



General Assembly

**Governor's Bill No. 10**

February Session, 2018

LCO No. 358



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

SEN. LOONEY, 11<sup>th</sup> Dist.

SEN. DUFF, 25<sup>th</sup> Dist.

REP. ARESIMOWICZ, 30<sup>th</sup> Dist.

REP. RITTER M., 1<sup>st</sup> Dist.

***AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.***

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

1 Section 1. Section 3-20j of the 2018 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective from passage*):

4 (a) As used in this section, the following terms have the following  
5 meanings, unless the context clearly indicates a different meaning or  
6 intent:

7 (1) "Credit revenue bonds" means revenue bonds issued pursuant to  
8 this section;

9 (2) "Collection agent" means the financial institution acting as the

10 trustee or agent for the trustee that receives the pledged revenues  
11 directed by the state to be paid to it by taxpayers;

12 (3) "Debt service requirements" means (A) (i) principal and interest  
13 with respect to bonds, (ii) interest with respect to bond anticipation  
14 notes, and (iii) unrefunded principal with respect to bond anticipation  
15 notes, (B) the purchase price of bonds and bond anticipation notes that  
16 are subject to purchase or redemption at the option of the bondowner  
17 or noteowner, (C) the amounts, if any, required to establish or  
18 maintain reserves, sinking funds or other funds or accounts at the  
19 respective levels required to be established or maintained therein in  
20 accordance with the proceedings authorizing the issuance of bonds,  
21 (D) expenses of issuance and administration with respect to bonds and  
22 bond anticipation notes, as determined by the Treasurer, (E) the  
23 amounts, if any, becoming due and payable under a reimbursement  
24 agreement or similar agreement entered into pursuant to authority  
25 granted under the proceedings authorizing the issuance of bonds and  
26 bond anticipation notes, and (F) any other costs or expenses deemed  
27 by the Treasurer to be necessary or proper to be paid in connection  
28 with the bonds and bond anticipation notes, including, without  
29 limitation, the cost of any credit facility, including, but not limited to, a  
30 letter of credit or policy of bond insurance, issued by a financial  
31 institution pursuant to an agreement approved pursuant to the  
32 proceedings authorizing the issuance of bonds and bond anticipation  
33 notes;

34 [(4) "Dedicated savings" for a period means the amounts for such  
35 period determined by the Treasurer pursuant to subsection (n) of this  
36 section to have been saved by the issuance of credit revenue bonds;]

37 [(5)] (4) "Pledged revenues" means withholding taxes statutorily  
38 pledged to repayment of credit revenue bonds;

39 [(6)] (5) "Proceedings" means the proceedings of the State Bond  
40 Commission authorizing the issuance of bonds pursuant to this

41 section, the provisions of any resolution or trust indenture securing  
42 bonds, that are incorporated into such proceedings, the provisions of  
43 any other documents or agreements that are incorporated into such  
44 proceedings and, to the extent applicable, a certificate of determination  
45 filed by the Treasurer in accordance with this section;

46 [(7)] (6) "Trustee" means the financial institution acting as trustee  
47 under the trust indenture pursuant to which bonds or notes are issued;  
48 and

49 [(8)] (7) "Withholding taxes" means taxes required to be deducted  
50 and withheld [by employers from the wages and salaries of  
51 employees] pursuant to sections 12-705 and 12-706 and paid [by  
52 employers] to the Commissioner of Revenue Services pursuant to  
53 section 12-707 [as a credit for income taxes payable by such employees,  
54 and includes, without limitation, taxes deducted and withheld  
55 pursuant to sections 12-705 and 12-706] upon receipt by the state and  
56 including penalty and interest charges on such taxes.

57 (b) Whenever any general statute or public or special act, whether  
58 enacted before, on or after October 31, 2017, authorizes general  
59 obligation bonds of the state to be issued for any purpose, such general  
60 statute or public or special act shall be deemed to have authorized such  
61 bonds to be issued as either general obligation bonds or credit revenue  
62 bonds under this section. In no event shall the total of the principal  
63 amount of general obligation bonds and credit revenue bonds issued  
64 pursuant to the authority of any general statute or public or special act  
65 exceed the amount authorized thereunder. Except as provided for in  
66 this section, all provisions of section 3-20, except subsection (p) of said  
67 section, shall apply to such credit revenue bonds.

68 (c) Bonds issued pursuant to this section shall be special obligations  
69 of the state and shall not be payable from or charged upon any funds  
70 other than the pledged revenues or other receipts, funds or moneys  
71 pledged therefor, nor shall the state or any political subdivision thereof

72 be subject to any liability thereon, except to the extent of such pledged  
73 revenues or other receipts, funds or moneys pledged therefor as  
74 provided in this section. As part of the contract of the state with the  
75 owners of such bonds, all amounts necessary for punctual payment of  
76 principal of and interest on such bonds, and redemption premium, if  
77 any, with respect to such bonds, is hereby appropriated and the  
78 Treasurer shall pay such principal and interest and redemption  
79 premium, if any, as the same shall become due but only from such  
80 sources. The issuance of bonds issued under this section shall not  
81 directly or indirectly or contingently obligate the state or any political  
82 subdivision thereof to levy or to pledge any form of taxation whatever  
83 therefor, except for taxes included in the pledged revenues, or to make  
84 any additional appropriation for their payment. Such bonds shall not  
85 constitute a charge, lien or encumbrance, legal or equitable, upon any  
86 property of the state or of any political subdivision thereof other than  
87 the pledged revenues or other receipts, funds or moneys pledged  
88 therefor as provided in this section, and the substance of such  
89 limitation shall be plainly stated on the face of each such bond and  
90 bond anticipation note.

91 (d) The state hereby pledges all its right, title and interest to the  
92 pledged revenues to secure the due and punctual payment of the  
93 principal of and interest on the credit revenue bonds, and redemption  
94 premium, if any, with respect to such bonds. Such pledge shall secure  
95 all such credit revenue bonds equally, and such pledge is and shall be  
96 prior in interest to any other claim of any party to the pledged  
97 revenues, including any holder of general obligation bonds of the state.  
98 Such bonds also may be secured by a pledge of reserves, sinking funds  
99 and any other funds and accounts, including proceeds from  
100 investment of any of the foregoing, authorized hereby or by the  
101 proceedings authorizing the issuance of such bonds, and by moneys  
102 paid under a credit facility including, but not limited to, a letter of  
103 credit or policy of bond insurance, issued by a financial institution  
104 pursuant to an agreement authorized by such proceedings.

105 (e) The pledge of the pledged revenues under this section is made  
106 by the state by operation of law through this section, and as a statutory  
107 lien is effective without any further act or agreement by the state, and  
108 shall be valid and binding from the time the pledge is made, and any  
109 revenues or other receipts, funds or moneys so pledged and received  
110 by the state shall be subject immediately to the lien of such pledge  
111 without any physical delivery thereof or further act. The lien of any  
112 such pledge shall be valid and binding as against all parties having  
113 claims of any kind in tort, contract or otherwise against the state,  
114 irrespective of whether such parties have notice thereof.

115 (f) In the proceedings authorizing any credit revenue bonds, the  
116 state shall direct the trustee to establish one or more collection  
117 accounts with the collection agent to receive the pledged revenues and  
118 shall direct payment of the pledged revenues into such collection  
119 accounts of the collection agent. Funds in such collection accounts shall  
120 be kept separate and apart from any other funds of the state until  
121 disbursed as provided for in the proceedings authorizing such credit  
122 revenue bonds. Such proceedings shall provide that no funds from  
123 such collection accounts shall be disbursed to the control of the state  
124 until and at such times as all current claims of any trustee set out in the  
125 proceedings have been satisfied, and thereafter may be disbursed to  
126 the control of the state free and clear of any claim by the trustee or the  
127 holders of any credit revenue bonds. The agreements with the  
128 depositaries establishing the collection accounts may provide for  
129 customary settlement terms for the collection of revenues. The  
130 expenses of the state in establishing such collection accounts and  
131 directing the deposit of pledged revenues therein, including the  
132 expenses of the Department of Revenue Services and the office of the  
133 Comptroller in establishing mechanisms to verify, allocate, track and  
134 audit such accounts and the deposits therein, may be paid as costs of  
135 issuance of any bonds issued pursuant to section 3-20 or this section.

136 (g) The proceedings under which bonds are authorized to be issued,  
137 pursuant to this section, may, subject to the provisions of the general

138 statutes, contain any or all of the following:

139 (1) Covenants that confirm, as part of the contract with the holders  
140 of the credit revenue bonds, the agreements of the state set forth in  
141 subsections (d) to (f), inclusive, of this section;

142 (2) Provisions for the execution of reimbursement agreements or  
143 similar agreements in connection with credit facilities including, but  
144 not limited to, letters of credit or policies of bond insurance,  
145 remarketing agreements and agreements for the purpose of  
146 moderating interest rate fluctuations, and of such other agreements  
147 entered into pursuant to section 3-20a;

148 (3) Provisions for the collection, custody, investment, reinvestment  
149 and use of the pledged revenues or other receipts, funds or moneys  
150 pledged therefor;

151 (4) Provisions regarding the establishment and maintenance of  
152 reserves, sinking funds and any other funds and accounts as shall be  
153 approved by the State Bond Commission in such amounts as may be  
154 established by the State Bond Commission, and the regulation and  
155 disposition thereof, including requirements that any such funds and  
156 accounts be held separate from or not be commingled with other funds  
157 of the state;

158 (5) Provisions for the issuance of additional bonds on a parity with  
159 bonds theretofore issued, including establishment of coverage  
160 requirements as a condition of the issuance of such additional bonds;

161 (6) Provisions regarding the rights and remedies available in case of  
162 a default to the bondowners, or any trustee under any contract, loan  
163 agreement, document, instrument or trust indenture, including the  
164 right to appoint a trustee to represent their interests upon occurrence  
165 of an event of default, as defined in said proceedings, provided, if any  
166 bonds shall be secured by a trust indenture, the respective owners of  
167 such bonds or notes shall have no authority except as set forth in such

168 trust indenture to appoint a separate trustee to represent them, and  
169 provided further no such right or remedy shall allow principal and  
170 interest on such bonds to be accelerated; and

171 (7) Provisions or covenants of like or different character from the  
172 foregoing which are consistent with this and which the State Bond  
173 Commission determines in such proceedings are necessary, convenient  
174 or desirable to better secure the bonds, or will tend to make the bonds  
175 more marketable, and which are in the best interests of the state. Any  
176 provision which may be included in proceedings authorizing the  
177 issuance of bonds hereunder may be included in a trust indenture duly  
178 approved in accordance with this subsection which secures the bonds  
179 and any notes issued in anticipation thereof, and in such case the  
180 provisions of such indenture shall be deemed to be a part of such  
181 proceedings as though they were expressly included therein.

182 (h) Bonds issued pursuant to this section shall be secured by a trust  
183 indenture, approved by the State Bond Commission, by and between  
184 the state and a corporate trustee, which may be any trust company or  
185 bank having the powers of a trust company within or without the  
186 state. Such trust indenture may contain such provisions for protecting  
187 and enforcing the rights and remedies of the bondowners as may be  
188 reasonable and proper and not in violation of law, including covenants  
189 setting forth the duties of the state in relation to the exercise of its  
190 powers pursuant to the pledged revenues and the custody,  
191 safeguarding and application of all moneys. The state may provide by  
192 such trust indenture for the payment of the pledged revenues or other  
193 receipts, funds or moneys to the trustee under such trust indenture or  
194 to any other depository, and for the method of disbursement thereof,  
195 with such safeguards and restrictions as it may determine, but  
196 consistent with the provisions of subsections (d) to (f), inclusive, of this  
197 section.

198 (i) The Treasurer shall have power to purchase bonds of the state  
199 issued pursuant to this section out of any funds available therefor. The

200 Treasurer may hold, pledge, cancel or resell such bonds subject to and  
201 in accordance with agreements with bondowners.

202 (j) Bonds issued pursuant to this section are hereby made negotiable  
203 instruments within the meaning of and for all purposes of the Uniform  
204 Commercial Code, whether or not such bonds are of such form and  
205 character as to be negotiable instruments under the terms of the  
206 Uniform Commercial Code, subject only to the provisions of such  
207 bonds for registration.

208 (k) Any moneys held by the Treasurer or a trustee pursuant to a  
209 trust indenture with respect to bonds issued pursuant to this section,  
210 including pledged revenues, other pledged receipts, funds or moneys  
211 and proceeds from the sale of such bonds, may, pending the use or  
212 application of the proceeds thereof for an authorized purpose, be (1)  
213 invested and reinvested in such obligations, securities and investments  
214 as are set forth in subsection (f) of section 3-20 and in participation  
215 certificates in the Short Term Investment Fund created under section 3-  
216 27a, or (2) deposited or redeposited in such bank or banks as shall be  
217 provided in the resolution authorizing the issuance of such bonds, the  
218 certificate of determination authorizing issuance of such bond  
219 anticipation notes or in the indenture securing such bonds. Proceeds  
220 from investments authorized by this subsection, less amounts required  
221 under the proceedings authorizing the issuance of bonds, shall be  
222 credited to the General Fund.

223 (l) Bonds issued pursuant to this section are hereby made securities  
224 in which all public officers and public bodies of the state and its  
225 political subdivisions, all insurance companies, credit unions, building  
226 and loan associations, investment companies, banking associations,  
227 trust companies, executors, administrators, trustees and other  
228 fiduciaries and pension, profit-sharing and retirement funds may  
229 properly and legally invest funds, including capital in their control or  
230 belonging to them. Such bonds are hereby made securities which may  
231 properly and legally be deposited with and received by any state or



232 municipal officer or any agency or political subdivision of the state for  
233 any purpose for which the deposit of bonds or obligations of the state  
234 is now or may hereafter be authorized by law.

