



General Assembly

Substitute Bill No. 1136

January Session, 2019



**AN ACT ESTABLISHING A CREDIT AGAINST THE ESTATE TAX AND
REQUIRING RECOMMENDATIONS FOR THE ESTABLISHMENT OF A
SOCIAL IMPACT BONDING PROGRAM.**

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, as
4 amended by this act, shall be reduced by an amount equal to two
5 hundred per cent of the amount invested by a decedent in (1) social
6 impact bonds authorized under a social impact bonding program
7 established by the Department of Economic and Community
8 Development pursuant to a general statute or public act that
9 empowers said commissioner to establish such program, (2) a venture
10 capital fund established 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 need 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. Section 12-391 of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective from passage*):

39 (a) With respect to estates of decedents who die prior to January 1,
40 2005, and except as otherwise provided in section 59 of public act 03-1
41 of the June 30 special session, a tax is imposed upon the transfer of the
42 estate of each person who at the time of death was a resident of this
43 state. The amount of the tax shall be the amount of the federal credit
44 allowable for estate, inheritance, legacy and succession taxes paid to
45 any state or the District of Columbia under the provisions of the
46 federal internal revenue code in force at the date of such decedent's
47 death in respect to any property owned by such decedent or subject to
48 such taxes as part of or in connection with the estate of such decedent.
49 If real or tangible personal property of such decedent is located outside
50 this state and is subject to estate, inheritance, legacy, or succession
51 taxes by any state or states, other than the state of Connecticut, or by

52 the District of Columbia for which such federal credit is allowable, the
53 amount of tax due under this section shall be reduced by the lesser of:
54 (1) The amount of any such taxes paid to such other state or states or
55 said district and allowed as a credit against the federal estate tax; or (2)
56 an amount computed by multiplying such federal credit by a fraction,
57 (A) the numerator of which is the value of that part of the decedent's
58 gross estate over which such other state or states or said district have
59 jurisdiction for estate tax purposes to the same extent to which this
60 state would assert jurisdiction for estate tax purposes under this
61 chapter with respect to the residents of such other state or states or
62 said district, and (B) the denominator of which is the value of the
63 decedent's gross estate. Property of a resident estate over which this
64 state has jurisdiction for estate tax purposes includes real property
65 situated in this state, tangible personal property having an actual situs
66 in this state, and intangible personal property owned by the decedent,
67 regardless of where it is located. The amount of any estate tax imposed
68 under this subsection shall also be reduced, but not below zero, by the
69 amount of any tax that is imposed under chapter 216 and that is
70 actually paid to this state.

71 (b) With respect to the estates of decedents who die prior to January
72 1, 2005, and except as otherwise provided in section 59 of public act 03-
73 1 of the June 30 special session, a tax is imposed upon the transfer of
74 the estate of each person who at the time of death was a nonresident of
75 this state, the amount of which shall be computed by multiplying (1)
76 the federal credit allowable for estate, inheritance, legacy, and
77 succession taxes paid to any state or states or the District of Columbia
78 under the provisions of the federal internal revenue code in force at the
79 date of such decedent's death in respect to any property owned by
80 such decedent or subject to such taxes as a part of or in connection
81 with the estate of such decedent by (2) a fraction, (A) the numerator of
82 which is the value of that part of the decedent's gross estate over which
83 this state has jurisdiction for estate tax purposes and (B) the
84 denominator of which is the value of the decedent's gross estate.
85 Property of a nonresident estate over which this state has jurisdiction

86 for estate tax purposes includes real property situated in this state and
87 tangible personal property having an actual situs in this state. The
88 amount of any estate tax imposed under this subsection shall also be
89 reduced, but not below zero, by the amount of any tax that is imposed
90 under chapter 216 and that is actually paid to this state.

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

92 (1) (A) "Connecticut taxable estate" means, with respect to the
93 estates of decedents dying on or after January 1, 2005, but prior to
94 January 1, 2010, (i) the gross estate less allowable deductions, as
95 determined under Chapter 11 of the Internal Revenue Code, plus (ii)
96 the aggregate amount of all Connecticut taxable gifts, as defined in
97 section 12-643, made by the decedent for all calendar years beginning
98 on or after January 1, 2005, but prior to January 1, 2010. The deduction
99 for state death taxes paid under Section 2058 of said code shall be
100 disregarded.

