642 by the decedent or the decedent's estate for Connecticut  
250 taxable gifts made on or after January 1, 2016, and (II) any taxes paid  
251 by the decedent's spouse to this state pursuant to section 12-642 for  
252 Connecticut taxable gifts made by the decedent on or after January 1,  
253 2016, that are includable in the gross estate of the decedent, but in no  
254 event shall the amount be reduced below zero.

255 (E) With respect to the estates of decedents who die on or after  
256 January 1, 2019, a tax is imposed upon the transfer of the estate of each  
257 person who at the time of death was a resident of this state. The  
258 amount of the tax shall be determined using the schedule in subsection  
259 (g) of this section. A credit shall be allowed against such tax for (i) any  
260 taxes paid to this state pursuant to section 12-642 by the decedent or  
261 the decedent's estate for Connecticut taxable gifts made on or after  
262 January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this  
263 state pursuant to section 12-642 for Connecticut taxable gifts made by  
264 the decedent on or after January 1, 2005, that are includable in the  
265 gross estate of the decedent, provided such credit shall not exceed the  
266 amount of tax imposed by this section. In no event shall the amount of  
267 tax payable under this section exceed fifteen million dollars. Such  
268 fifteen-million-dollar limit shall be reduced by the amount of (I) any  
269 taxes paid to this state pursuant to section 12-642 by the decedent or

270 the decedent's estate for Connecticut taxable gifts made on or after  
271 January 1, 2016, and (II) any taxes paid by the decedent's spouse to this  
272 state pursuant to section 12-642 for Connecticut taxable gifts made by  
273 the decedent on or after January 1, 2016, that are includable in the  
274 gross estate of the decedent, but in no event shall the amount be  
275 reduced below zero.

276 (2) If real or tangible personal property of such decedent is located  
277 outside this state, the amount of tax due under this section shall be  
278 reduced by an amount computed by multiplying the tax otherwise due  
279 pursuant to subdivision (1) of this subsection, without regard to the  
280 credit allowed for any taxes paid to this state pursuant to section 12-  
281 642, by a fraction, (A) the numerator of which is the value of that part  
282 of the decedent's gross estate attributable to real or tangible personal  
283 property located outside of the state, and (B) the denominator of which  
284 is the value of the decedent's gross estate.

285 (3) For a resident estate, the state shall have the power to levy the  
286 estate tax upon real property situated in this state, tangible personal  
287 property having an actual situs in this state and intangible personal  
288 property included in the gross estate of the decedent, regardless of  
289 where it is located. The state is permitted to calculate the estate tax and  
290 levy said tax to the fullest extent permitted by the Constitution of the  
291 United States.

292 (e) (1) (A) With respect to the estates of decedents who die on or  
293 after January 1, 2005, but prior to January 1, 2010, a tax is imposed  
294 upon the transfer of the estate of each person who at the time of death  
295 was a nonresident of this state. The amount of such tax shall be  
296 computed by multiplying (i) the amount of tax determined using the  
297 schedule in subsection (g) of this section by (ii) a fraction, the  
298 numerator of which is the value of that part of the decedent's gross  
299 estate over which this state has jurisdiction for estate tax purposes, and  
300 the denominator of which is the value of the decedent's gross estate. A  
301 credit shall be allowed against such tax for any taxes paid to this state

302 pursuant to section 12-642, for Connecticut taxable gifts made on or  
303 after January 1, 2005, but prior to January 1, 2010.

304 (B) With respect to the estates of decedents who die on or after  
305 January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the  
306 transfer of the estate of each person who at the time of death was a  
307 nonresident of this state. The amount of such tax shall be computed by  
308 multiplying (i) the amount of tax determined using the schedule in  
309 subsection (g) of this section by (ii) a fraction, the numerator of which  
310 is the value of that part of the decedent's gross estate over which this  
311 state has jurisdiction for estate tax purposes, and the denominator of  
312 which is the value of the decedent's gross estate. A credit shall be  
313 allowed against such tax for any taxes paid to this state pursuant to  
314 section 12-642, for Connecticut taxable gifts made on or after January 1,  
315 2005, provided such credit shall not exceed the amount of tax imposed  
316 by this section.