235 (m) The state covenants with the purchasers and all subsequent  
236 owners and transferees of bonds issued by the state pursuant to this  
237 section, in consideration of the acceptance of the payment for the  
238 bonds, until such bonds, together with the interest thereon, with  
239 interest on any unpaid installment of interest and all costs and  
240 expenses in connection with any action or proceeding on behalf of  
241 such owners, are fully met and discharged, or unless expressly  
242 permitted or otherwise authorized by the terms of each contract and  
243 agreement made or entered into by or on behalf of the state with or for  
244 the benefit of such owners, that the state will impose, charge, raise,  
245 levy, collect and apply the pledged revenues and other receipts, funds  
246 or moneys pledged for the payment of debt service requirements as  
247 provided in this section, in such amounts as may be necessary to pay  
248 such debt service requirements in each year in which bonds are  
249 outstanding and further, that the state (1) will not limit or alter the  
250 duties imposed on the Treasurer and other officers of the state by law  
251 and by the proceedings authorizing the issuance of bonds with respect  
252 to application of pledged revenues or other receipts, funds or moneys  
253 pledged for the payment of debt service requirements as provided in  
254 said sections; (2) will not alter the provisions establishing collection  
255 accounts with the collection agent or the direction of pledged revenues  
256 to such collection accounts, or the provisions applying such pledged  
257 revenues to the debt service requirements with respect to bonds or  
258 notes; (3) will not issue any bonds, notes or other evidences of  
259 indebtedness, other than the bonds, having any rights arising out of  
260 said sections or secured by any pledge of or other lien or charge on the  
261 pledged revenues or other receipts, funds or moneys pledged for the  
262 payment of debt service requirements as provided in said sections; (4)  
263 will not create or cause to be created any lien or charge on such  
264 pledged amounts, other than a lien or pledge created thereon pursuant

265 to said sections, provided nothing in this subsection shall prevent the  
266 state from issuing evidences of indebtedness (A) which are secured by  
267 a pledge or lien which is and shall on the face thereof be expressly  
268 subordinate and junior in all respects to every lien and pledge created  
269 by or pursuant to said sections; (B) for which the full faith and credit of  
270 the state is pledged and which are not expressly secured by any  
271 specific lien or charge on such pledged amounts; or (C) which are  
272 secured by a pledge of or lien on moneys or funds derived on or after  
273 such date as every pledge or lien thereon created by or pursuant to  
274 said sections shall be discharged and satisfied; (5) will carry out and  
275 perform, or cause to be carried out and performed, every promise,  
276 covenant, agreement or contract made or entered into by the state or  
277 on its behalf with the owners of any bonds; (6) will not in any way  
278 impair the rights, exemptions or remedies of such owners; and (7) will  
279 not limit, modify, rescind, repeal or otherwise alter the rights or  
280 obligations of the appropriate officers of the state to impose, maintain,  
281 charge or collect the taxes, fees, charges and other receipts constituting  
282 the pledged revenues as may be necessary to produce sufficient  
283 revenues to fulfill the terms of the proceedings authorizing the  
284 issuance of the bonds; and provided further the state may change the  
285 rate of withholding taxes, calculation of amounts to which the rate  
286 applies, including exemptions and deductions so long as any such  
287 change, had it been in effect, would not have reduced the withholding  
288 taxes for any twelve consecutive months within the preceding fifteen  
289 months to less than an amount three times the maximum debt service  
290 payable on bonds issued and outstanding under this section for the  
291 current or any future fiscal year. The State Bond Commission is  
292 authorized to include this covenant of the state in any agreement with  
293 the owner of any such bonds.

294 [(n) At the time of issuance of any credit revenue bonds pursuant to  
295 this section, the Treasurer shall determine the amount of principal and  
296 interest estimated to be saved by the issuance of credit revenue bonds  
297 instead of general obligation bonds, as measured by the difference

298 between the stated principal and interest payable with respect to such  
299 credit revenue bonds in each fiscal year during which bonds shall be  
300 outstanding, and the principal and interest estimated to be payable in  
301 each fiscal year during which such bonds would have been  
302 outstanding had such bonds been issued as general obligation bonds  
303 payable over the same period on the basis of equal amounts of  
304 principal stated to be due in each fiscal year, subject to any specific  
305 adjustments which the Treasurer may consider appropriate to take into  
306 account in the structure for a specific bond issue, provided in any fiscal  
307 year that the Treasurer determines there are no savings, the estimated  
308 savings shall be zero for such fiscal year. The Treasurer shall base such  
309 determination on such factors as the Treasurer shall deem relevant,  
310 which may include advice from financial advisors to the state,  
311 historical trading patterns of outstanding state general obligation  
312 bonds and spreads to common municipal bond indexes. The Treasurer  
313 shall set out such estimated savings for each fiscal year during which  
314 each issue of credit revenue bonds shall be stated to be outstanding in  
315 a bond determination which shall be filed with the State Bond  
316 Commission at or prior to the issuance of such credit revenue bonds,  
317 and such amounts shall be dedicated savings for purposes of this  
318 section.

319 (o) For each fiscal year during which credit revenue bonds shall be  
320 outstanding, there shall be transferred from the General Fund of the  
321 state to the Budget Reserve Fund established pursuant to section 4-30a,  
322 at the beginning of such fiscal year, an amount equal to the aggregate  
323 dedicated savings for all such bonds issued and to be outstanding in  
324 such fiscal year, unless the Governor declares an emergency or the  
325 existence of extraordinary circumstances, in which the provisions of  
326 section 4-85 are invoked, and at least three-fifths of the members of  
327 each chamber of the General Assembly vote to diminish such required  
328 transfer during the fiscal year for which the emergency or existence of  
329 extraordinary circumstances are determined, or in such other  
330 circumstances as may be permitted by the terms of the bonds, notes or

331 other obligations issued pursuant to this section. Amounts so  
332 transferred shall not be available for appropriation for any other  
333 purpose, but shall only be used as provided in section 4-30a.]

334 [(p)] (n) (1) Prior to July 1, 2019, net earnings of investments of  
335 proceeds of bonds issued pursuant to section 3-20 or pursuant to this  
336 section and accrued interest on the issuance of such bonds and  
337 premiums on the issuance of such bonds shall be deposited to the  
338 credit of the General Fund, after (A) payment of any expenses incurred  
339 by the Treasurer or State Bond Commission in connection with such  
340 issuance, or (B) application to interest on bonds, notes or other  
341 obligations of the state.

342 (2) On and after July 1, 2019, notwithstanding subsection (f) of  
343 section 3-20, (A) net earnings of investments of proceeds of bonds  
344 issued pursuant to section 3-20 or pursuant to this section and accrued  
345 interest on the issuance of such bonds shall be deposited to the credit  
346 of the General Fund, and (B) premiums, net of any original issue  
347 discount, on the issuance of such bonds shall, after payment of any  
348 expenses incurred by the Treasurer or State Bond Commission in  
349 connection with such issuance, be deposited at the direction of the  
350 Treasurer to the credit of an account or fund to fund all or a portion of  
351 any purpose or project authorized by the State Bond Commission  
352 pursuant to any bond act up to the amount authorized by the State  
353 Bond Commission, provided the bonds for such purpose or project are  
354 unissued, and provided further the certificate of determination the  
355 Treasurer files with the secretary of the State Bond Commission for  
356 such authorized bonds sets forth the amount of the deposit applied to  
357 fund each such purpose and project. Upon such filing, the Treasurer  
358 shall record bonds in the amount of net premiums credited to each  
359 purpose and project as set forth in the certificate of determination of  
360 the Treasurer as deemed issued and retired and the Treasurer shall not  
361 thereafter exercise authority to issue bonds in such amount for such  
362 purpose or project. Upon such recording by the Treasurer, such bonds  
363 shall be deemed to have been issued, retired and no longer authorized

364 for issuance or outstanding for the purposes of section 3-21, and for the  
365 purpose of aligning the funding of such authorized purpose and  
366 project with amounts generated by net premiums, but shall not  
367 constitute an actual bond issuance or bond retirement for any other  
368 purposes including, but not limited to, financial reporting purposes.

369 [(q)] (o) Any general obligation bonds or notes issued pursuant to  
370 section 3-20 may be refunded by credit revenue bonds or notes issued  
371 pursuant to this section, and any credit revenue bonds issued pursuant  
372 to this section may be refunded by general obligation bonds or notes  
373 issued pursuant to subsection (g) of section 3-20 in the manner, and  
374 subject to the same conditions, as set out in subsection (g) of section 3-  
375 20.

376 Sec. 2. Section 682 of public act 17-2 of the June special session is  
377 repealed and the following is substituted in lieu thereof (*Effective from*  
378 *passage*):

379 Notwithstanding the provisions of section 22a-200c of the general  
380 statutes, for the fiscal [years] year ending June 30, 2018, [and June 30,  
381 2019,] the sum of \$10,000,000 shall be transferred from the Regional  
382 Greenhouse Gas account and credited to the resources of the General  
383 Fund for [each] said fiscal year.

384 Sec. 3. Section 685 of public act 17-2 of the June special session is  
385 repealed and the following is substituted in lieu thereof (*Effective from*  
386 *passage*):

387 Notwithstanding the provisions of section 16-245n of the general  
388 statutes, for the fiscal [years] year ending June 30, 2018, [and June 30,  
389 2019,] the sum of \$14,000,000 shall be transferred from the Clean  
390 Energy Fund and credited to the resources of the General Fund for  
391 [each] said fiscal year.

392 Sec. 4. Section 687 of public act 17-2 of the June special session is  
393 repealed and the following is substituted in lieu thereof (*Effective from*

394 *passage*):

395 Notwithstanding any provision of the general statutes, the  
396 following sums shall be transferred from the Banking Fund,  
397 established pursuant to section 36a-65 of the general statutes, and  
398 credited to the resources of the General Fund: (1) For the fiscal year  
399 ending June 30, 2018, the sum of \$11,200,000; and (2) for the fiscal year  
400 ending June 30, 2019, the sum of [~~\$9,200,000~~] \$4,000,000.

401 Sec. 5. (*Effective from passage*) Notwithstanding any provision of the  
402 general statutes, on or before June 30, 2019, any funds credited to the  
403 Connecticut Itinerant Vendors Guaranty Fund established pursuant to  
404 section 21-33b of the general statutes, revision of 1958, revised to  
405 January 1, 2017, shall be credited to the resources of the General Fund  
406 for the fiscal year ending June 30, 2019.

407 Sec. 6. Section 14-50b of the general statutes is repealed and the  
408 following is substituted in lieu thereof (*Effective July 1, 2019*):

409 (a) Any person whose operator's license or right to operate a motor  
410 vehicle in this state has been suspended or revoked by the  
411 Commissioner of Motor Vehicles, or who has been disqualified from  
412 operating a commercial motor vehicle, shall pay a restoration fee of  
413 one hundred seventy-five dollars to said commissioner prior to the  
414 issuance to such person of a new operator's license or the restoration of  
415 such operator's license or such privilege to operate a motor vehicle or  
416 commercial motor vehicle. Such restoration fee shall be in addition to  
417 any other fees provided by law. [The commissioner shall deposit fifty  
418 dollars of such fee in a separate nonlapsing school bus seat belt  
419 account which shall be established within the General Fund.]

420 (b) Any person whose motor vehicle registration or right of  
421 operation of a motor vehicle in this state has been suspended or  
422 revoked by the Commissioner of Motor Vehicles shall pay a restoration  
423 fee of one hundred seventy-five dollars to said commissioner prior to  
424 the issuance to such person of a new registration or the restoration of

425 such registration or such right of operation. Such restoration fee shall  
426 be in addition to any other fees provided by law. [The commissioner  
427 shall deposit fifty dollars of such fee in the school bus seat belt account  
428 established pursuant to subsection (a) of this section.]

429 (c) Notwithstanding any provision of the general statutes, on and  
430 after July 1, 2005, the first two hundred fifty thousand dollars of  
431 revenues collected from the payment of restoration fees under this  
432 section shall be appropriated to the Department of Motor Vehicles for  
433 the payment of costs, including, but not limited to, the cost of  
434 computer reprogramming, incurred by the department in establishing  
435 procedures for the suspension of operator's licenses or nonresident  
436 operating privileges under subdivision (2) of subsection (e) of section  
437 14-227b.

438 Sec. 7. Subsection (c) of section 4-28e of the 2018 supplement to the  
439 general statutes is repealed and the following is substituted in lieu  
440 thereof (*Effective from passage*):

441 [(c) (1) (A) For the fiscal year ending June 30, 2017, disbursements  
442 from the Tobacco Settlement Fund shall be made as follows: (i) To the  
443 General Fund (I) in the amount identified as "Transfer from Tobacco  
444 Settlement Fund" in the General Fund revenue schedule adopted by  
445 the General Assembly, and (II) in an amount equal to four million  
446 dollars; and (ii) any remainder to the General Fund.]

447 [(B)] (c) For [each of] the fiscal [years] year ending June 30, 2018, and  
448 [June 30, 2019] each fiscal year thereafter, disbursements from the  
449 Tobacco Settlement Fund shall be made [as follows: (i) To] to the  
450 General Fund [(I)] in the amount identified as "Transfer from Tobacco  
451 Settlement Fund" in the General Fund revenue schedule adopted by  
452 the General Assembly. [; and (II) in an amount equal to four million  
453 dollars; and (ii) any remainder to the Tobacco and Health Trust Fund.