101 (B) "Connecticut taxable estate" means, with respect to the estates of
102 decedents dying on or after January 1, 2010, but prior to January 1,
103 2015, (i) the gross estate less allowable deductions, as determined
104 under Chapter 11 of the Internal Revenue Code, plus (ii) the aggregate
105 amount of all Connecticut taxable gifts, as defined in section 12-643,
106 made by the decedent for all calendar years beginning on or after
107 January 1, 2005. The deduction for state death taxes paid under Section
108 2058 of said code shall be disregarded.

109 (C) "Connecticut taxable estate" means, with respect to the estates of
110 decedents dying on or after January 1, 2015, (i) the gross estate less
111 allowable deductions, as determined under Chapter 11 of the Internal
112 Revenue Code, plus (ii) the aggregate amount of all Connecticut
113 taxable gifts, as defined in section 12-643, made by the decedent for all
114 calendar years beginning on or after January 1, 2005, other than
115 Connecticut taxable gifts that are includable in the gross estate for
116 federal estate tax purposes of the decedent, plus (iii) the amount of any
117 tax paid to this state pursuant to section 12-642 by the decedent or the

118 decedent's estate on any gift made by the decedent or the decedent's
119 spouse during the three-year period preceding the date of the
120 decedent's death. The deduction for state death taxes paid under
121 Section 2058 of the Internal Revenue Code shall be disregarded.

122 (2) "Internal Revenue Code" means the Internal Revenue Code of
123 1986, or any subsequent corresponding internal revenue code of the
124 United States, as amended from time to time, except in the event of
125 repeal of the federal estate tax, then all references to the Internal
126 Revenue Code in this section shall mean the Internal Revenue Code as
127 in force on the day prior to the effective date of such repeal.

128 (3) "Gross estate" means the gross estate, for federal estate tax
129 purposes.

130 (d) (1) (A) With respect to the estates of decedents who die on or
131 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
132 upon the transfer of the estate of each person who at the time of death
133 was a resident of this state. The amount of the tax shall be determined
134 using the schedule in subsection (g) of this section. A credit shall be
135 allowed against such tax for any taxes paid to this state pursuant to
136 section 12-642 for Connecticut taxable gifts made on or after January 1,
137 2005, but prior to January 1, 2010.

138 (B) With respect to the estates of decedents who die on or after
139 January 1, 2010, but prior to January 1, 2015, a tax is imposed upon the
140 transfer of the estate of each person who at the time of death was a
141 resident of this state. The amount of the tax shall be determined using
142 the schedule in subsection (g) of this section. A credit shall be allowed
143 against such tax for any taxes paid to this state pursuant to section 12-
144 642 for Connecticut taxable gifts made on or after January 1, 2005,
145 provided such credit shall not exceed the amount of tax imposed by
146 this section.

147 (C) With respect to the estates of decedents who die on or after
148 January 1, 2015, but prior to January 1, 2016, a tax is imposed upon the

149 transfer of the estate of each person who at the time of death was a
150 resident of this state. The amount of the tax shall be determined using
151 the schedule in subsection (g) of this section. A credit shall be allowed
152 against such tax for (i) any taxes paid to this state pursuant to section
153 12-642 by the decedent or the decedent's estate for Connecticut taxable
154 gifts made on or after January 1, 2005, and (ii) any taxes paid by the
155 decedent's spouse to this state pursuant to section 12-642 for
156 Connecticut taxable gifts made by the decedent on or after January 1,
157 2005, that are includable in the gross estate of the decedent, provided
158 such credit shall not exceed the amount of tax imposed by this section.

159 (D) With respect to the estates of decedents who die on or after
160 January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the
161 transfer of the estate of each person who at the time of death was a
162 resident of this state. The amount of the tax shall be determined using
163 the schedule in subsection (g) of this section. A credit shall be allowed
164 against such tax for (i) any taxes paid to this state pursuant to section
165 12-642 by the decedent or the decedent's estate for Connecticut taxable
166 gifts made on or after January 1, 2005, and (ii) any taxes paid by the
167 decedent's spouse to this state pursuant to section 12-642 for
168 Connecticut taxable gifts made by the decedent on or after January 1,
169 2005, that are includable in the gross estate of the decedent, provided
170 such credit shall not exceed the amount of tax imposed by this section.
171 In no event shall the amount of tax payable under this section exceed
172 twenty million dollars. Such twenty-million-dollar limit shall be
173 reduced by the amount of (I) any taxes paid to this state pursuant to
174 section 12-642 by the decedent or the decedent's estate for Connecticut
175 taxable gifts made on or after January 1, 2016, and (II) any taxes paid
176 by the decedent's spouse to this state pursuant to section 12-642 for
177 Connecticut taxable gifts made by the decedent on or after January 1,
178 2016, that are includable in the gross estate of the decedent, but in no
179 event shall the amount be reduced below zero.