317 (C) With respect to the estates of decedents who die on or after  
318 January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the  
319 transfer of the estate of each person who at the time of death was a  
320 nonresident of this state. The amount of such tax shall be computed by  
321 multiplying (i) the amount of tax determined using the schedule in  
322 subsection (g) of this section by (ii) a fraction, the numerator of which  
323 is the value of that part of the decedent's gross estate over which this  
324 state has jurisdiction for estate tax purposes, and the denominator of  
325 which is the value of the decedent's gross estate. A credit shall be  
326 allowed against such tax for any taxes paid to this state pursuant to  
327 section 12-642 for Connecticut taxable gifts made on or after January 1,  
328 2005, provided such credit shall not exceed the amount of tax imposed  
329 by this section. In no event shall the amount of tax payable under this  
330 section exceed twenty million dollars. Such twenty-million-dollar limit  
331 shall be reduced by the amount of (I) any taxes paid to this state  
332 pursuant to section 12-642 by the decedent or the decedent's estate for  
333 Connecticut taxable gifts made on or after January 1, 2016, and (II) any  
334 taxes paid by the decedent's spouse to this state pursuant to section 12-

335 642 for Connecticut taxable gifts made by the decedent on or after  
336 January 1, 2016, that are includable in the gross estate of the decedent,  
337 but in no event shall the amount be reduced below zero.

338 (D) With respect to the estates of decedents who die on or after  
339 January 1, 2019, a tax is imposed upon the transfer of the estate of each  
340 person who at the time of death was a nonresident of this state. The  
341 amount of such tax shall be computed by multiplying the amount of  
342 tax determined using the schedule in subsection (g) of this section by a  
343 fraction, the numerator of which is the value of that part of the  
344 decedent's gross estate over which this state has jurisdiction for estate  
345 tax purposes, and the denominator of which is the value of the  
346 decedent's gross estate. A credit shall be allowed against such tax for  
347 (i) any taxes paid to this state pursuant to section 12-642 by the  
348 decedent or the decedent's estate for Connecticut taxable gifts made on  
349 or after January 1, 2005, and (ii) any taxes paid by the decedent's  
350 spouse to this state pursuant to section 12-642 for Connecticut taxable  
351 gifts made by the decedent on or after January 1, 2005, that are  
352 includable in the gross estate of the decedent, provided such credit  
353 shall not exceed the amount of tax imposed by this section. In no event  
354 shall the amount of tax payable under this section exceed fifteen  
355 million dollars. Such fifteen-million-dollar limit shall be reduced by  
356 the amount of (I) any taxes paid to this state pursuant to section 12-642  
357 by the decedent or the decedent's estate for Connecticut taxable gifts  
358 made on or after January 1, 2016, and (II) any taxes paid by the  
359 decedent's spouse to this state pursuant to section 12-642 for  
360 Connecticut taxable gifts made by the decedent on or after January 1,  
361 2016, that are includable in the gross estate of the decedent, but in no  
362 event shall the amount be reduced below zero.

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

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

374 (2) An election under said Section 2056(b)(7) may be made for state  
 375 estate tax purposes regardless of whether any such election is made for  
 376 federal estate tax purposes. The value of the gross estate shall include  
 377 the value of any property in which the decedent had a qualifying  
 378 income interest for life for which an election was made under this  
 379 subsection.

380 (g) (1) With respect to the estates of decedents dying on or after  
 381 January 1, 2005, but prior to January 1, 2010, the tax based on the  
 382 Connecticut taxable estate shall be as provided in the following  
 383 schedule:

T1	Amount of Connecticut	
T2	Taxable Estate	Rate of Tax
T3	Not over \$2,000,000	None
T4	Over \$2,000,000	
T5	but not over \$2,100,000	5.085% of the excess over \$0
T6	Over \$2,100,000	\$106,800 plus 8% of the excess
T7	but not over \$2,600,000	over \$2,100,000
T8	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T9	but not over \$3,100,000	over \$2,600,000
T10	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T11	but not over \$3,600,000	over \$3,100,000
T12	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T13	but not over \$4,100,000	over \$3,600,000
T14	Over \$4,100,000	\$290,800 plus 11.2% of the excess