454 (C) For the fiscal year ending June 30, 2020, and each fiscal year  
455 thereafter, disbursements from the Tobacco Settlement Fund shall be

456 made as follows: (i) To the Tobacco and Health Trust Fund in an  
457 amount equal to six million dollars; (ii) to the General Fund (I) in the  
458 amount identified as "Transfer from Tobacco Settlement Fund" in the  
459 General Fund revenue schedule adopted by the General Assembly,  
460 and (II) in an amount equal to four million dollars; and (iii) any  
461 remainder to the Tobacco and Health Trust Fund.

462 (2) For each of the fiscal years ending June 30, 2016, and June 30,  
463 2020, to June 30, 2025, inclusive, the sum of ten million dollars shall be  
464 disbursed from the Tobacco Settlement Fund to the smart start  
465 competitive operating grant account established by section 10-507 for  
466 grants-in-aid to towns for the purpose of establishing or expanding a  
467 preschool program under the jurisdiction of the board of education for  
468 the town.]

469 Sec. 8. Section 10-507 of the 2018 supplement to the general statutes  
470 is repealed and the following is substituted in lieu thereof (*Effective*  
471 *from passage*):

472 (a) There is established an account to be known as the "smart start  
473 competitive capital grant account" which shall be a capital projects  
474 fund. The account shall contain the amounts authorized by the State  
475 Bond Commission in accordance with section 10-508 and any other  
476 moneys required by law to be deposited in the account. Moneys in the  
477 account shall be expended by the Office of Early Childhood for the  
478 purposes of the Connecticut Smart Start competitive grant program  
479 established pursuant to section 10-506.

480 (b) There is established an account to be known as the "smart start  
481 competitive operating grant account" which shall be a separate,  
482 nonlapsing account within the General Fund. The account shall  
483 contain moneys required by law to be deposited in the account. [, in  
484 accordance with the provisions of subsection (c) of section 4-28e.]  
485 Moneys in the account shall be expended by the Office of Early  
486 Childhood for the purposes of the Connecticut Smart Start competitive



487 grant program established pursuant to section 10-506.

488       Sec. 9. (*Effective from passage*) Notwithstanding any provision of the  
489 general statutes, on or before June 30, 2019, the Secretary of the Office  
490 of Policy and Management may increase by up to fifty per cent any  
491 existing state fee, provided the total amount of the increase in fees  
492 shall not exceed twenty million dollars. Not later than July 1, 2019, the  
493 secretary shall submit a list, in accordance with the provisions of  
494 section 11-4a of the general statutes, of all fees increased under this  
495 section, the amount of each such increase and all corresponding  
496 statutory and regulatory references for such fees to the joint standing  
497 committee of the General Assembly having cognizance of matters  
498 relating to finance, revenue and bonding.

499       Sec. 10. Section 12-263p of the 2018 supplement to the general  
500 statutes is repealed and the following is substituted in lieu thereof  
501 (*Effective from passage*):

502       As used in sections 12-263p to 12-263x, inclusive, unless the context  
503 otherwise requires:

504       (1) "Commissioner" means the Commissioner of Revenue Services;

505       (2) "Department" means the Department of Revenue Services;

506       (3) "Taxpayer" means any health care provider subject to any tax or  
507 fee under section 12-263q, as amended by this act, or 12-263r, as  
508 amended by this act;

509       (4) "Health care provider" means an individual or entity that  
510 receives any payment or payments for health care items or services  
511 provided;

512       (5) "Gross receipts" means the amount received, whether in cash or  
513 in kind, from patients, third-party payers and others for taxable health  
514 care items or services provided by the taxpayer in the state, including  
515 retroactive adjustments under reimbursement agreements with third-

516 party payers, without any deduction for any expenses of any kind;

517 (6) "Net revenue" means gross receipts less payer discounts, charity  
518 care and bad debts, to the extent the taxpayer previously paid tax  
519 under section 12-263q, as amended by this act, on the amount of such  
520 bad debts;

521 (7) "Payer discounts" means the difference between a health care  
522 provider's published charges and the payments received by the health  
523 care provider from one or more health care payers for a rate or method  
524 of payment that is different than or discounted from such published  
525 charges. "Payer discounts" does not include charity care or bad debts;

526 (8) "Charity care" means free or discounted health care services  
527 rendered by a health care provider to an individual who cannot afford  
528 to pay for such services, including, but not limited to, health care  
529 services provided to an uninsured patient who is not expected to pay  
530 all or part of a health care provider's bill based on income guidelines  
531 and other financial criteria set forth in the general statutes or in a  
532 health care provider's charity care policies on file at the office of such  
533 provider. "Charity care" does not include bad debts or payer discounts;

534 (9) "Received" means "received" or "accrued", construed according  
535 to the method of accounting customarily employed by the taxpayer;

536 (10) "Hospital" means any health care facility, as defined in section  
537 19a-630, that (A) is licensed by the Department of Public Health as a  
538 short-term general hospital; (B) is maintained primarily for the care  
539 and treatment of patients with disorders other than mental diseases;  
540 (C) meets the requirements for participation in Medicare as a hospital;  
541 and (D) has in effect a utilization review plan, applicable to all  
542 Medicaid patients, that meets the requirements of 42 CFR 482.30, as  
543 amended from time to time, unless a waiver has been granted by the  
544 Secretary of the United States Department of Health and Human  
545 Services;

546 (11) "Inpatient hospital services" means, in accordance with federal  
547 law, all services that are (A) ordinarily furnished in a hospital for the  
548 care and treatment of inpatients; (B) furnished under the direction of a  
549 physician or dentist; and (C) furnished in a hospital. "Inpatient  
550 hospital services" does not include skilled nursing facility services and  
551 intermediate care facility services furnished by a hospital with swing  
552 bed approval;

553 (12) "Inpatient" means a patient who has been admitted to a medical  
554 institution as an inpatient on the recommendation of a physician or  
555 dentist and who (A) receives room, board and professional services in  
556 the institution for a twenty-four-hour period or longer, or (B) is  
557 expected by the institution to receive room, board and professional  
558 services in the institution for a twenty-four-hour period or longer, even  
559 if the patient does not actually stay in the institution for a twenty-four-  
560 hour period or longer;

561 (13) "Outpatient hospital services" means, in accordance with  
562 federal law, preventive, diagnostic, therapeutic, rehabilitative or  
563 palliative services that are (A) furnished to an outpatient; (B) furnished  
564 by or under the direction of a physician or dentist; and (C) furnished  
565 by a hospital;

566 (14) "Outpatient" means a patient of an organized medical facility or  
567 a distinct part of such facility, who is expected by the facility to receive,  
568 and who does receive, professional services for less than a twenty-  
569 four-hour period regardless of the hour of admission, whether or not a  
570 bed is used or the patient remains in the facility past midnight;

571 (15) "Nursing home" means any licensed chronic and convalescent  
572 nursing home or a rest home with nursing supervision;

573 (16) "Intermediate care facility for individuals with intellectual  
574 disabilities" or "intermediate care facility" means a residential facility  
575 for persons with intellectual disability that is certified to meet the  
576 requirements of 42 CFR 442, Subpart C, as amended from time to time,

577 and, in the case of a private facility, licensed pursuant to section 17a-  
578 227;

579 (17) "Medicare day" means a day of nursing home care service  
580 provided to an individual who is eligible for payment, in full or with a  
581 coinsurance requirement, under the federal Medicare program,  
582 including fee for service and managed care coverage;

583 (18) "Nursing home resident day" means a day of nursing home care  
584 service provided to an individual and includes the day a resident is  
585 admitted and any day for which the nursing home is eligible for  
586 payment for reserving a resident's bed due to hospitalization or  
587 temporary leave and for the date of death. For purposes of this  
588 subdivision, a day of nursing home care service shall be the period of  
589 time between the census-taking hour in a nursing home on two  
590 successive calendar days. "Nursing home resident day" does not  
591 include a Medicare day or the day a resident is discharged;

592 (19) "Intermediate care facility resident day" means a day of  
593 intermediate care facility residential care provided to an individual  
594 and includes the day a resident is admitted and any day for which the  
595 intermediate care facility is eligible for payment for reserving a  
596 resident's bed due to hospitalization or temporary leave and for the  
597 date of death. For purposes of this subdivision, a day of intermediate  
598 care facility residential care shall be the period of time between the  
599 census-taking hour in a facility on two successive calendar days.  
600 "Intermediate care facility resident day" does not include the day a  
601 resident is discharged;

602 (20) "Medicaid" means the program operated by the Department of  
603 Social Services pursuant to section 17b-260 and authorized by Title XIX  
604 of the Social Security Act, as amended from time to time; [and]

605 (21) "Medicare" means the program operated by the Centers for  
606 Medicare and Medicaid Services in accordance with Title XVIII of the  
607 Social Security Act, as amended from time to time; [.]

608 (22) "Ambulatory surgical center" means any distinct entity that (A)  
609 operates exclusively for the purpose of providing surgical services to  
610 patients not requiring hospitalization and in which the expected  
611 duration of services would not exceed twenty-four hours following an  
612 admission; (B) has an agreement with the Centers for Medicare and  
613 Medicaid Services to participate in Medicare as an ambulatory surgical  
614 center; and (C) meets the general and specific conditions for  
615 participation in Medicare set forth in 42 CFR Part 416, Subparts B and  
616 C, as amended from time to time; and

617 (23) "Ambulatory surgical center services" means, in accordance  
618 with 42 CFR 433.56(a)(9), as amended from time to time, services,  
619 regardless of payer, that would be considered furnished in connection  
620 with covered surgical procedures performed in an ambulatory surgical  
621 center as provided in 42 CFR 416.164(a), as amended from time to  
622 time, for which payment would be considered to be included in the  
623 ambulatory surgical center payment established under 42 CFR 416.171,  
624 as amended from time to time, for the covered surgical procedure.  
625 "Ambulatory surgical center services" includes facility services only  
626 and does not include surgical procedures.

627 Sec. 11. Subdivision (1) of subsection (a) of section 12-263q of the  
628 2018 supplement to the general statutes is repealed and the following  
629 is substituted in lieu thereof (*Effective from passage*):

630 (a) (1) For each calendar quarter commencing on or after July 1,  
631 2017, each hospital shall pay a tax on the total net revenue received by  
632 such hospital for the provision of inpatient hospital services and  
633 outpatient hospital services. For each calendar quarter commencing on  
634 or after July 1, 2018, each ambulatory surgical center shall pay a tax on  
635 the total net revenue received by such ambulatory surgical center for  
636 the provision of ambulatory surgical center services.

637 (A) On and after July 1, 2017, [and prior to July 1, 2019,] the rate of  
638 tax for the provision of inpatient hospital services shall be six per cent

639 of each hospital's audited net revenue for fiscal year 2016 attributable  
640 to inpatient hospital services.

641 (B) On and after July 1, 2017, [and prior to July 1, 2019,] the rate of  
642 tax for the provision of outpatient hospital services shall be nine  
643 hundred million dollars less the total tax imposed on all hospitals for  
644 the provision of inpatient hospital services, which sum shall be  
645 divided by the total audited net revenue for fiscal year 2016  
646 attributable to outpatient hospital services, of all hospitals that are  
647 required to pay such tax.

648 (C) On and after July 1, [2019] 2018, the rate of tax for the provision  
649 of [inpatient hospital services and outpatient hospital services shall be  
650 three hundred eighty-four million dollars divided by the total audited  
651 net revenue for fiscal year 2016, of all hospitals that are required to pay  
652 such tax] ambulatory surgical center services shall be six per cent,  
653 except that revenue from Medicaid payments for the provision of  
654 ambulatory surgical center services shall be exempt from tax.

655 Sec. 12. Subsection (c) of section 12-263q of the 2018 supplement to  
656 the general statutes is repealed and the following is substituted in lieu  
657 thereof (*Effective from passage*):

658 (c) Prior to January 1, 2018, and every three years thereafter, the  
659 Commissioner of Social Services shall seek approval from the Centers  
660 for Medicare and Medicaid Services to exempt financially distressed  
661 hospitals from the net revenue tax imposed on outpatient hospital  
662 services. Any such hospital for which the Centers for Medicare and  
663 Medicaid Services grants an exemption shall be exempt from the net  
664 revenue tax imposed on outpatient hospital services under subsection  
665 (a) of this section. Any hospital for which the Centers for Medicare and  
666 Medicaid Services denies an exemption shall be required to pay the net  
667 revenue tax imposed on outpatient hospital services under subsection  
668 (a) of this section. For purposes of this subsection, "financially  
669 distressed hospital" means a hospital that has experienced over a five-

670 year period an average net loss of more than five per cent of aggregate  
671 revenue. A hospital has an average net loss of more than five per cent  
672 of aggregate revenue if such a loss is reflected in the five most recent  
673 years of financial reporting that have been made available by the  
674 Office of Health [Care Access] Strategy for such hospital in accordance  
675 with section 19a-670 as of the effective date of the request for approval  
676 which effective date shall be July first of the year in which the request  
677 is made.

678 Sec. 13. Subsection (a) of section 12-263r of the 2018 supplement to  
679 the general statutes is repealed and the following is substituted in lieu  
680 thereof (*Effective from passage*):

681 (a) For each calendar quarter commencing on or after July 1, 2017,  
682 there is hereby imposed a quarterly fee on each nursing home and  
683 intermediate care facility in this state, which fee shall be the product of  
684 each facility's total resident days during the calendar quarter  
685 multiplied by the user fee. Except as otherwise provided in this  
686 section, the user fee for nursing homes shall be twenty-one dollars and  
687 two cents and the user fee for intermediate care facilities shall be  
688 twenty-seven dollars and [twenty-six] seventy-six cents. As used in  
689 this subsection, "resident day" means nursing home resident day and  
690 intermediate care facility resident day, as applicable.