180 (E) With respect to the estates of decedents who die on or after
181 January 1, 2019, a tax is imposed upon the transfer of the estate of each

182 person who at the time of death was a resident of this state. The
183 amount of the tax shall be determined using the schedule in subsection
184 (g) of this section. A credit shall be allowed against such tax for (i) any
185 taxes paid to this state pursuant to section 12-642 by the decedent or
186 the decedent's estate for Connecticut taxable gifts made on or after
187 January 1, 2005, and (ii) any taxes paid by the decedent's spouse to this
188 state pursuant to section 12-642 for Connecticut taxable gifts made by
189 the decedent on or after January 1, 2005, that are includable in the
190 gross estate of the decedent, provided such credit shall not exceed the
191 amount of tax imposed by this section. In no event shall the amount of
192 tax payable under this section exceed fifteen million dollars. Such
193 fifteen-million-dollar limit shall be reduced by the amount of (I) any
194 taxes paid to this state pursuant to section 12-642 by the decedent or
195 the decedent's estate for Connecticut taxable gifts made on or after
196 January 1, 2016, and (II) any taxes paid by the decedent's spouse to this
197 state pursuant to section 12-642 for Connecticut taxable gifts made by
198 the decedent on or after January 1, 2016, that are includable in the
199 gross estate of the decedent, but in no event shall the amount be
200 reduced below zero.

201 (2) If real or tangible personal property of such decedent is located
202 outside this state, the amount of tax due under this section shall be
203 reduced by an amount computed by multiplying the tax otherwise due
204 pursuant to subdivision (1) of this subsection, without regard to the
205 credit allowed for any taxes paid to this state pursuant to section 12-
206 642, by a fraction, (A) the numerator of which is the value of that part
207 of the decedent's gross estate attributable to real or tangible personal
208 property located outside of the state, and (B) the denominator of which
209 is the value of the decedent's gross estate.

210 (3) For a resident estate, the state shall have the power to levy the
211 estate tax upon real property situated in this state, tangible personal
212 property having an actual situs in this state and intangible personal
213 property included in the gross estate of the decedent, regardless of
214 where it is located. The state is permitted to calculate the estate tax and

215 levy said tax to the fullest extent permitted by the Constitution of the
216 United States.

217 (e) (1) (A) With respect to the estates of decedents who die on or
218 after January 1, 2005, but prior to January 1, 2010, a tax is imposed
219 upon the transfer of the estate of each person who at the time of death
220 was a nonresident of this state. The amount of such tax shall be
221 computed by multiplying (i) the amount of tax determined using the
222 schedule in subsection (g) of this section by (ii) a fraction, the
223 numerator of which is the value of that part of the decedent's gross
224 estate over which this state has jurisdiction for estate tax purposes, and
225 the denominator of which is the value of the decedent's gross estate. A
226 credit shall be allowed against such tax for any taxes paid to this state
227 pursuant to section 12-642, for Connecticut taxable gifts made on or
228 after January 1, 2005, but prior to January 1, 2010.

229 (B) With respect to the estates of decedents who die on or after
230 January 1, 2010, but prior to January 1, 2016, a tax is imposed upon the
231 transfer of the estate of each person who at the time of death was a
232 nonresident of this state. The amount of such tax shall be computed by
233 multiplying (i) the amount of tax determined using the schedule in
234 subsection (g) of this section by (ii) a fraction, the numerator of which
235 is the value of that part of the decedent's gross estate over which this
236 state has jurisdiction for estate tax purposes, and the denominator of
237 which is the value of the decedent's gross estate. A credit shall be
238 allowed against such tax for any taxes paid to this state pursuant to
239 section 12-642, for Connecticut taxable gifts made on or after January 1,
240 2005, provided such credit shall not exceed the amount of tax imposed
241 by this section.