T15	but not over \$5,100,000	over \$4,100,000
T16	Over \$5,100,000	\$402,800 plus 12% of the excess
T17	but not over \$6,100,000	over \$5,100,000
T18	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T19	but not over \$7,100,000	over \$6,100,000
T20	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T21	but not over \$8,100,000	over \$7,100,000
T22	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T23	but not over \$9,100,000	over \$8,100,000
T24	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T25	but not over \$10,100,000	over \$9,100,000
T26	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T27		over \$10,100,000

384       (2) With respect to the estates of decedents dying on or after January  
 385       1, 2010, but prior to January 1, 2011, the tax based on the Connecticut  
 386       taxable estate shall be as provided in the following schedule:

T28	Amount of Connecticut	
T29	Taxable Estate	Rate of Tax
T30	Not over \$3,500,000	None
T31	Over \$3,500,000	7.2% of the excess
T32	but not over \$3,600,000	over \$3,500,000
T33	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T34	but not over \$4,100,000	over \$3,600,000
T35	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T36	but not over \$5,100,000	over \$4,100,000
T37	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T38	but not over \$6,100,000	over \$5,100,000
T39	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T40	but not over \$7,100,000	over \$6,100,000
T41	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T42	but not over \$8,100,000	over \$7,100,000

T43	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T44	but not over \$9,100,000	over \$8,100,000
T45	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T46	but not over \$10,100,000	over \$9,100,000
T47	Over \$10,100,000	\$640,200 plus 12% of the excess
T48		over \$10,100,000

387       (3) With respect to the estates of decedents dying on or after January  
388       1, 2011, but prior to January 1, 2018, the tax based on the Connecticut  
389       taxable estate shall be as provided in the following schedule:

T49	Amount of Connecticut	
T50	Taxable Estate	Rate of Tax
T51	Not over \$2,000,000	None
T52	Over \$2,000,000	7.2% of the excess
T53	but not over \$3,600,000	over \$2,000,000
T54	Over \$3,600,000	\$115,200 plus 7.8% of the excess
T55	but not over \$4,100,000	over \$3,600,000
T56	Over \$4,100,000	\$154,200 plus 8.4% of the excess
T57	but not over \$5,100,000	over \$4,100,000
T58	Over \$5,100,000	\$238,200 plus 9.0% of the excess
T59	but not over \$6,100,000	over \$5,100,000
T60	Over \$6,100,000	\$328,200 plus 9.6% of the excess
T61	but not over \$7,100,000	over \$6,100,000
T62	Over \$7,100,000	\$424,200 plus 10.2% of the excess
T63	but not over \$8,100,000	over \$7,100,000
T64	Over \$8,100,000	\$526,200 plus 10.8% of the excess
T65	but not over \$9,100,000	over \$8,100,000
T66	Over \$9,100,000	\$634,200 plus 11.4% of the excess
T67	but not over \$10,100,000	over \$9,100,000
T68	Over \$10,100,000	\$748,200 plus 12% of the excess
T69		over \$10,100,000

390 (4) With respect to the estates of decedents dying on or after January  
 391 1, 2018, but prior to January 1, 2019, the tax based on the Connecticut  
 392 taxable estate shall be as provided in the following schedule:

T70	Amount of Connecticut	
T71	Taxable Estate	Rate of Tax
T72	Not over \$2,600,000	None
T73	Over \$2,600,000	7.2% of the excess
T74	but not over \$3,600,000	over \$2,600,000
T75	Over \$3,600,000	\$72,000 plus 7.8% of the excess
T76	but not over \$4,100,000	over \$3,600,000
T77	Over \$4,100,000	\$111,000 plus 8.4% of the excess
T78	but not over \$5,100,000	over \$4,100,000
T79	Over \$5,100,000	\$195,000 plus 10% of the excess
T80	but not over \$6,100,000	over \$5,100,000
T81	Over \$6,100,000	\$295,000 plus 10.4% of the excess
T82	but not over \$7,100,000	over \$6,100,000
T83	Over \$7,100,000	\$399,000 plus 10.8% of the excess
T84	but not over \$8,100,000	over \$7,100,000
T85	Over \$8,100,000	\$507,000 plus 11.2% of the excess
T86	but not over \$9,100,000	over \$8,100,000
T87	Over \$9,100,000	\$619,000 plus 11.6% of the excess
T88	but not over \$10,100,000	over \$9,100,000
T89	Over \$10,100,000	\$735,000 plus 12% of the excess
T90		over \$10,100,000