691 Sec. 14. Subdivision (1) of subsection (b) of section 12-263i of the  
692 2018 supplement to the general statutes is repealed and the following  
693 is substituted in lieu thereof (*Effective from passage*):

694 (b) (1) For each calendar quarter commencing on or after October 1,  
695 2015, and prior to July 1, 2018, there is hereby imposed a tax on each  
696 ambulatory surgical center in this state to be paid each calendar  
697 quarter. The tax imposed by this section shall be at the rate of six per  
698 cent of the gross receipts of each ambulatory surgical center, except  
699 that such tax shall not be imposed on any amount of such gross  
700 receipts that constitutes either (A) the first million dollars of gross

701 receipts of the ambulatory surgical center in the applicable fiscal year,  
702 or (B) net revenue of a hospital that is subject to the tax imposed under  
703 section [602 of public act 17-2 of the June special session] 12-263q, as  
704 amended by this act. Nothing in this section shall prohibit an  
705 ambulatory surgical center from seeking remuneration for the tax  
706 imposed by this section.

707 Sec. 15. Subdivision (1) of section 12-408 of the 2018 supplement to  
708 the general statutes is repealed and the following is substituted in lieu  
709 thereof (*Effective July 1, 2018, and applicable to sales occurring on or after*  
710 *July 1, 2018*):

711 (1) (A) For the privilege of making any sales, as defined in  
712 subdivision (2) of subsection (a) of section 12-407, at retail, in this state  
713 for a consideration, a tax is hereby imposed on all retailers at the rate  
714 of six and thirty-five-hundredths per cent of the gross receipts of any  
715 retailer from the sale of all tangible personal property sold at retail or  
716 from the rendering of any services constituting a sale in accordance  
717 with subdivision (2) of subsection (a) of section 12-407, except, in lieu  
718 of said rate of six and thirty-five-hundredths per cent, the rates  
719 provided in subparagraphs (B) to (H), inclusive, of this subdivision;

720 (B) (i) At a rate of [~~fifteen~~] seventeen per cent with respect to each  
721 transfer of occupancy, from the total amount of rent received by a hotel  
722 or lodging house for the first period not exceeding thirty consecutive  
723 calendar days;

724 (ii) At a rate of [~~eleven~~] thirteen per cent with respect to each  
725 transfer of occupancy, from the total amount of rent received by a bed  
726 and breakfast establishment for the first period not exceeding thirty  
727 consecutive calendar days;

728 (C) With respect to the sale of a motor vehicle to any individual who  
729 is a member of the armed forces of the United States and is on full-time  
730 active duty in Connecticut and who is considered, under 50 App USC  
731 574, a resident of another state, or to any such individual and the



732 spouse thereof, at a rate of four and one-half per cent of the gross  
733 receipts of any retailer from such sales, provided such retailer requires  
734 and maintains a declaration by such individual, prescribed as to form  
735 by the commissioner and bearing notice to the effect that false  
736 statements made in such declaration are punishable, or other evidence,  
737 satisfactory to the commissioner, concerning the purchaser's state of  
738 residence under 50 App USC 574;

739 (D) (i) With respect to the sales of computer and data processing  
740 services occurring on or after [July 1, 2000, and prior to July 1, 2001, at  
741 the rate of two per cent, on or after] July 1, 2001, at the rate of one per  
742 cent, and (ii) with respect to sales of Internet access services, on and  
743 after July 1, 2001, such services shall be exempt from such tax;

744 (E) (i) With respect to the sales of labor that is otherwise taxable  
745 under subparagraph (C) or (G) of subdivision (2) of subsection (a) of  
746 section 12-407 on existing vessels and repair or maintenance services  
747 on vessels occurring on and after July 1, 1999, such services shall be  
748 exempt from such tax;

749 (ii) With respect to the sale of a vessel, such sale shall be exempt  
750 from such tax provided such vessel is docked in this state for sixty or  
751 fewer days in a calendar year;

752 (F) With respect to patient care services for which payment is  
753 received by the hospital on or after July 1, 1999, and prior to July 1,  
754 2001, at the rate of five and three-fourths per cent and on and after July  
755 1, 2001, such services shall be exempt from such tax;

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

759 (H) With respect to the sale of (i) a motor vehicle for a sales price  
760 exceeding fifty thousand dollars, at a rate of seven and three-fourths  
761 per cent on the entire sales price, (ii) jewelry, whether real or imitation,

762 for a sales price exceeding five thousand dollars, at a rate of seven and  
763 three-fourths per cent on the entire sales price, and (iii) an article of  
764 clothing or footwear intended to be worn on or about the human body,  
765 a handbag, luggage, umbrella, wallet or watch for a sales price  
766 exceeding one thousand dollars, at a rate of seven and three-fourths  
767 per cent on the entire sales price. For purposes of this subparagraph,  
768 "motor vehicle" has the meaning provided in section 14-1, but does not  
769 include a motor vehicle subject to the provisions of subparagraph (C)  
770 of this subdivision, a motor vehicle having a gross vehicle weight  
771 rating over twelve thousand five hundred pounds, or a motor vehicle  
772 having a gross vehicle weight rating of twelve thousand five hundred  
773 pounds or less that is not used for private passenger purposes, but is  
774 designed or used to transport merchandise, freight or persons in  
775 connection with any business enterprise and issued a commercial  
776 registration or more specific type of registration by the Department of  
777 Motor Vehicles;

778 (I) The rate of tax imposed by this chapter shall be applicable to all  
779 retail sales upon the effective date of such rate, except that a new rate  
780 which represents an increase in the rate applicable to the sale shall not  
781 apply to any sales transaction wherein a binding sales contract without  
782 an escalator clause has been entered into prior to the effective date of  
783 the new rate and delivery is made within ninety days after the effective  
784 date of the new rate. For the purposes of payment of the tax imposed  
785 under this section, any retailer of services taxable under subparagraph  
786 (I) of subdivision (2) of subsection (a) of section 12-407, who computes  
787 taxable income, for purposes of taxation under the Internal Revenue  
788 Code of 1986, or any subsequent corresponding internal revenue code  
789 of the United States, as from time to time amended, on an accounting  
790 basis which recognizes only cash or other valuable consideration  
791 actually received as income and who is liable for such tax only due to  
792 the rendering of such services may make payments related to such tax  
793 for the period during which such income is received, without penalty  
794 or interest, without regard to when such service is rendered;

795 [(J) (i) For calendar quarters ending on or after September 30, 2019,  
796 the commissioner shall deposit into the regional planning incentive  
797 account, established pursuant to section 4-66k, six and seven-tenths  
798 per cent of the amounts received by the state from the tax imposed  
799 under subparagraph (B) of this subdivision and ten and seven-tenths  
800 per cent of the amounts received by the state from the tax imposed  
801 under subparagraph (G) of this subdivision;]

802 [(ii)] [(J)] For calendar [quarters] months ending on or after  
803 [September 30] August 31, 2018, the commissioner shall deposit into  
804 the Tourism Fund established under section 10-395b [ten] eleven and  
805 three-quarters per cent of the amounts received by the state from the  
806 tax imposed under subparagraph (B) of this subdivision; and

807 [(K) For calendar months commencing on or after July 1, 2019, the  
808 commissioner shall deposit into the municipal revenue sharing  
809 account established pursuant to section 4-66l seven and nine-tenths per  
810 cent of the amounts received by the state from the tax imposed under  
811 subparagraph (A) of this subdivision; and]

812 [(L)] [(K) (i) For calendar months commencing on or after July 1,  
813 2017, the commissioner shall deposit into the Special Transportation  
814 Fund established under section 13b-68 seven and nine-tenths per cent  
815 of the amounts received by the state from the tax imposed under  
816 subparagraph (A) of this subdivision;

817 (ii) For calendar months commencing on or after July 1, 2018, but  
818 prior to July 1, 2019, the commissioner shall deposit into the Special  
819 Transportation Fund established under section 13b-68 two and one-  
820 half per cent of the amounts received by the state from the tax imposed  
821 under subparagraphs (A) and (H) of this subdivision on the sale of a  
822 motor vehicle;

823 [(ii)] [(iii)] For calendar months commencing on or after July 1, [2020]  
824 2019, but prior to July 1, [2021] 2020, the commissioner shall deposit  
825 into the Special Transportation Fund established under section 13b-68

826 twenty per cent of the amounts received by the state from the tax  
827 imposed under subparagraphs (A) and (H) of this subdivision on the  
828 sale of a motor vehicle;

829 [(iii)] (iv) For calendar months commencing on or after July 1, [2021]  
830 2020, but prior to July 1, [2022] 2021, the commissioner shall deposit  
831 into the Special Transportation Fund established under section 13b-68  
832 forty per cent of the amounts received by the state from the tax  
833 imposed under subparagraphs (A) and (H) of this subdivision on the  
834 sale of a motor vehicle;

835 [(iv)] (v) For calendar months commencing on or after July 1, [2022]  
836 2021, but prior to July 1, [2023] 2022, the commissioner shall deposit  
837 into the Special Transportation Fund established under section 13b-68  
838 sixty per cent of the amounts received by the state from the tax  
839 imposed under subparagraphs (A) and (H) of this subdivision on the  
840 sale of a motor vehicle;

841 [(v)] (vi) For calendar months commencing on or after July 1, [2023]  
842 2022, but prior to July 1, [2024] 2023, the commissioner shall deposit  
843 into the Special Transportation Fund established under section 13b-68  
844 eighty per cent of the amounts received by the state from the tax  
845 imposed under subparagraphs (A) and (H) of this subdivision on the  
846 sale of a motor vehicle; and

847 [(vi)] (vii) For calendar months commencing on or after July 1,  
848 [2024] 2023, the commissioner shall deposit into the Special  
849 Transportation Fund established under section 13b-68 one hundred  
850 per cent of the amounts received by the state from the tax imposed  
851 under subparagraphs (A) and (H) of this subdivision on the sale of a  
852 motor vehicle.

853 Sec. 16. Subdivision (1) of section 12-411 of the 2018 supplement to  
854 the general statutes is repealed and the following is substituted in lieu  
855 thereof (*Effective July 1, 2018, and applicable to sales occurring on or after*  
856 *July 1, 2018*):

857 (1) (A) An excise tax is hereby imposed on the storage, acceptance,  
858 consumption or any other use in this state of tangible personal  
859 property purchased from any retailer for storage, acceptance,  
860 consumption or any other use in this state, the acceptance or receipt of  
861 any services constituting a sale in accordance with subdivision (2) of  
862 subsection (a) of section 12-407, purchased from any retailer for  
863 consumption or use in this state, or the storage, acceptance,  
864 consumption or any other use in this state of tangible personal  
865 property which has been manufactured, fabricated, assembled or  
866 processed from materials by a person, either within or without this  
867 state, for storage, acceptance, consumption or any other use by such  
868 person in this state, to be measured by the sales price of materials, at  
869 the rate of six and thirty-five-hundredths per cent of the sales price of  
870 such property or services, except, in lieu of said rate of six and thirty-  
871 five-hundredths per cent;

872 (B) (i) At a rate of [~~fifteen~~] seventeen per cent of the rent paid to a  
873 hotel or lodging house for the first period not exceeding thirty  
874 consecutive calendar days;

875 (ii) At a rate of [~~eleven~~] thirteen per cent of the rent paid to a bed  
876 and breakfast establishment for the first period not exceeding thirty  
877 consecutive calendar days;

878 (C) With respect to the storage, acceptance, consumption or use in  
879 this state of a motor vehicle purchased from any retailer for storage,  
880 acceptance, consumption or use in this state by any individual who is a  
881 member of the armed forces of the United States and is on full-time  
882 active duty in Connecticut and who is considered, under 50 App USC  
883 574, a resident of another state, or to any such individual and the  
884 spouse of such individual at a rate of four and one-half per cent of the  
885 sales price of such vehicle, provided such retailer requires and  
886 maintains a declaration by such individual, prescribed as to form by  
887 the commissioner and bearing notice to the effect that false statements  
888 made in such declaration are punishable, or other evidence,

889 satisfactory to the commissioner, concerning the purchaser's state of  
890 residence under 50 App USC 574;

891 (D) (i) With respect to the acceptance or receipt in this state of labor  
892 that is otherwise taxable under subparagraph (C) or (G) of subdivision  
893 (2) of subsection (a) of section 12-407 on existing vessels and repair or  
894 maintenance services on vessels occurring on and after July 1, 1999,  
895 such services shall be exempt from such tax;

896 (ii) With respect to the storage, acceptance or other use of a vessel in  
897 this state, such storage, acceptance or other use shall be exempt from  
898 such tax, provided such vessel is docked in this state for sixty or fewer  
899 days in a calendar year;

900 (E) (i) With respect to the acceptance or receipt in this state of  
901 computer and data processing services purchased from any retailer for  
902 consumption or use in this state occurring on or after July 1, 2001, at  
903 the rate of one per cent of such services, and (ii) with respect to the  
904 acceptance or receipt in this state of Internet access services, on and  
905 after July 1, 2001, such services shall be exempt from such tax;

906 (F) With respect to the acceptance or receipt in this state of patient  
907 care services purchased from any retailer for consumption or use in  
908 this state for which payment is received by the hospital on or after July  
909 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths  
910 per cent and on and after July 1, 2001, such services shall be exempt  
911 from such tax;

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

915 (H) With respect to the acceptance or receipt in this state of (i) a  
916 motor vehicle for a sales price exceeding fifty thousand dollars, at a  
917 rate of seven and three-fourths per cent on the entire sales price, (ii)  
918 jewelry, whether real or imitation, for a sales price exceeding five

