



General Assembly

Bill No. 7101

**December Special
Session, 2009**

LCO No. **10016**

***10016** _____ *

Referred to Committee on No Committee

Introduced by:

REP. DONOVAN, 84th Dist.

SEN. WILLIAMS, 29th Dist.

AN ACT CONCERNING THE ESTATE AND GIFT TAX.

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

1 Section 1. Subsection (g) of section 12-391 of the general statutes, as
2 amended by section 116 of public act 09-3 of the June special session, is
3 repealed and the following is substituted in lieu thereof (*Effective*
4 *January 1, 2010, and applicable to estates of decedents who die on or after said*
5 *date*):

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

T1	Amount of Connecticut	
T2	Taxable Estate	Rate of Tax
T3		
T4	Not over \$2,000,000	None
T5	Over \$2,000,000	

T6	but not over \$2,100,000	5.085% of the excess over \$0
T7	Over \$2,100,000	\$106,800 plus 8% of the excess
T8	but not over \$2,600,000	over \$2,100,000
T9	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T10	but not over \$3,100,000	over \$2,600,000
T11	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T12	but not over \$3,600,000	over \$3,100,000
T13	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T14	but not over \$4,100,000	over \$3,600,000
T15	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T16	but not over \$5,100,000	over \$4,100,000
T17	Over \$5,100,000	\$402,800 plus 12% of the excess
T18	but not over \$6,100,000	over \$5,100,000
T19	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T20	but not over \$7,100,000	over \$6,100,000
T21	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T22	but not over \$8,100,000	over \$7,100,000
T23	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T24	but not over \$9,100,000	over \$8,100,000
T25	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T26	but not over \$10,100,000	over \$9,100,000
T27	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T28		over \$10,100,000

10 (2) With respect to the estates of decedents dying on or after January
 11 1, 2010, but prior to January 1, 2012, the tax based on the Connecticut
 12 taxable estate shall be as provided in the following schedule:

T29	<u>Amount of Connecticut</u>	
T30	<u>Taxable Estate</u>	<u>Rate of Tax</u>
T31		
T32	<u>Not over \$2,000,000</u>	<u>None</u>
T33	<u>Over \$2,000,000</u>	<u>8.0% of the excess over</u>
T34	<u>but not over \$2,100,000</u>	<u>\$2,000,000</u>

T35	<u>Over \$2,100,000</u>	<u>\$8,000 plus 9.6% of the excess</u>
T36	<u>but not over \$2,600,000</u>	<u>over \$2,100,000</u>
T37	<u>Over \$2,600,000</u>	<u>\$56,000 plus 11.2% of the</u>
T38	<u>but not over \$3,100,000</u>	<u>excess over \$2,600,000</u>
T39	<u>Over \$3,100,000</u>	<u>\$112,000 plus 12.8% of the</u>
T40	<u>but not over \$3,600,000</u>	<u>excess over \$3,100,000</u>
T41	<u>Over \$3,600,000</u>	<u>\$176,000 plus 13.6% of the</u>
T42	<u>but not over \$4,100,000</u>	<u>excess over \$3,600,000</u>
T43	<u>Over \$4,100,000</u>	<u>\$244,000 plus 14.4% of the</u>
T44	<u>but not over \$5,100,000</u>	<u>excess over \$4,100,000</u>
T45	<u>Over \$5,100,000</u>	<u>\$388,000 plus 15.2% of the</u>
T46	<u>but not over \$6,100,000</u>	<u>excess over \$5,100,000</u>
T47	<u>Over \$6,100,000</u>	<u>\$540,000 plus 16.0% of the</u>
T48	<u>but not over \$7,100,000</u>	<u>excess over \$6,100,000</u>
T49	<u>Over \$7,100,000</u>	<u>\$700,000 plus 16.8% of the</u>
T50	<u>but not over \$8,100,000</u>	<u>excess over \$7,100,000</u>
T51	<u>Over \$8,100,000</u>	<u>\$868,000 plus 17.2% of the</u>
T52	<u>but not over \$9,100,000</u>	<u>excess over \$8,100,000</u>
T53	<u>Over \$9,100,000</u>	<u>\$1,040,000 plus 17.6% of the</u>
T54	<u>but not over \$10,100,000</u>	<u>excess over \$9,100,000</u>
T55	<u>Over \$10,100,000</u>	<u>\$1,216,000 plus 18.0% of the</u>
T56		<u>excess over \$10,100,000</u>