393 (5) With respect to the estates of decedents dying on or after January  
 394 1, 2019, but prior to January 1, 2020, the tax based on the Connecticut  
 395 taxable estate shall be as provided in the following schedule:

T91	Amount of Connecticut	
T92	Taxable Estate	Rate of Tax



T93	Not over \$3,600,000	None
T94	Over \$3,600,000	7.8% of the excess
T95	but not over \$4,100,000	over \$3,600,000
T96	Over \$4,100,000	\$39,000 plus 8.4% of the excess
T97	but not over \$5,100,000	over \$4,100,000
T98	Over \$5,100,000	\$123,000 plus 10% of the excess
T99	but not over \$6,100,000	over \$5,100,000
T100	Over \$6,100,000	\$223,000 plus 10.4% of the excess
T101	but not over \$7,100,000	over \$6,100,000
T102	Over \$7,100,000	\$327,000 plus 10.8% of the excess
T103	but not over \$8,100,000	over \$7,100,000
T104	Over \$8,100,000	\$435,000 plus 11.2% of the excess
T105	but not over \$9,100,000	over \$8,100,000
T106	Over \$9,100,000	\$547,000 plus 11.6% of the excess
T107	but not over \$10,100,000	over \$9,100,000
T108	Over \$10,100,000	\$663,000 plus 12% of the excess
T109		over \$10,100,000

396 (6) With respect to the estates of decedents dying on or after January  
 397 1, 2020, but prior to January 1, 2021, the tax based on the Connecticut  
 398 taxable estate shall be as provided in the following schedule:

T110	Amount of Connecticut	
T111	Taxable Estate	Rate of Tax
T112	Not over \$5,100,000	None
T113	Over \$5,100,000	10% of the excess
T114	but not over \$6,100,000	over \$5,100,000
T115	Over \$6,100,000	\$100,000 plus 10.4% of the excess
T116	but not over \$7,100,000	over \$6,100,000
T117	Over \$7,100,000	\$204,000 plus 10.8% of the excess
T118	but not over \$8,100,000	over \$7,100,000
T119	Over \$8,100,000	\$312,000 plus 11.2% of the excess
T120	but not over \$9,100,000	over \$8,100,000

T121	Over \$9,100,000	\$424,000 plus 11.6% of the excess
T122	but not over \$10,100,000	over \$9,100,000
T123	Over \$10,100,000	\$540,000 plus 12% of the excess
T124		over \$10,100,000

399 (7) With respect to the estates of decedents dying on or after January  
400 1, 2021, but prior to January 1, 2022, the tax based on the Connecticut  
401 taxable estate shall be as provided in the following schedule:

T125	Amount of Connecticut	
T126	Taxable Estate	Rate of Tax
T127	Not over \$7,100,000	None
T128	Over \$7,100,000	10.8% of the excess
T129	but not over \$8,100,000	over \$7,100,000
T130	Over \$8,100,000	\$108,000 plus 11.2% of the excess
T131	but not over \$9,100,000	over \$8,100,000
T132	Over \$9,100,000	\$220,000 plus 11.6% of the excess
T133	but not over \$10,100,000	over \$9,100,000
T134	Over \$10,100,000	\$336,000 plus 12% of the excess
T135		over \$10,100,000

402 (8) With respect to the estates of decedents dying on or after January  
403 1, 2022, but prior to January 1, 2023, the tax based on the Connecticut  
404 taxable estate shall be as provided in the following schedule:

T136	Amount of Connecticut	
T137	Taxable Estate	Rate of Tax
T138	Not over \$9,100,000	None
T139	Over \$9,100,000	11.6% of the excess
T140	but not over \$10,100,000	over \$9,100,000
T141	Over \$10,100,000	\$116,000 plus 12% of the excess
T142		over \$10,100,000