919 thousand dollars, at a rate of seven and three-fourths per cent on the  
920 entire sales price, and (iii) an article of clothing or footwear intended to  
921 be worn on or about the human body, a handbag, luggage, umbrella,  
922 wallet or watch for a sales price exceeding one thousand dollars, at a  
923 rate of seven and three-fourths per cent on the entire sales price. For  
924 purposes of this subparagraph, "motor vehicle" has the meaning  
925 provided in section 14-1, but does not include a motor vehicle subject  
926 to the provisions of subparagraph (C) of this subdivision, a motor  
927 vehicle having a gross vehicle weight rating over twelve thousand five  
928 hundred pounds, or a motor vehicle having a gross vehicle weight  
929 rating of twelve thousand five hundred pounds or less that is not used  
930 for private passenger purposes, but is designed or used to transport  
931 merchandise, freight or persons in connection with any business  
932 enterprise and issued a commercial registration or more specific type  
933 of registration by the Department of Motor Vehicles;

934 [(I) (i) For calendar quarters ending on or after September 30, 2019,  
935 the commissioner shall deposit into the regional planning incentive  
936 account, established pursuant to section 4-66k, six and seven-tenths  
937 per cent of the amounts received by the state from the tax imposed  
938 under subparagraph (B) of this subdivision and ten and seven-tenths  
939 per cent of the amounts received by the state from the tax imposed  
940 under subparagraph (G) of this subdivision;]

941 [(ii)] (I) For calendar [quarters] months ending on or after  
942 [September 30] August 31, 2018, the commissioner shall deposit into  
943 the Tourism Fund established under section 10-395b [ten] eleven and  
944 three-quarters per cent of the amounts received by the state from the  
945 tax imposed under subparagraph (B) of this subdivision; and

946 [(J) For calendar months commencing on or after July 1, 2017, the  
947 commissioner shall deposit into said municipal revenue sharing  
948 account seven and nine-tenths per cent of the amounts received by the  
949 state from the tax imposed under subparagraph (A) of this  
950 subdivision; and]

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

955 (ii) For calendar months commencing on or after July 1, 2018, but  
956 prior to July 1, 2019, the commissioner shall deposit into the Special  
957 Transportation Fund established under section 13b-68 two and one-  
958 half per cent of the amounts received by the state from the tax imposed  
959 under subparagraphs (A) and (H) of this subdivision on the acceptance  
960 or receipt in this state of a motor vehicle;

961 [(ii)] (iii) For calendar months commencing on or after July 1, [2020]  
962 2019, but prior to July 1, [2021] 2020, the commissioner shall deposit  
963 into the Special Transportation Fund established under section 13b-68  
964 twenty per cent of the amounts received by the state from the tax  
965 imposed under subparagraphs (A) and (H) of this subdivision on the  
966 [sale] acceptance or receipt in this state of a motor vehicle;

967 [(iii)] (iv) For calendar months commencing on or after July 1, [2021]  
968 2020, but prior to July 1, [2022] 2021, the commissioner shall deposit  
969 into the Special Transportation Fund established under section 13b-68  
970 forty per cent of the amounts received by the state from the tax  
971 imposed under subparagraphs (A) and (H) of this subdivision on the  
972 [sale] acceptance or receipt in this state of a motor vehicle;

973 [(iv)] (v) For calendar months commencing on or after July 1, [2022]  
974 2021, but prior to July 1, [2023] 2022, the commissioner shall deposit  
975 into the Special Transportation Fund established under section 13b-68  
976 sixty per cent of the amounts received by the state from the tax  
977 imposed under subparagraphs (A) and (H) of this subdivision on the  
978 [sale] acceptance or receipt in this state of a motor vehicle;

979 [(v)] (vi) For calendar months commencing on or after July 1, [2023]  
980 2022, but prior to July 1, [2024] 2023, the commissioner shall deposit  
981 into the Special Transportation Fund established under section 13b-68



982 eighty per cent of the amounts received by the state from the tax  
983 imposed under subparagraphs (A) and (H) of this subdivision on the  
984 [sale] acceptance or receipt in this state of a motor vehicle; and

985 ~~[(vi)]~~ (vii) For calendar months commencing on or after July 1,  
986 ~~[2024]~~ 2023, the commissioner shall deposit into the Special  
987 Transportation Fund established under section 13b-68 one hundred  
988 per cent of the amounts received by the state from the tax imposed  
989 under subparagraphs (A) and (H) of this subdivision on the ~~[sale]~~  
990 acceptance or receipt in this state of a motor vehicle.

991 Sec. 17. Subdivision (120) of section 12-412 of the 2018 supplement  
992 to the general statutes is repealed and the following is substituted in  
993 lieu thereof (*Effective July 1, 2018, and applicable to sales occurring on or*  
994 *after July 1, 2018*):

995 (120) [On and after April 1, 2015, sales of the following  
996 nonprescription drugs or medicines available for purchase for use in or  
997 on the body: Vitamin or mineral concentrates; dietary supplements;  
998 natural or herbal drugs or medicines; products intended to be taken for  
999 coughs, cold, asthma or allergies, or antihistamines; laxatives;  
1000 antidiarrheal medicines; analgesics; antibiotic, antibacterial, antiviral  
1001 and antifungal medicines; antiseptics; astringents; anesthetics;  
1002 steroidal medicines; anthelmintics; emetics and antiemetics; antacids;  
1003 and any medication prepared to be used in the eyes, ears or nose.  
1004 Nonprescription drugs or medicines shall not include cosmetics,  
1005 dentifrices, mouthwash, shaving and hair care products, soaps or  
1006 deodorants] Sales of marijuana sold pursuant to section 21a-408d by a  
1007 licensed dispensary for palliative use, as defined in section 21a-408.

1008 Sec. 18. Subsection (b) of section 12-214 of the general statutes is  
1009 amended by adding subdivision (9) as follows (*Effective from passage*  
1010 *and applicable to income years commencing on or after January 1, 2019*):

1011 (NEW) (9) (A) With respect to income years commencing on or after  
1012 January 1, 2019, any company subject to the tax imposed in accordance

1013 with subsection (a) of this section shall pay, for such income year,  
1014 except when the tax so calculated is equal to two hundred fifty dollars,  
1015 an additional tax in an amount equal to eight per cent of the tax  
1016 calculated under said subsection (a) for such income year, without  
1017 reduction of the tax so calculated by the amount of any credit against  
1018 such tax. The additional amount of tax determined under this  
1019 subsection for any income year shall constitute a part of the tax  
1020 imposed by the provisions of said subsection (a) and shall become due  
1021 and be paid, collected and enforced as provided in this chapter.

1022 (B) Any company whose gross income for the income year was less  
1023 than one hundred million dollars shall not be subject to the additional  
1024 tax imposed under subparagraph (A) of this subdivision. This  
1025 exception shall not apply to taxable members of a combined group that  
1026 files a combined unitary tax return.

1027 Sec. 19. Subdivision (1) of subsection (k) of section 12-218e of the  
1028 general statutes is repealed and the following is substituted in lieu  
1029 thereof (*Effective from passage and applicable to income years commencing*  
1030 *on or after January 1, 2018*):

1031 (k) (1) In the case of a combined group whose unitary business is  
1032 primarily engaged in manufacturing, in no event shall the tax  
1033 calculated for a combined group on a combined unitary basis, prior to  
1034 surtax and application of credits, exceed the nexus combined base tax  
1035 described in subdivision (2) of this subsection by more than two  
1036 million five hundred thousand dollars.

1037 Sec. 20. Subparagraph (B) of subdivision (20) of subsection (a) of  
1038 section 12-701 of the 2018 supplement to the general statutes is  
1039 repealed and the following is substituted in lieu thereof (*Effective from*  
1040 *passage and applicable to taxable years commencing on or after January 1,*  
1041 *2018*):

1042 (B) There shall be subtracted therefrom:

1043 (i) [to] To the extent properly includable in gross income for federal  
1044 income tax purposes, any income with respect to which taxation by  
1045 any state is prohibited by federal law; [,]

1046 (ii) [to] To the extent allowable under section 12-718, exempt  
1047 dividends paid by a regulated investment company; [,]

1048 (iii) To the extent properly includable in gross income for federal  
1049 income tax purposes, the amount of any refund or credit for  
1050 overpayment of income taxes imposed by this state, or any other state  
1051 of the United States or a political subdivision thereof, or the District of  
1052 Columbia; [, to the extent properly includable in gross income for  
1053 federal income tax purposes,]

1054 (iv) [to] To the extent properly includable in gross income for  
1055 federal income tax purposes and not otherwise subtracted from federal  
1056 adjusted gross income pursuant to clause (x) of this subparagraph in  
1057 computing Connecticut adjusted gross income, any tier 1 railroad  
1058 retirement benefits; [,]

1059 (v) [to] To the extent any additional allowance for depreciation  
1060 under Section 168(k) of the Internal Revenue Code, as provided by  
1061 Section 101 of the Job Creation and Worker Assistance Act of 2002, for  
1062 property placed in service after December 31, 2001, but prior to  
1063 September 10, 2004, was added to federal adjusted gross income  
1064 pursuant to subparagraph (A)(ix) of this subdivision in computing  
1065 Connecticut adjusted gross income for a taxable year ending after  
1066 December 31, 2001, twenty-five per cent of such additional allowance  
1067 for depreciation in each of the four succeeding taxable years; [,]

1068 (vi) [to] To the extent properly includable in gross income for  
1069 federal income tax purposes, any interest income from obligations  
1070 issued by or on behalf of the state of Connecticut, any political  
1071 subdivision thereof, or public instrumentality, state or local authority,  
1072 district or similar public entity created under the laws of the state of  
1073 Connecticut; [,]

1074 (vii) [to] To the extent properly includable in determining the net  
1075 gain or loss from the sale or other disposition of capital assets for  
1076 federal income tax purposes, any gain from the sale or exchange of  
1077 obligations issued by or on behalf of the state of Connecticut, any  
1078 political subdivision thereof, or public instrumentality, state or local  
1079 authority, district or similar public entity created under the laws of the  
1080 state of Connecticut, in the income year such gain was recognized; [.]

1081 (viii) [any] Any interest on indebtedness incurred or continued to  
1082 purchase or carry obligations or securities the interest on which is  
1083 subject to tax under this chapter but exempt from federal income tax,  
1084 to the extent that such interest on indebtedness is not deductible in  
1085 determining federal adjusted gross income and is attributable to a  
1086 trade or business carried on by such individual; [.]

1087 (ix) [ordinary] Ordinary and necessary expenses paid or incurred  
1088 during the taxable year for the production or collection of income  
1089 which is subject to taxation under this chapter but exempt from federal  
1090 income tax, or the management, conservation or maintenance of  
1091 property held for the production of such income, and the amortizable  
1092 bond premium for the taxable year on any bond the interest on which  
1093 is subject to tax under this chapter but exempt from federal income tax,  
1094 to the extent that such expenses and premiums are not deductible in  
1095 determining federal adjusted gross income and are attributable to a  
1096 trade or business carried on by such individual; [.]

1097 (x) (I) [for taxable years commencing prior to January 1, 2019, for]  
1098 For a person who files a return under the federal income tax as an  
1099 unmarried individual whose federal adjusted gross income for such  
1100 taxable year is less than fifty thousand dollars, or as a married  
1101 individual filing separately whose federal adjusted gross income for  
1102 such taxable year is less than fifty thousand dollars, or for a husband  
1103 and wife who file a return under the federal income tax as married  
1104 individuals filing jointly whose federal adjusted gross income for such  
1105 taxable year is less than sixty thousand dollars or a person who files a

1106 return under the federal income tax as a head of household whose  
1107 federal adjusted gross income for such taxable year is less than sixty  
1108 thousand dollars, an amount equal to the Social Security benefits  
1109 includable for federal income tax purposes; and

1110 (II) [for taxable years commencing prior to January 1, 2019, for] For  
1111 a person who files a return under the federal income tax as an  
1112 unmarried individual whose federal adjusted gross income for such  
1113 taxable year is fifty thousand dollars or more, or as a married  
1114 individual filing separately whose federal adjusted gross income for  
1115 such taxable year is fifty thousand dollars or more, or for a husband  
1116 and wife who file a return under the federal income tax as married  
1117 individuals filing jointly whose federal adjusted gross income from  
1118 such taxable year is sixty thousand dollars or more or for a person who  
1119 files a return under the federal income tax as a head of household  
1120 whose federal adjusted gross income for such taxable year is sixty  
1121 thousand dollars or more, an amount equal to the difference between  
1122 the amount of Social Security benefits includable for federal income tax  
1123 purposes and the lesser of twenty-five per cent of the Social Security  
1124 benefits received during the taxable year, or twenty-five per cent of the  
1125 excess described in Section 86(b)(1) of the Internal Revenue Code;

1126 [(III) for the taxable year commencing January 1, 2019, and each  
1127 taxable year thereafter, for a person who files a return under the  
1128 federal income tax as an unmarried individual whose federal adjusted  
1129 gross income for such taxable year is less than seventy-five thousand  
1130 dollars, or as a married individual filing separately whose federal  
1131 adjusted gross income for such taxable year is less than seventy-five  
1132 thousand dollars, or for a husband and wife who file a return under  
1133 the federal income tax as married individuals filing jointly whose  
1134 federal adjusted gross income for such taxable year is less than one  
1135 hundred thousand dollars or a person who files a return under the  
1136 federal income tax as a head of household whose federal adjusted  
1137 gross income for such taxable year is less than one hundred thousand  
1138 dollars, an amount equal to the Social Security benefits includable for