13 [(2)] (3) With respect to the estates of decedents dying on or after
 14 January 1, [2010] 2012, the tax based on the Connecticut taxable estate
 15 shall be as provided in the following schedule:

T57	Amount of Connecticut	
T58	Taxable Estate	Rate of Tax
T59		
T60	Not over \$3,500,000	None
T61	Over \$3,500,000	7.2% of the excess
T62	but not over \$3,600,000	over \$3,500,000
T63	Over \$3,600,000	\$7,200 plus 7.8% of the excess

T64	but not over \$4,100,000	over \$3,600,000
T65	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T66	but not over \$5,100,000	over \$4,100,000
T67	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T68	but not over \$6,100,000	over \$5,100,000
T69	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T70	but not over \$7,100,000	over \$6,100,000
T71	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T72	but not over \$8,100,000	over \$7,100,000
T73	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T74	but not over \$9,100,000	over \$8,100,000
T75	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T76	but not over \$10,100,000	over \$9,100,000
T77	Over \$10,100,000	\$640,200 plus 12% of the excess
T78		over \$10,100,000

16 Sec. 2. Subsection (a) of section 12-642 of the general statutes, as
 17 amended by section 118 of public act 09-3 of the June special session
 18 and section 12 of public act 09-8 of the September special session, is
 19 repealed and the following is substituted in lieu thereof (*Effective*
 20 *January 1, 2010*):

21 (a) (1) With respect to calendar years commencing prior to January
 22 1, 2001, the tax imposed by section 12-640 for the calendar year shall be
 23 at a rate of the taxable gifts made by the donor during the calendar
 24 year set forth in the following schedule:

T79	Amount of Taxable Gifts	Rate of Tax
T80		
T81	Not over \$25,000	1%
T82	Over \$25,000	\$250, plus 2% of the excess
T83	but not over \$50,000	over \$25,000
T84	Over \$50,000	\$750, plus 3% of the excess
T85	but not over \$75,000	over \$50,000

T86	Over \$75,000	\$1,500, plus 4% of the excess
T87	but not over \$100,000	over \$75,000
T88	Over \$100,000	\$2,500, plus 5% of the excess
T89	but not over \$200,000	over \$100,000
T90	Over \$200,000	\$7,500, plus 6% of the excess
T91		over \$200,000

25 (2) With respect to the calendar years commencing January 1, 2001,
26 January 1, 2002, January 1, 2003, and January 1, 2004, the tax imposed
27 by section 12-640 for each such calendar year shall be at a rate of the
28 taxable gifts made by the donor during the calendar year set forth in
29 the following schedule:

T92	Amount of Taxable Gifts	Rate of Tax
T93		
T94	Over \$25,000	\$250, plus 2% of the excess
T95	but not over \$50,000	over \$25,000
T96	Over \$50,000	\$750, plus 3% of the excess
T97	but not over \$75,000	over \$50,000
T98	Over \$75,000	\$1,500, plus 4% of the excess
T99	but not over \$100,000	over \$75,000
T100	Over \$100,000	\$2,500, plus 5% of the excess
T101	but not over \$675,000	over \$100,000
T102	Over \$675,000	\$31,250, plus 6% of the excess
T103		over \$675,000

30 (3) With respect to Connecticut taxable gifts, as defined in section
31 12-643, made by a donor during a calendar year commencing on or
32 after January 1, 2005, but prior to January 1, 2010, including the
33 aggregate amount of all Connecticut taxable gifts made by the donor
34 during all calendar years commencing on or after January 1, 2005, but
35 prior to January 1, 2010, the tax imposed by section 12-640 for the
36 calendar year shall be at the rate set forth in the following schedule,