405 (9) With respect to the estates of decedents dying on or after January  
406 1, 2023, the tax based on the Connecticut taxable estate shall be as  
407 provided in the following schedule:

T143	Amount of Connecticut	
T144	Taxable Estate	Rate of Tax
T145	Not over the	None
T146	federal basic exclusion amount	
T147	Over the	12% of the excess over the
T148	federal basic exclusion amount	federal basic exclusion amount

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

412 (2) Any person required to make and file a tax return under this  
413 chapter, believing that the decedent died a nonresident of this state,  
414 may file a request for determination of domicile in writing with the  
415 Commissioner of Revenue Services, stating the specific grounds upon  
416 which the request is founded provided (A) such person has filed such  
417 return, (B) at least two hundred seventy days, but no more than three  
418 years, has elapsed since the due date of such return or, if an  
419 application for extension of time to file such return has been granted,  
420 the extended due date of such return, (C) such person has not been  
421 notified, in writing, by said commissioner that a written agreement of  
422 compromise with the taxing authorities of another jurisdiction, under  
423 section 12-395a, is being negotiated, and (D) the commissioner has not  
424 previously determined whether the decedent died a resident of this  
425 state. Not later than one hundred eighty days following receipt of such  
426 request for determination, the commissioner shall determine whether  
427 such decedent died a resident or a nonresident of this state. If the

428 commissioner commences negotiations over a written agreement of  
429 compromise with the taxing authorities of another jurisdiction after a  
430 request for determination of domicile is filed, the one-hundred-eighty-  
431 day period shall be tolled for the duration of such negotiations. When,  
432 before the expiration of such one-hundred-eighty-day period, both the  
433 commissioner and the person required to make and file a tax return  
434 under this chapter have consented in writing to the making of such  
435 determination after such time, the determination may be made at any  
436 time prior to the expiration of the period agreed upon. The period so  
437 agreed upon may be extended by subsequent agreements in writing  
438 made before the expiration of the period previously agreed upon. The  
439 commissioner shall mail notice of his proposed determination to the  
440 person required to make and file a tax return under this chapter. Such  
441 notice shall set forth briefly the commissioner's findings of fact and the  
442 basis of such proposed determination. Sixty days after the date on  
443 which it is mailed, a notice of proposed determination shall constitute  
444 a final determination unless the person required to make and file a tax  
445 return under this chapter has filed, as provided in subdivision (3) of  
446 this subsection, a written protest with the Commissioner of Revenue  
447 Services.

448 (3) On or before the sixtieth day after mailing of the proposed  
449 determination, the person required to make and file a tax return under  
450 this chapter may file with the commissioner a written protest against  
451 the proposed determination in which such person shall set forth the  
452 grounds on which the protest is based. If such a protest is filed, the  
453 commissioner shall reconsider the proposed determination and, if the  
454 person required to make and file a tax return under this chapter has so  
455 requested, may grant or deny such person or the authorized  
456 representatives of such person an oral hearing.

457 (4) Notice of the commissioner's determination shall be mailed to  
458 the person required to make and file a tax return under this chapter  
459 and such notice shall set forth briefly the commissioner's findings of  
460 fact and the basis of decision in each case decided adversely to such

461 person.

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

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

471 [(i) The tax calculated pursuant to the provisions of this section shall  
472 be reduced in an amount equal to half of the amount invested by a  
473 decedent in a private investment fund or fund of funds pursuant to  
474 subdivision (43) of section 32-39, provided (1) any such reduction shall  
475 not exceed five million dollars for any such decedent, (2) any such  
476 amount invested by the decedent shall have been invested in such  
477 fund or fund of funds for ten years or more, and (3) the aggregate  
478 amount of all taxes reduced under this subsection shall not exceed  
479 thirty million dollars.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>January 1, 2020</i>	New section
Sec. 4	<i>from passage</i>	12-391

**Statement of Purpose:**

To (1) establish a credit against the estate tax for amounts invested by a decedent in certain bonds or funds, (2) require the Commissioner of Economic and Community Development to submit legislative recommendations to establish a social impact bonding program, and (3) impose a one and one-half per cent tax on the net gain from the sale

or exchange of capital assets for certain taxpayers and dedicate such tax revenue to certain purposes.

*[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.]*