1139 federal income tax purposes; and

1140 (IV) for the taxable year commencing January 1, 2019, and each  
1141 taxable year thereafter, for a person who files a return under the  
1142 federal income tax as an unmarried individual whose federal adjusted  
1143 gross income for such taxable year is seventy-five thousand dollars or  
1144 more, or as a married individual filing separately whose federal  
1145 adjusted gross income for such taxable year is seventy-five thousand  
1146 dollars or more, or for a husband and wife who file a return under the  
1147 federal income tax as married individuals filing jointly whose federal  
1148 adjusted gross income from such taxable year is one hundred  
1149 thousand dollars or more or for a person who files a return under the  
1150 federal income tax as a head of household whose federal adjusted  
1151 gross income for such taxable year is one hundred thousand dollars or  
1152 more, an amount equal to the difference between the amount of Social  
1153 Security benefits includable for federal income tax purposes and the  
1154 lesser of twenty-five per cent of the Social Security benefits received  
1155 during the taxable year, or twenty-five per cent of the excess described  
1156 in Section 86(b)(1) of the Internal Revenue Code,]

1157 (xi) [~~to~~] To the extent properly includable in gross income for  
1158 federal income tax purposes, any amount rebated to a taxpayer  
1159 pursuant to section 12-746, as amended by this act;

1160 (xii) [~~to~~] To the extent properly includable in the gross income for  
1161 federal income tax purposes of a designated beneficiary, any  
1162 distribution to such beneficiary from any qualified state tuition  
1163 program, as defined in Section 529(b) of the Internal Revenue Code,  
1164 established and maintained by this state or any official, agency or  
1165 instrumentality of the state; [ ]

1166 (xiii) [~~to~~] To the extent allowable under section 12-701a,  
1167 contributions to accounts established pursuant to any qualified state  
1168 tuition program, as defined in Section 529(b) of the Internal Revenue  
1169 Code, established and maintained by this state or any official, agency

1170 or instrumentality of the state; [,]

1171 (xiv) [to] To the extent properly includable in gross income for  
1172 federal income tax purposes, the amount of any Holocaust victims'  
1173 settlement payment received in the taxable year by a Holocaust victim;  
1174 [,]

1175 (xv) [to] To the extent properly includable in gross income for  
1176 federal income tax purposes of an account holder, as defined in section  
1177 31-51ww, interest earned on funds deposited in the individual  
1178 development account, as defined in section 31-51ww, of such account  
1179 holder; [,]

1180 (xvi) [to] To the extent properly includable in the gross income for  
1181 federal income tax purposes of a designated beneficiary, as defined in  
1182 section 3-123aa, interest, dividends or capital gains earned on  
1183 contributions to accounts established for the designated beneficiary  
1184 pursuant to the Connecticut Homecare Option Program for the Elderly  
1185 established by sections 3-123aa to 3-123ff, inclusive; [,]

1186 (xvii) [to] To the extent properly includable in gross income for  
1187 federal income tax purposes, any income received from the United  
1188 States government as retirement pay for a retired member of (I) the  
1189 Armed Forces of the United States, as defined in Section 101 of Title 10  
1190 of the United States Code, or (II) the National Guard, as defined in  
1191 Section 101 of Title 10 of the United States Code; [,]

1192 (xviii) [to] To the extent properly includable in gross income for  
1193 federal income tax purposes for the taxable year, any income from the  
1194 discharge of indebtedness in connection with any reacquisition, after  
1195 December 31, 2008, and before January 1, 2011, of an applicable debt  
1196 instrument or instruments, as those terms are defined in Section 108 of  
1197 the Internal Revenue Code, as amended by Section 1231 of the  
1198 American Recovery and Reinvestment Act of 2009, to the extent any  
1199 such income was added to federal adjusted gross income pursuant to  
1200 subparagraph (A)(xi) of this subdivision in computing Connecticut

1201 adjusted gross income for a preceding taxable year; [,]

1202 (xix) [to] To the extent not deductible in determining federal  
1203 adjusted gross income, the amount of any contribution to a  
1204 manufacturing reinvestment account established pursuant to section  
1205 32-9zz in the taxable year that such contribution is made; [,]

1206 (xx) [to] To the extent properly includable in gross income for  
1207 federal income tax purposes, (I) for the taxable year commencing  
1208 January 1, 2015, ten per cent of the income received from the state  
1209 teachers' retirement system, and (II) for the taxable [years] year  
1210 commencing January 1, 2016, [January 1, 2017, and January 1, 2018]  
1211 and each taxable year thereafter, twenty-five per cent of the income  
1212 received from the state teachers' retirement system; [, and (III) for the  
1213 taxable year commencing January 1, 2019, and each taxable year  
1214 thereafter, fifty per cent of the income received from the state teachers'  
1215 retirement system or the percentage, if applicable, pursuant to clause  
1216 (xxi) of this subparagraph,]

1217 [(xxi) to the extent properly includable in gross income for federal  
1218 income tax purposes, except for retirement benefits under clause (iv) of  
1219 this subparagraph and retirement pay under clause (xvii) of this  
1220 subparagraph, for a person who files a return under the federal income  
1221 tax as an unmarried individual whose federal adjusted gross income  
1222 for such taxable year is less than seventy-five thousand dollars, or as a  
1223 married individual filing separately whose federal adjusted gross  
1224 income for such taxable year is less than seventy-five thousand dollars,  
1225 or as a head of household whose federal adjusted gross income for  
1226 such taxable year is less than seventy-five thousand dollars, or for a  
1227 husband and wife who file a return under the federal income tax as  
1228 married individuals filing jointly whose federal adjusted gross income  
1229 for such taxable year is less than one hundred thousand dollars, (I) for  
1230 the taxable year commencing January 1, 2019, fourteen per cent of any  
1231 pension or annuity income, (II) for the taxable year commencing  
1232 January 1, 2020, twenty-eight per cent of any pension or annuity



1233 income, (III) for the taxable year commencing January 1, 2021, forty-  
1234 two per cent of any pension or annuity income, (IV) for the taxable  
1235 year commencing January 1, 2022, fifty-six per cent of any pension or  
1236 annuity income, (V) for the taxable year commencing January 1, 2023,  
1237 seventy per cent of any pension or annuity income, (VI) for the taxable  
1238 year commencing January 1, 2024, eighty-four per cent of any pension  
1239 or annuity income, and (VII) for the taxable year commencing January  
1240 1, 2025, any pension or annuity income,]

1241 [(xxii) the] (xxi) The amount of lost wages and medical, travel and  
1242 housing expenses, not to exceed ten thousand dollars in the aggregate,  
1243 incurred by a taxpayer during the taxable year in connection with the  
1244 donation to another person of an organ for organ transplantation  
1245 occurring on or after January 1, 2017; [,] and

1246 [(xxiii) to] (xxii) To the extent properly includable in gross income  
1247 for federal income tax purposes, the amount of any financial assistance  
1248 received from the Crumbling Foundations Assistance Fund or paid to  
1249 or on behalf of the owner of a residential building pursuant to sections  
1250 8-442 and 8-443.

1251 Sec. 21. Section 12-296 of the 2018 supplement to the general statutes  
1252 is repealed and the following is substituted in lieu thereof (*Effective July*  
1253 *1, 2018, and applicable to sales occurring on or after July 1, 2018*):

1254 A tax is imposed on all cigarettes held in this state by any person for  
1255 sale, such tax to be at the rate of [two hundred seventeen and one-half]  
1256 two hundred thirty mills for each cigarette and the payment thereof  
1257 shall be for the account of the purchaser or consumer of such cigarettes  
1258 and shall be evidenced by the affixing of stamps to the packages  
1259 containing the cigarettes as provided in this chapter. Any tax imposed  
1260 under this chapter shall be reduced by fifty per cent for any product  
1261 the Secretary of the United States Department of Health and Human  
1262 Services determines to be a modified risk tobacco product pursuant to  
1263 21 USC 387k, as amended from time to time.

1264 Sec. 22. Section 12-316 of the 2018 supplement to the general statutes  
1265 is repealed and the following is substituted in lieu thereof (*Effective July*  
1266 *1, 2018*):

1267 A tax is hereby imposed at the rate of [two hundred seventeen and  
1268 one-half] two hundred thirty mills for each cigarette upon the storage  
1269 or use within this state of any unstamped cigarettes in the possession  
1270 of any person other than a licensed distributor or dealer, or a carrier  
1271 for transit from without this state to a licensed distributor or dealer  
1272 within this state. Any person, including distributors, dealers, carriers,  
1273 warehousemen and consumers, last having possession of unstamped  
1274 cigarettes in this state shall be liable for the tax on such cigarettes if  
1275 such cigarettes are unaccounted for in transit, storage or otherwise,  
1276 and in such event a presumption shall exist for the purpose of taxation  
1277 that such cigarettes were used and consumed in Connecticut.

1278 Sec. 23. (*Effective from passage*) (a) An excise tax is hereby imposed  
1279 upon each distributor and each dealer, as each is defined in section 12-  
1280 285 of the general statutes and licensed pursuant to chapter 214 of the  
1281 general statutes, in the amount of twelve and one-half mills per  
1282 cigarette, as defined in section 12-285 of the general statutes, in such  
1283 distributor's or such dealer's inventory as of the close of business on  
1284 June 30, 2018, or, if the business closes after eleven fifty-nine o'clock  
1285 p.m. on said date, at eleven fifty-nine o'clock p.m. on said date.

1286 (b) Each such licensed distributor or dealer shall, not later than  
1287 August 15, 2018, file with the Commissioner of Revenue Services, on  
1288 forms prescribed by said commissioner, a report that shows the  
1289 number of cigarettes in inventory as of the close of business on June 30,  
1290 2018, or, if the business closes after eleven fifty-nine o'clock p.m. on  
1291 said date, at eleven fifty-nine o'clock p.m. on said date, upon which  
1292 inventory the tax under subsection (a) of this section shall be imposed.  
1293 The tax shall be due and payable on the due date of such report. If any  
1294 distributor or dealer required to file a report pursuant to this section  
1295 fails to file such report on or before August 15, 2018, the commissioner

1296 shall make an estimate of the number of cigarettes in such distributor's  
1297 or dealer's inventory as of the close of business on June 30, 2018, based  
1298 upon any information that is in the commissioner's possession or that  
1299 may come into the commissioner's possession. The provisions of  
1300 chapter 214 of the general statutes pertaining to failure to file returns,  
1301 examination of returns by the commissioner, the issuance of deficiency  
1302 assessments or assessments where no return has been filed, the  
1303 collection of tax, the imposition of penalties and the accrual of interest  
1304 shall apply to the distributors and dealers required to pay the tax  
1305 imposed under this section. Failure of any distributor or dealer to file  
1306 such report when due shall be sufficient reason to revoke such  
1307 distributor's or dealer's license under the provisions of said chapter 214  
1308 and to revoke any other state license or permit issued by the  
1309 Department of Revenue Services and held by such distributor or  
1310 dealer. If, in the discretion of the commissioner, the enforcement of this  
1311 section would otherwise be adversely affected, the commissioner shall  
1312 not renew the dealer's license of any dealer who fails to file such  
1313 report, or the distributor's license of any distributor who fails to file  
1314 such report, until such report is filed.

1315 Sec. 24. Subdivision (2) of subsection (a) of section 12-330c of the  
1316 2018 supplement to the general statutes is repealed and the following  
1317 is substituted in lieu thereof (*Effective July 1, 2018, and applicable to sales*  
1318 *occurring on or after July 1, 2018*):

1319 (2) Notwithstanding the provisions of subdivision (1) of this  
1320 subsection, in the case of cigars the tax shall not exceed one dollar and  
1321 fifty cents per cigar.

1322 Sec. 25. (NEW) (*Effective July 1, 2018, and applicable to sales occurring*  
1323 *on or after July 1, 2018*) (a) As used in this section:

1324 (1) "Electronic nicotine delivery system" means an electronic device  
1325 that may be used to simulate smoking in the delivery of nicotine or  
1326 other substances to a person inhaling from the device, and includes,

1327 but is not limited to, an electronic cigarette, electronic cigar, electronic  
1328 cigarillo, electronic pipe or electronic hookah and any related device  
1329 and any cartridge or other component of such device;

1330 (2) "Liquid nicotine container" means a container that holds a liquid  
1331 substance containing nicotine that is sold, marketed or intended for  
1332 use in an electronic nicotine delivery system or vapor product. "Liquid  
1333 nicotine container" does not include such a container that is prefilled  
1334 and sealed by the manufacturer and not intended to be opened by the  
1335 consumer;

1336 (3) "Vapor product" means any product that employs a heating  
1337 element, power source, electronic circuit or other electronic, chemical  
1338 or mechanical means, regardless of shape or size, to produce a vapor  
1339 that may or may not include nicotine, that is inhaled by the user of  
1340 such product, but shall not include a medicinal or therapeutic product  
1341 used by a (A) licensed health care provider to treat a patient in a health  
1342 care setting, or (B) a patient, as prescribed or directed by a licensed  
1343 health care provider in any setting;

1344 (4) "Electronic cigarette liquid" means a liquid that, when used in an  
1345 electronic nicotine delivery system or vapor product, produces a vapor  
1346 that may or may not include nicotine and is inhaled by the user of such  
1347 electronic nicotine delivery system or vapor product;

1348 (5) "Electronic cigarette product" includes any electronic nicotine  
1349 delivery system, liquid nicotine container, vapor product and  
1350 electronic cigarette liquid;

1351 (6) "Electronic cigarette wholesaler" means any person engaged in  
1352 the business of selling at wholesale any electronic cigarette product in  
1353 the state or any person who purchases for sale an untaxed electronic  
1354 cigarette product at a wholesale sales price from an electronic cigarette  
1355 wholesaler;

1356 (7) "Wholesale sales price" means the price of an electronic cigarette

1357 product or, if no price has been set, the wholesale value of such  
1358 product;

1359 (8) "Sale" means any transfer of title or possession or both, exchange,  
1360 barter, distribution or gift of an electronic cigarette product, with or  
1361 without consideration;

1362 (9) "Commissioner" means the Commissioner of Revenue Services;  
1363 and

1364 (10) "Department" means the Department of Revenue Services.