37 with a credit allowed against such tax for any tax previously paid to
38 this state pursuant to this subdivision:

T104	Amount of Taxable Gifts	Rate of Tax
T105		
T106	Not over \$2,000,000	None
T107	Over \$2,000,000	
T108	but not over \$2,100,000	5.085% of the excess over \$0
T109	Over \$2,100,000	\$106,800 plus 8% of the excess
T110	but not over \$2,600,000	over \$2,100,000
T111	Over \$2,600,000	\$146,800 plus 8.8% of the excess
T112	but not over \$3,100,000	over \$2,600,000
T113	Over \$3,100,000	\$190,800 plus 9.6% of the excess
T114	but not over \$3,600,000	over \$3,100,000
T115	Over \$3,600,000	\$238,800 plus 10.4% of the excess
T116	but not over \$4,100,000	over \$3,600,000
T117	Over \$4,100,000	\$290,800 plus 11.2% of the excess
T118	but not over \$5,100,000	over \$4,100,000
T119	Over \$5,100,000	\$402,800 plus 12% of the excess
T120	but not over \$6,100,000	over \$5,100,000
T121	Over \$6,100,000	\$522,800 plus 12.8% of the excess
T122	but not over \$7,100,000	over \$6,100,000
T123	Over \$7,100,000	\$650,800 plus 13.6% of the excess
T124	but not over \$8,100,000	over \$7,100,000
T125	Over \$8,100,000	\$786,800 plus 14.4% of the excess
T126	but not over \$9,100,000	over \$8,100,000
T127	Over \$9,100,000	\$930,800 plus 15.2% of the excess
T128	but not over \$10,100,000	over \$9,100,000
T129	Over \$10,100,000	\$1,082,800 plus 16% of the excess
T130		over \$10,100,000

39 (4) With respect to Connecticut taxable gifts, as defined in section
40 12-643, made by a donor during a calendar year commencing on or
41 after January 1, 2010, but prior to January 1, 2012, including the

42 aggregate amount of all Connecticut taxable gifts made by the donor
 43 during all calendar years commencing on or after January 1, 2005, the
 44 tax imposed by section 12-640 for the calendar year shall be at the rate
 45 set forth in the following schedule, with a credit allowed against such
 46 tax for any tax previously paid to this state pursuant to this
 47 subdivision or pursuant to subdivision (3) of this subsection, provided
 48 such credit shall not exceed the amount of tax imposed by this section:

T131	<u>Amount of Taxable Gifts</u>	<u>Rate of Tax</u>
T132		
T133	<u>Not over \$2,000,000</u>	<u>None</u>
T134	<u>Over \$2,000,000</u>	<u>8.0% of the excess over</u>
T135	<u>but not over \$2,100,000</u>	<u>\$2,000,000</u>
T136	<u>Over \$2,100,000</u>	<u>\$8,000 plus 9.6% of the excess</u>
T137	<u>but not over \$2,600,000</u>	<u>over \$2,100,000</u>
T138	<u>Over \$2,600,000</u>	<u>\$56,000 plus 11.2% of the</u>
T139	<u>but not over \$3,100,000</u>	<u>excess over \$2,600,000</u>
T140	<u>Over \$3,100,000</u>	<u>\$112,000 plus 12.8% of the</u>
T141	<u>but not over \$3,600,000</u>	<u>excess over \$3,100,000</u>
T142	<u>Over \$3,600,000</u>	<u>\$176,000 plus 13.6% of the</u>
T143	<u>but not over \$4,100,000</u>	<u>excess over \$3,600,000</u>
T144	<u>Over \$4,100,000</u>	<u>\$244,000 plus 14.4% of the</u>
T145	<u>but not over \$5,100,000</u>	<u>excess over \$4,100,000</u>
T146	<u>Over \$5,100,000</u>	<u>\$388,000 plus 15.2% of the</u>
T147	<u>but not over \$6,100,000</u>	<u>excess over \$5,100,000</u>
T148	<u>Over \$6,100,000</u>	<u>\$540,000 plus 16.0% of the</u>
T149	<u>but not over \$7,100,000</u>	<u>excess over \$6,100,000</u>
T150	<u>Over \$7,100,000</u>	<u>\$700,000 plus 16.8% of the</u>
T151	<u>but not over \$8,100,000</u>	<u>excess over \$7,100,000</u>
T152	<u>Over \$8,100,000</u>	<u>\$868,000 plus 17.2% of the</u>
T153	<u>but not over \$9,100,000</u>	<u>excess over \$8,100,000</u>
T154	<u>Over \$9,100,000</u>	<u>\$1,040,000 plus 17.6% of the</u>
T155	<u>but not over \$10,100,000</u>	<u>excess over \$9,100,000</u>
T156	<u>Over \$10,100,000</u>	<u>\$1,216,000 plus 18.0% of the</u>
T157		<u>excess over \$10,100,000</u>