242 (C) With respect to the estates of decedents who die on or after
243 January 1, 2016, but prior to January 1, 2019, a tax is imposed upon the
244 transfer of the estate of each person who at the time of death was a
245 nonresident of this state. The amount of such tax shall be computed by
246 multiplying (i) the amount of tax determined using the schedule in
247 subsection (g) of this section by (ii) a fraction, the numerator of which

248 is the value of that part of the decedent's gross estate over which this
249 state has jurisdiction for estate tax purposes, and the denominator of
250 which is the value of the decedent's gross estate. A credit shall be
251 allowed against such tax for any taxes paid to this state pursuant to
252 section 12-642 for Connecticut taxable gifts made on or after January 1,
253 2005, provided such credit shall not exceed the amount of tax imposed
254 by this section. In no event shall the amount of tax payable under this
255 section exceed twenty million dollars. Such twenty-million-dollar limit
256 shall be reduced by the amount of (I) any taxes paid to this state
257 pursuant to section 12-642 by the decedent or the decedent's estate for
258 Connecticut taxable gifts made on or after January 1, 2016, and (II) any
259 taxes paid by the decedent's spouse to this state pursuant to section 12-
260 642 for Connecticut taxable gifts made by the decedent on or after
261 January 1, 2016, that are includable in the gross estate of the decedent,
262 but in no event shall the amount be reduced below zero.

263 (D) With respect to the estates of decedents who die on or after
264 January 1, 2019, a tax is imposed upon the transfer of the estate of each
265 person who at the time of death was a nonresident of this state. The
266 amount of such tax shall be computed by multiplying the amount of
267 tax determined using the schedule in subsection (g) of this section by a
268 fraction, the numerator of which is the value of that part of the
269 decedent's gross estate over which this state has jurisdiction for estate
270 tax purposes, and the denominator of which is the value of the
271 decedent's gross estate. A credit shall be allowed against such tax for
272 (i) any taxes paid to this state pursuant to section 12-642 by the
273 decedent or the decedent's estate for Connecticut taxable gifts made on
274 or after January 1, 2005, and (ii) any taxes paid by the decedent's
275 spouse to this state pursuant to section 12-642 for Connecticut taxable
276 gifts made by the decedent on or after January 1, 2005, that are
277 includable in the gross estate of the decedent, provided such credit
278 shall not exceed the amount of tax imposed by this section. In no event
279 shall the amount of tax payable under this section exceed fifteen
280 million dollars. Such fifteen-million-dollar limit shall be reduced by
281 the amount of (I) any taxes paid to this state pursuant to section 12-642

282 by the decedent or the decedent's estate for Connecticut taxable gifts
283 made on or after January 1, 2016, and (II) any taxes paid by the
284 decedent's spouse to this state pursuant to section 12-642 for
285 Connecticut taxable gifts made by the decedent on or after January 1,
286 2016, that are includable in the gross estate of the decedent, but in no
287 event shall the amount be reduced below zero.

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

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

299 (2) An election under said Section 2056(b)(7) may be made for state
300 estate tax purposes regardless of whether any such election is made for
301 federal estate tax purposes. The value of the gross estate shall include
302 the value of any property in which the decedent had a qualifying
303 income interest for life for which an election was made under this
304 subsection.

305 (g) (1) With respect to the estates of decedents dying on or after
306 January 1, 2005, but prior to January 1, 2010, the tax based on the
307 Connecticut taxable estate shall be as provided in the following
308 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

309 (2) With respect to the estates of decedents dying on or after January
 310 1, 2010, but prior to January 1, 2011, the tax based on the Connecticut
 311 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

312 (3) With respect to the estates of decedents dying on or after January
 313 1, 2011, but prior to January 1, 2018, the tax based on the Connecticut
 314 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

315 (4) With respect to the estates of decedents dying on or after January
 316 1, 2018, but prior to January 1, 2019, the tax based on the Connecticut
 317 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

318 (5) With respect to the estates of decedents dying on or after January
 319 1, 2019, but prior to January 1, 2020, the tax based on the Connecticut
 320 taxable estate shall be as provided in the following schedule:

	Amount of Connecticut Taxable Estate	Rate of Tax
T91	Not over \$3,600,000	None
T92	Over \$3,600,000	7.8% of the excess
T93	but not over \$4,100,000	over \$3,600,000
T94	Over \$4,100,000	\$39,000 plus 8.4% of the excess
T95	but not over \$5,100,000	over \$4,100,000
T96	Over \$5,100,000	\$123,000 plus 10% of the excess
T97	but not over \$6,100,000	over \$5,100,000
T98	Over \$6,100,000	\$223,000 plus 10.4% of the excess
T99	but not over \$7,100,000	over \$6,100,000
T100	Over \$7,100,000	\$327,000 plus 10.8% of the excess
T101	but not over \$8,100,000	over \$7,100,000
T102	Over \$8,100,000	\$435,000 plus 11.2% of the excess
T103	but not over \$9,100,000	over \$8,100,000
T104	Over \$9,100,000	\$547,000 plus 11.6% of the excess
T105	but not over \$10,100,000	over \$9,100,000
T106	Over \$10,100,000	\$663,000 plus 12% of the excess
T107		over \$10,100,000

321 (6) With respect to the estates of decedents dying on or after January
 322 1, 2020, but prior to January 1, 2021, the tax based on the Connecticut
 323 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

324 (7) With respect to the estates of decedents dying on or after January
325 1, 2021, but prior to January 1, 2022, the tax based on the Connecticut
326 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

327 (8) With respect to the estates of decedents dying on or after January

1, 2022, but prior to January 1, 2023, the tax based on the Connecticut taxable estate shall be as provided in the following schedule:

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

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

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

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

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

343 years, has elapsed since the due date of such return or, if an
344 application for extension of time to file such return has been granted,
345 the extended due date of such return, (C) such person has not been
346 notified, in writing, by said commissioner that a written agreement of
347 compromise with the taxing authorities of another jurisdiction, under
348 section 12-395a, is being negotiated, and (D) the commissioner has not
349 previously determined whether the decedent died a resident of this
350 state. Not later than one hundred eighty days following receipt of such
351 request for determination, the commissioner shall determine whether
352 such decedent died a resident or a nonresident of this state. If the
353 commissioner commences negotiations over a written agreement of
354 compromise with the taxing authorities of another jurisdiction after a
355 request for determination of domicile is filed, the one-hundred-eighty-
356 day period shall be tolled for the duration of such negotiations. When,
357 before the expiration of such one-hundred-eighty-day period, both the
358 commissioner and the person required to make and file a tax return
359 under this chapter have consented in writing to the making of such
360 determination after such time, the determination may be made at any
361 time prior to the expiration of the period agreed upon. The period so
362 agreed upon may be extended by subsequent agreements in writing
363 made before the expiration of the period previously agreed upon. The
364 commissioner shall mail notice of his proposed determination to the
365 person required to make and file a tax return under this chapter. Such
366 notice shall set forth briefly the commissioner's findings of fact and the
367 basis of such proposed determination. Sixty days after the date on
368 which it is mailed, a notice of proposed determination shall constitute
369 a final determination unless the person required to make and file a tax
370 return under this chapter has filed, as provided in subdivision (3) of
371 this subsection, a written protest with the Commissioner of Revenue
372 Services.

373 (3) On or before the sixtieth day after mailing of the proposed
374 determination, the person required to make and file a tax return under
375 this chapter may file with the commissioner a written protest against
376 the proposed determination in which such person shall set forth the

377 grounds on which the protest is based. If such a protest is filed, the
378 commissioner shall reconsider the proposed determination and, if the
379 person required to make and file a tax return under this chapter has so
380 requested, may grant or deny such person or the authorized
381 representatives of such person an oral hearing.

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

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

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

396 [(i) The tax calculated pursuant to the provisions of this section shall
397 be reduced in an amount equal to half of the amount invested by a
398 decedent in a private investment fund or fund of funds pursuant to
399 subdivision (43) of section 32-39, provided (1) any such reduction shall
400 not exceed five million dollars for any such decedent, (2) any such
401 amount invested by the decedent shall have been invested in such
402 fund or fund of funds for ten years or more, and (3) the aggregate
403 amount of all taxes reduced under this subsection shall not exceed
404 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>from passage</i>	12-391

Statement of Legislative Commissioners:

In Section 1, a reference to Connecticut Innovations, Incorporated was deleted for accuracy.

FIN *Joint Favorable Subst.*