1365 (b) For each calendar month commencing on and after July 1, 2018, a  
1366 tax is hereby imposed on each electronic cigarette wholesaler at the  
1367 rate of seventy-five per cent of the wholesale sales price of electronic  
1368 cigarette products sold in the state by such wholesaler. Such tax shall  
1369 not be imposed on any electronic cigarette product that is (1) exported  
1370 from the state, or (2) not subject to taxation by the state pursuant to  
1371 any laws of the United States.

1372 (c) Each electronic cigarette wholesaler shall file with the  
1373 commissioner, on or before the last day of each month, a report for the  
1374 calendar month immediately preceding in such form and containing  
1375 such information as the commissioner prescribes. The return shall be  
1376 accompanied by a payment of the amount of the tax shown to be due  
1377 thereon. Each electronic cigarette wholesaler shall file such return  
1378 electronically with the department and make such payment by  
1379 electronic funds transfer in the manner provided by chapter 228g of  
1380 the general statutes, irrespective of whether the electronic cigarette  
1381 wholesaler would otherwise have been required to file such return  
1382 electronically or to make such payment by electronic funds transfer  
1383 under the provisions of said chapter.

1384 (d) If any person fails to pay the amount of tax reported due on its  
1385 report within the time specified under this section, there shall be  
1386 imposed a penalty equal to ten per cent of such amount due and

1387 unpaid, or fifty dollars, whichever is greater. Such amount shall bear  
1388 interest at the rate of one per cent per month or fraction thereof, from  
1389 the due date of such tax until the date of payment. Subject to the  
1390 provisions of section 12-3a of the general statutes, the commissioner  
1391 may waive all or part of the penalties provided under this section  
1392 when it is proven to the commissioner's satisfaction that the failure to  
1393 pay any tax was due to reasonable cause and was not intentional or  
1394 due to neglect.

1395 (e) Each person, other than an electronic cigarette wholesaler, who is  
1396 required, on behalf of an electronic cigarette wholesaler, to collect,  
1397 truthfully account for and pay over the tax imposed on such electronic  
1398 cigarette wholesaler under this section and who wilfully fails to collect  
1399 such tax or truthfully account for and pay over such tax or who  
1400 wilfully attempts in any manner to evade or defeat the tax or the  
1401 payment thereof, shall, in addition to other penalties provided by law,  
1402 be liable for a penalty equal to the total amount of the tax evaded, or  
1403 not collected, or not accounted for and paid over, including any  
1404 penalty or interest attributable to such wilful failure to collect or  
1405 truthfully account for and pay over such tax or such wilful attempt to  
1406 evade or defeat such tax, provided such penalty shall only be imposed  
1407 against such person in the event that such tax, penalty or interest  
1408 cannot otherwise be collected from the electronic cigarette wholesaler  
1409 itself. The amount of such penalty with respect to which a person may  
1410 be personally liable under this section shall be collected in accordance  
1411 with section 12-555a of the general statutes and any amount so  
1412 collected shall be allowed as a credit against the amount of such tax,  
1413 penalty or interest due and owing from the electronic cigarette  
1414 wholesaler. The dissolution of the electronic cigarette wholesaler shall  
1415 not discharge any person in relation to any personal liability under this  
1416 section for wilful failure to collect or truthfully account for and pay  
1417 over such tax or for a wilful attempt to evade or defeat such tax prior  
1418 to dissolution, except as otherwise provided in this section. For  
1419 purposes of this section, "person" includes any individual, corporation,

1420 limited liability company or partnership and any officer or employee  
1421 of any corporation, including a dissolved corporation, and a member  
1422 or employee of any partnership or limited liability company who, as  
1423 such officer, employee or member, is under a duty to file a tax return  
1424 under this section on behalf of an electronic cigarette wholesaler or to  
1425 collect or truthfully account for and pay over the tax imposed under  
1426 this section on behalf of an electronic cigarette wholesaler.

1427 (f) No tax credit or credits shall be allowable against the tax  
1428 imposed under this section.

1429 (g) The provisions of sections 12-550 to 12-554, inclusive, and 12-  
1430 555a of the general statutes shall apply to the provisions of this section  
1431 in the same manner and with the same force and effect as if the  
1432 language of said sections had been incorporated in full into this section  
1433 and had expressly referred to the tax under this section, except to the  
1434 extent that any provision is inconsistent with a provision in this  
1435 section.

1436 (h) The commissioner may adopt regulations, in accordance with  
1437 the provisions of chapter 54 of the general statutes, to implement the  
1438 provisions of this section.

1439 Sec. 26. Section 12-494 of the general statutes is repealed and the  
1440 following is substituted in lieu thereof (*Effective July 1, 2018, and*  
1441 *applicable to conveyances occurring on or after July 1, 2018*):

1442 (a) There is imposed a tax on each deed, instrument or writing,  
1443 whereby any lands, tenements or other realty is granted, assigned,  
1444 transferred or otherwise conveyed to, or vested in, the purchaser, or  
1445 any other person by such purchaser's direction, when the  
1446 consideration for the interest or property conveyed equals or exceeds  
1447 two thousand dollars, (1) subject to the provisions of subsection (b) of  
1448 this section, at the rate of [three-quarters] eighty-five-hundredths of  
1449 one per cent of the consideration for the interest in real property  
1450 conveyed by such deed, instrument or writing, the revenue from

1451 which shall be remitted by the town clerk of the municipality in which  
1452 such tax is paid, not later than ten days following receipt thereof, to the  
1453 Commissioner of Revenue Services for deposit to the credit of the state  
1454 General Fund, and (2) at the rate of one-fourth of one per cent of the  
1455 consideration for the interest in real property conveyed by such deed,  
1456 instrument or writing, provided the amount imposed under this  
1457 subdivision shall become part of the general revenue of the  
1458 municipality in accordance with section 12-499.

1459 (b) The rate of tax imposed under subdivision (1) of subsection (a) of  
1460 this section shall, in lieu of the rate under said subdivision (1), be  
1461 imposed on certain conveyances as follows: (1) In the case of any  
1462 conveyance of real property which at the time of such conveyance is  
1463 used for any purpose other than residential use, except unimproved  
1464 land, the tax under said subdivision (1) shall be imposed at the rate of  
1465 [~~one and one-quarter~~] one and forty-hundredths per cent of the  
1466 consideration for the interest in real property conveyed; (2) in the case  
1467 of any conveyance in which the real property conveyed is a residential  
1468 estate, including a primary dwelling and any auxiliary housing or  
1469 structures, regardless of the number of deeds, instruments or writings  
1470 used to convey such residential real estate, for which the consideration  
1471 or aggregate consideration, as the case may be, in such conveyance is  
1472 eight hundred thousand dollars or more, the tax under said  
1473 subdivision (1) shall be imposed (A) at the rate of [~~three-quarters~~] eighty-five-hundredths  
1474 of one per cent on that portion of such  
1475 consideration up to and including the amount of eight hundred  
1476 thousand dollars, and (B) at the rate of [~~one and one-quarter~~] one and  
1477 forty-hundredths per cent on that portion of such consideration in  
1478 excess of eight hundred thousand dollars; and (3) in the case of any  
1479 conveyance in which real property on which mortgage payments have  
1480 been delinquent for not less than six months is conveyed to a financial  
1481 institution or its subsidiary which holds such a delinquent mortgage  
1482 on such property, the tax under said subdivision (1) shall be imposed  
1483 at the rate of [~~three-quarters~~] eight-five-hundredths of one per cent of



1484 the consideration for the interest in real property conveyed. For the  
1485 purposes of subdivision (1) of this subsection, "unimproved land"  
1486 includes land designated as farm, forest or open space land.

1487 (c) In addition to the tax imposed under subsection (a) of this  
1488 section, any targeted investment community, as defined in section 32-  
1489 222, or any municipality in which properties designated as  
1490 manufacturing plants under section 32-75c are located, may, on or after  
1491 March 15, 2003, impose an additional tax on each deed, instrument or  
1492 writing, whereby any lands, tenements or other realty is granted,  
1493 assigned, transferred or otherwise conveyed to, or vested in, the  
1494 purchaser [,] or any other person by [his] the purchaser's direction,  
1495 when the consideration for the interest or property conveyed equals or  
1496 exceeds two thousand dollars, which additional tax shall be at a rate of  
1497 up to one-fourth of one per cent of the consideration for the interest in  
1498 real property conveyed by such deed, instrument or writing. The  
1499 revenue from such additional tax shall become part of the general  
1500 revenue of the municipality in accordance with section 12-499.

1501 Sec. 27. Section 22a-243 of the general statutes is repealed and the  
1502 following is substituted in lieu thereof (*Effective October 1, 2018*):

1503 For purposes of sections 22a-243 to 22a-245c, inclusive:

1504 (1) "Carbonated beverage" means beer or other malt beverages, and  
1505 mineral waters, soda water and similar carbonated soft drinks in liquid  
1506 form and intended for human consumption;

1507 (2) "Noncarbonated beverage" means any juice, juice drink, sports  
1508 drink, tea, coffee or water, including flavored water, nutritionally  
1509 enhanced water and any beverage that is identified through the use of  
1510 letters, words or symbols on such beverage's product label as a type of  
1511 juice, juice drink, sports drink, tea, coffee or water, but excluding [juice  
1512 and] mineral water;

1513 (3) "Alcoholic beverage" means any wine or liquor, as those terms

1514 are defined in section 12-433;

1515 [(3)] (4) "Beverage container" means the individual, separate, sealed  
1516 glass, metal or plastic bottle, can, jar or carton containing a carbonated  
1517 [or] beverage, a noncarbonated beverage or an alcoholic beverage, but  
1518 does not include a bottle, can, jar or carton (A) three liters or more in  
1519 size if containing a noncarbonated beverage, [or] (B) less than fifty  
1520 milliliters or more than two liters in size if containing an alcoholic  
1521 beverage, or (C) made of high-density polyethylene;

1522 [(4)] (5) "Consumer" means every person who purchases a beverage  
1523 in a beverage container for use or consumption;

1524 [(5)] (6) "Dealer" means every person who engages in the sale of  
1525 beverages in beverage containers to a consumer;

1526 [(6)] (7) "Distributor" means every person who engages in the sale of  
1527 beverages in beverage containers to a dealer in this state including any  
1528 manufacturer who engages in such sale and includes a dealer who  
1529 engages in the sale of beverages in beverage containers on which no  
1530 deposit has been collected prior to retail sale;

1531 [(7)] (8) "Manufacturer" means every person bottling, canning or  
1532 otherwise filling beverage containers for sale to distributors or dealers  
1533 or, in the case of private label brands, the owner of the private label  
1534 trademark;

1535 [(8)] (9) "Place of business of a dealer" means the fixed location at  
1536 which a dealer sells or offers for sale beverages in beverage containers  
1537 to consumers;

1538 [(9)] (10) "Redemption center" means any facility established to  
1539 redeem empty beverage containers from consumers or to collect and  
1540 sort empty beverage containers from dealers and to prepare such  
1541 containers for redemption by the appropriate distributors;

1542 [(10)] (11) "Use or consumption" includes the exercise of any right or

1543 power over a beverage incident to the ownership thereof, other than  
1544 the sale or the keeping or retention of a beverage for the purposes of  
1545 sale;

1546 [(11)] (12) "Nonrefillable beverage container" means a beverage  
1547 container [which] that is not designed to be refilled and reused in its  
1548 original shape; [and]

1549 [(12)] (13) "Deposit initiator" means the first distributor to collect the  
1550 deposit on a beverage container sold to any person within this state.

1551 Sec. 28. Section 22a-244 of the general statutes is repealed and the  
1552 following is substituted in lieu thereof (*Effective October 1, 2018*):

1553 (a) (1) Every beverage container containing a carbonated beverage  
1554 sold or offered for sale in this state, except for any such beverage  
1555 containers sold or offered for sale for consumption on an interstate  
1556 passenger carrier, shall have a refund value. Such refund value shall  
1557 not be less than five cents and shall be a uniform amount throughout  
1558 the distribution process in this state.

1559 (2) Every beverage container containing a noncarbonated beverage  
1560 sold or offered for sale in this state shall have a refund value, except  
1561 for beverage containers containing a noncarbonated beverage that are  
1562 (A) sold or offered for sale for consumption on an interstate passenger  
1563 carrier, or (B) that comprise any dealer's existing inventory as of March  
1564 31, 2009. Such refund value shall not be less than five cents and shall  
1565 be a uniform amount throughout the distribution process in this state.

1566 (3) Every beverage container containing an alcoholic beverage sold  
1567 or offered for sale in this state shall have a refund value, except for  
1568 beverage containers containing an alcoholic beverage that comprise  
1569 any dealer's existing inventory as of September 30, 2018. Such refund  
1570 value shall not be less than twenty-five cents and shall be a uniform  
1571 amount throughout the distribution process in this state.

1572 (b) Every beverage container sold or offered for sale in this state,  
1573 that has a refund value pursuant to subsection (a) of this section, shall  
1574 clearly indicate by embossing or by a stamp or by a label or other  
1575 method securely affixed to the beverage container (1) either the refund  
1576 value of the container or the words "return for deposit" or "return for  
1577 refund" or other words as approved by the Department of Energy and  
1578 Environmental Protection, and (2) either the word "Connecticut" or the  
1579 abbreviation "Ct.", provided this subdivision shall not apply to glass  
1580 beverage containers permanently marked or embossed with a brand  
1581 name.

1582 (c) No person shall sell or offer for sale in this state any metal  
1583 beverage container (1) a part of which is designed to be detached in  
1584 order to open such container, or (2) that is connected to another  
1585 beverage container by a device constructed of a material which does  
1586 not decompose by photodegradation, chemical degradation or  
1587 biodegradation within a reasonable time after exposure to the  
1588 elements.