49 [(4)] (5) With respect to Connecticut taxable gifts, as defined in
50 section 12-643, made by a donor during a calendar year commencing
51 on or after January 1, [2010] 2012, including the aggregate amount of
52 all Connecticut taxable gifts made by the donor during all calendar
53 years commencing on or after January 1, 2005, the tax imposed by
54 section 12-640 for the calendar year shall be at the rate set forth in the
55 following schedule, with a credit allowed against such tax for any tax
56 previously paid to this state pursuant to this subdivision or pursuant
57 to subdivision (3) or (4) of this subsection, provided such credit shall
58 not exceed the amount of tax imposed by this section:

T158	Amount of Taxable Gifts	Rate of Tax
T159		
T160	Not over \$3,500,000	None
T161	Over \$3,500,000	7.2% of the excess
T162	but not over \$3,600,000	over \$3,500,000
T163	Over \$3,600,000	\$7,200 plus 7.8% of the excess
T164	but not over \$4,100,000	over \$3,600,000
T165	Over \$4,100,000	\$46,200 plus 8.4% of the excess
T166	but not over \$5,100,000	over \$4,100,000
T167	Over \$5,100,000	\$130,200 plus 9.0% of the excess
T168	but not over \$6,100,000	over \$5,100,000
T169	Over \$6,100,000	\$220,200 plus 9.6% of the excess
T170	but not over \$7,100,000	over \$6,100,000
T171	Over \$7,100,000	\$316,200 plus 10.2% of the excess
T172	but not over \$8,100,000	over \$7,100,000
T173	Over \$8,100,000	\$418,200 plus 10.8% of the excess
T174	but not over \$9,100,000	over \$8,100,000
T175	Over \$9,100,000	\$526,200 plus 11.4% of the excess
T176	but not over \$10,100,000	over \$9,100,000
T177	Over \$10,100,000	\$640,200 plus 12% of the excess
T178		over \$10,100,000

59 Sec. 3. Subparagraph (C) of subdivision (3) of subsection (b) of

60 section 12-392 of the general statutes, as amended by section 10 of
61 public act 09-8 of the September special session, is repealed and the
62 following is substituted in lieu thereof (*Effective from passage, and*
63 *applicable to estates of decedents dying on or after January 1, 2010*):

64 (C) A tax return shall be filed, in the case of every decedent who
65 dies on or after January 1, [2010] 2012, and at the time of death was (i)
66 a resident of this state, or (ii) a nonresident of this state whose gross
67 estate includes any real property situated in this state or tangible
68 personal property having an actual situs in this state. If the decedent's
69 Connecticut taxable estate is over three million five hundred thousand
70 dollars, such tax return shall be filed with the Commissioner of
71 Revenue Services and a copy of such return shall be filed with the
72 court of probate for the district within which the decedent resided at
73 the date of his or her death or, if the decedent died a nonresident of
74 this state, the court of probate for the district within which such real
75 property or tangible personal property is situated. If the decedent's
76 Connecticut taxable estate is three million five hundred thousand
77 dollars or less, such return shall be filed with the court of probate for
78 the district within which the decedent resided at the date of his or her
79 death or, if the decedent died a nonresident of this state, the court of
80 probate for the district within which such real property or tangible
81 personal property is situated, and no such return shall be filed with the
82 Commissioner of Revenue Services. The judge of probate for the
83 district in which such return is filed shall review each such return and
84 shall issue a written opinion to the estate representative in each case in
85 which the judge determines that the estate is not subject to tax under
86 this chapter.