1589 Sec. 29. Subdivision (2) of subsection (a) of section 12-458 of the  
1590 general statutes is repealed and the following is substituted in lieu  
1591 thereof (*Effective July 1, 2018, and applicable to sales occurring on or after*  
1592 *July 1, 2018*):

1593 (2) On said date and coincident with the filing of such return each  
1594 distributor shall pay to the commissioner for the account of the  
1595 purchaser or consumer a tax (A) on each gallon of such fuels sold or  
1596 used in this state during the preceding calendar month, of [twenty-six  
1597 cents on and after January 1, 1992, twenty-eight cents on and after  
1598 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents  
1599 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,  
1600 thirty-two cents on and after January 1, 1995, thirty-three cents on and  
1601 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-  
1602 five cents on and after January 1, 1996, thirty-six cents on and after  
1603 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight

1604 cents on and after October 1, 1996, thirty-nine cents on and after  
1605 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two  
1606 cents on and after July 1, 1998, and] twenty-five cents on and after July  
1607 1, 2000, twenty-seven cents on and after July 1, 2018, twenty-eight  
1608 cents on and after July 1, 2019, thirty cents on and after July 1, 2020,  
1609 and thirty-two cents on and after July 1, 2021; and (B) in lieu of said  
1610 taxes, each distributor shall pay a tax on each gallon of gasohol, as  
1611 defined in section 14-1, sold or used in this state during such preceding  
1612 calendar month, of [twenty-five cents on and after January 1, 1992,  
1613 twenty-seven cents on and after January 1, 1993, twenty-eight cents on  
1614 and after July 1, 1993, twenty-nine cents on and after January 1, 1994,  
1615 thirty cents on and after July 1, 1994, thirty-one cents on and after  
1616 January 1, 1995, thirty-two cents on and after July 1, 1995, thirty-three  
1617 cents on and after October 1, 1995, thirty-four cents on and after  
1618 January 1, 1996, thirty-five cents on and after April 1, 1996, thirty-six  
1619 cents on and after July 1, 1996, thirty-seven cents on and after October  
1620 1, 1996, thirty-eight cents on and after January 1, 1997, thirty-five cents  
1621 on and after July 1, 1997, thirty-one cents on and after July 1, 1998, and  
1622 twenty-four cents on and after July 1, 2000, and] twenty-five cents on  
1623 and after July 1, 2004, twenty-seven cents on and after July 1, 2018,  
1624 twenty-eight cents on and after July 1, 2019, thirty cents on and after  
1625 July 1, 2020, and thirty-two cents on and after July 1, 2021; (C) in lieu of  
1626 said taxes, each distributor shall pay a tax on each gallon of diesel fuel,  
1627 propane or natural gas sold or used in this state during such preceding  
1628 calendar month, of [eighteen cents on and after September 1, 1991,  
1629 and] twenty-six cents on and after August 1, 2002; (D) in lieu of said  
1630 taxes, each distributor shall pay a tax on each gallon of propane or  
1631 natural gas sold or used in this state during such preceding calendar  
1632 month, of twenty-six cents on and after July 1, 2007; and (E) in lieu of  
1633 said taxes, each distributor shall pay a tax on each gallon of diesel fuel  
1634 sold or used in this state during such preceding calendar month, [of  
1635 thirty-seven cents on and after July 1, 2007, and] at the applicable tax  
1636 rate, as determined by the commissioner pursuant to section 12-458h,  
1637 on and after July 1, 2008.

1638 Sec. 30. (NEW) (*Effective July 1, 2018, and applicable to sales occurring*  
1639 *on or after July 1, 2018*) (a) Each retailer of tires commonly used on any  
1640 motor vehicle shall pay a fee of three dollars on the sale at retail of  
1641 each such tire. As used in this section, "motor vehicle" has the same  
1642 meaning as provided in section 14-1 of the general statutes, but  
1643 excludes a motor vehicle having a gross vehicle weight rating over  
1644 twelve thousand five hundred pounds.

1645 (b) Any person engaged in the sale of such tires at retail shall  
1646 register with the Commissioner of Revenue Services in the manner  
1647 prescribed by the commissioner.

1648 (c) Each such person shall, on or before the last day of the month  
1649 next succeeding each calendar quarter, (1) file a return electronically  
1650 for the preceding period with the commissioner on such forms as the  
1651 commissioner prescribes, and (2) make payment of the fees required  
1652 under subsection (a) of this section by electronic funds transfer in the  
1653 manner provided by chapter 228g of the general statutes.

1654 (d) Any fees due and unpaid under this section shall be subject to  
1655 the penalties and interest established in section 12-547 of the general  
1656 statutes and such fees, penalties or interest, due and unpaid, may be  
1657 collected under the provisions of section 12-35 of the general statutes  
1658 as if they were taxes due to the state.

1659 (e) The provisions of sections 12-548 to 12-554, inclusive, and 12-  
1660 555b of the general statutes shall apply to the provisions of this section  
1661 in the same manner and with the same force and effect as if the  
1662 language of said sections had been incorporated in full into this section  
1663 and had expressly referred to the fee imposed under this section,  
1664 except to the extent that any such provision is inconsistent with a  
1665 provision of this section.

1666 (f) The commissioner shall deposit any fees received pursuant to  
1667 this section in the Special Transportation Fund.

1668       Sec. 31. (NEW) (*Effective July 1, 2018*) At the end of each fiscal year  
1669 commencing with the fiscal year ending June 30, 2019, the Comptroller  
1670 is authorized to record as revenue for such fiscal year the fees imposed  
1671 under section 30 of this act that are received by the Commissioner of  
1672 Revenue Services not later than five business days after the last day of  
1673 July immediately following the end of such fiscal year.

1674       Sec. 32. (*Effective from passage*) Not later than June 30, 2018, the  
1675 Comptroller may designate up to \$17,800,000 of the resources of the  
1676 General Fund for the fiscal year ending June 30, 2018, to be accounted  
1677 for as revenue of the General Fund for the fiscal year ending June 30,  
1678 2019.

1679       Sec. 33. Subdivision (1) of subsection (a) of section 12-217 of the 2018  
1680 supplement to the general statutes is repealed and the following is  
1681 substituted in lieu thereof (*Effective from passage*):

1682       (a) (1) In arriving at net income as defined in section 12-213, whether  
1683 or not the taxpayer is taxable under the federal corporation net income  
1684 tax, there shall be deducted from gross income, (A) all items deductible  
1685 under the Internal Revenue Code effective and in force on the last day  
1686 of the income year except (i) any taxes imposed under the provisions  
1687 of this chapter which are paid or accrued in the income year and in the  
1688 income year commencing January 1, 1989, and thereafter, any taxes in  
1689 any state of the United States or any political subdivision of such state,  
1690 or the District of Columbia, imposed on or measured by the income or  
1691 profits of a corporation which are paid or accrued in the income year,  
1692 (ii) deductions for depreciation, which shall be allowed as provided in  
1693 subsection (b) of this section, (iii) deductions for qualified domestic  
1694 production activities income, as provided in Section 199 of the Internal  
1695 Revenue Code, and (iv) in the case of any captive real estate  
1696 investment trust, the deduction for dividends paid provided under  
1697 Section 857(b)(2) of the Internal Revenue Code, and (B) additionally, in  
1698 the case of a regulated investment company, the sum of (i) the exempt-  
1699 interest dividends, as defined in the Internal Revenue Code, and (ii)

1700 expenses, bond premium, and interest related to tax-exempt income  
1701 that are disallowed as deductions under the Internal Revenue Code,  
1702 and (C) in the case of a taxpayer maintaining an international banking  
1703 facility as defined in the laws of the United States or the regulations of  
1704 the Board of Governors of the Federal Reserve System, as either may  
1705 be amended from time to time, the gross income attributable to the  
1706 international banking facility, provided, no expense or loss attributable  
1707 to the international banking facility shall be a deduction under any  
1708 provision of this section, and (D) additionally, in the case of all  
1709 taxpayers, all dividends as defined in the Internal Revenue Code  
1710 effective and in force on the last day of the income year not otherwise  
1711 deducted from gross income, including dividends received from a  
1712 DISC or former DISC as defined in Section 992 of the Internal Revenue  
1713 Code and dividends deemed to have been distributed by a DISC or  
1714 former DISC as provided in Section 995 of said Internal Revenue Code,  
1715 other than thirty per cent of dividends received from a domestic  
1716 corporation in which the taxpayer owns less than twenty per cent of  
1717 the total voting power and value of the stock of such corporation, and  
1718 (E) additionally, in the case of all taxpayers, the value of any capital  
1719 gain realized from the sale of any land, or interest in land, to the state,  
1720 any political subdivision of the state, or to any nonprofit land  
1721 conservation organization where such land is to be permanently  
1722 preserved as protected open space or to a water company, as defined  
1723 in section 25-32a, where such land is to be permanently preserved as  
1724 protected open space or as Class I or Class II water company land, and  
1725 (F) in the case of manufacturers, the amount of any contribution to a  
1726 manufacturing reinvestment account established pursuant to section  
1727 32-9zz in the income year that such contribution is made to the extent  
1728 not deductible for federal income tax purposes; [, and (G) additionally,  
1729 to the extent allowable under subsection (g) of section 32-776, the  
1730 amount paid by a 7/7 participant, as defined in section 32-776, for the  
1731 remediation of a brownfield.]

1732 Sec. 34. Subsection (d) of section 12-746 of the general statutes is



1733 repealed and the following is substituted in lieu thereof (*Effective from*  
1734 *passage*):

1735 (d) As used in this section, "income tax liability as shown on such  
1736 return" means the liability after application of the credit for property  
1737 taxes allowed and taken on such return pursuant to section 12-704c,  
1738 revision of 1958, revised to January 1, 1999, as corrected for  
1739 mathematical error by the Commissioner of Revenue Services on the  
1740 original return filed by such taxpayer.

1741 Sec. 35. Section 683 of public act 17-2 of the June special session is  
1742 repealed and the following is substituted in lieu thereof (*Effective from*  
1743 *passage*):

1744 Notwithstanding the provisions of section 16-245m of the general  
1745 statutes, for the fiscal years ending June 30, 2018, and June 30, 2019, the  
1746 sum of \$63,500,000 shall be transferred from the Energy Conservation  
1747 and [Loan] Load Management Fund and credited to the resources of  
1748 the General Fund for each said fiscal year.

1749 Sec. 36. Section 659 of public act 17-2 of the June special session is  
1750 repealed. (*Effective from passage*)

1751 Sec. 37. Section 12-704c of the 2018 supplement to the general  
1752 statutes is repealed. (*Effective January 1, 2018, and applicable to taxable*  
1753 *years commencing on or after January 1, 2018*)

1754 Sec. 38. Section 12-704f of the 2018 supplement to the general  
1755 statutes is repealed. (*Effective from passage*)

1756 Sec. 39. Section 14-275d of the general statutes is repealed. (*Effective*  
1757 *July 1, 2019*)

1758 Sec. 40. Section 32-776 of the 2018 supplement to the general statutes  
1759 is repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-20j
Sec. 2	<i>from passage</i>	PA 17-2 of the June Sp. Sess., Sec. 682
Sec. 3	<i>from passage</i>	PA 17-2 of the June Sp. Sess., Sec. 685
Sec. 4	<i>from passage</i>	PA 17-2 of the June Sp. Sess., Sec. 687
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>July 1, 2019</i>	14-50b
Sec. 7	<i>from passage</i>	4-28e(c)
Sec. 8	<i>from passage</i>	10-507
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	12-263p
Sec. 11	<i>from passage</i>	12-263q(a)(1)
Sec. 12	<i>from passage</i>	12-263q(c)
Sec. 13	<i>from passage</i>	12-263r(a)
Sec. 14	<i>from passage</i>	12-263i(b)(1)
Sec. 15	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	12-408(1)
Sec. 16	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	12-411(1)
Sec. 17	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	12-412(120)
Sec. 18	<i>from passage and applicable to income years commencing on or after January 1, 2019</i>	12-214(b)
Sec. 19	<i>from passage and applicable to income years commencing on or after January 1, 2018</i>	12-218e(k)(1)

Sec. 20	<i>from passage and applicable to taxable years commencing on or after January 1, 2018</i>	12-701(a)(20)(B)
Sec. 21	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	12-296
Sec. 22	<i>July 1, 2018</i>	12-316
Sec. 23	<i>from passage</i>	New section
Sec. 24	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	12-330c(a)(2)
Sec. 25	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	New section
Sec. 26	<i>July 1, 2018, and applicable to conveyances occurring on or after July 1, 2018</i>	12-494
Sec. 27	<i>October 1, 2018</i>	22a-243
Sec. 28	<i>October 1, 2018</i>	22a-244
Sec. 29	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	12-458(a)(2)
Sec. 30	<i>July 1, 2018, and applicable to sales occurring on or after July 1, 2018</i>	New section
Sec. 31	<i>July 1, 2018</i>	New section
Sec. 32	<i>from passage</i>	New section
Sec. 33	<i>from passage</i>	12-217(a)(1)
Sec. 34	<i>from passage</i>	12-746(d)
Sec. 35	<i>from passage</i>	PA 17-2 of the June Sp. Sess., Sec. 683
Sec. 36	<i>from passage</i>	Repealer section

Sec. 37	<i>January 1, 2018, and applicable to taxable years commencing on or after January 1, 2018</i>	Repealer section
Sec. 38	<i>from passage</i>	Repealer section
Sec. 39	<i>July 1, 2019</i>	Repealer section
Sec. 40	<i>from passage</i>	Repealer section

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[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.]*