87 Sec. 4. Subsection (e) of section 12-398 of the general statutes, as
88 amended by section 11 of public act 09-8 of the September special
89 session, is repealed and the following is substituted in lieu thereof
90 (*Effective from passage, and applicable to estates of decedents dying on or after*
91 *January 1, 2010*):

92 (e) Any person shall be entitled to a certificate of release of lien with
93 respect to the interest of the decedent in such real property, if either
94 the court of probate for the district within which the decedent resided
95 at the date of his death or, if the decedent died a nonresident of this
96 state, for the district within which real estate or tangible personal
97 property of the decedent is situated, or the Commissioner of Revenue
98 Services finds, upon evidence satisfactory to said court or said
99 commissioner, as the case may be, that payment of the tax imposed
100 under this chapter with respect to the interest of the decedent in such
101 real property is adequately assured, or that no tax imposed under this
102 chapter is due. If the decedent died prior to January 1, 2010, and such
103 decedent's Connecticut taxable estate is two million dollars or less, or if
104 the decedent died on or after January 1, [2010] 2012, and such
105 decedent's Connecticut taxable estate is three million five hundred
106 thousand dollars or less, the certificate of release of lien shall be issued
107 by the court of probate. Such certificate may be recorded in the office
108 of the town clerk of the town within which such real property is
109 situated, and it shall be conclusive proof that such real property has
110 been released from the operation of such lien. The commissioner may
111 adopt regulations in accordance with the provisions of chapter 54 that
112 establish procedures to be followed by a court of probate or by said
113 commissioner, as the case may be, for issuing certificates of release of
114 lien, and that establish the requirements and conditions that must be
115 satisfied in order for a court of probate or for the commissioner, as the
116 case may be, to find that the payment of such tax is adequately assured
117 or that no tax imposed under this chapter is due.

118 Sec. 5. Section 73 of public act 09-3 of the June special session, as
119 amended by section 42 of public act 09-8 of the September special
120 session, is amended to read as follows (*Effective from passage*):

121 (a) (1) Notwithstanding the provisions of section 4-30a of the
122 general statutes, the State Treasurer shall, on [the effective date of this
123 section] October 5, 2009, transfer the sum of one billion thirty-nine
124 million seven hundred thousand dollars from the Budget Reserve

125 Fund to the resources of the General Fund to be used as revenue for
 126 the fiscal year ending June 30, 2010.

127 (2) Notwithstanding the provisions of section 4-30a of the general
 128 statutes, the State Treasurer shall, on the effective date of this section,
 129 transfer the sum of seventy million three hundred thousand dollars
 130 from the Budget Reserve Fund to the resources of the General Fund to
 131 be used as revenue for the fiscal year ending June 30, 2010.

132 (b) Notwithstanding the provisions of section 4-30a of the general
 133 statutes, the State Treasurer shall, on July 1, 2010, transfer the sum of
 134 [three hundred forty-two million] two hundred seventy-one million
 135 seven hundred thousand dollars from the Budget Reserve Fund to the
 136 resources of the General Fund to be used as revenue for the fiscal year
 137 ending June 30, 2011.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2010, and applicable to estates of decedents who die on or after said date</i>	12-391(g)
Sec. 2	<i>January 1, 2010</i>	12-642(a)
Sec. 3	<i>from passage, and applicable to estates of decedents dying on or after January 1, 2010</i>	12-392(b)(3)(C)
Sec. 4	<i>from passage, and applicable to estates of decedents dying on or after January 1, 2010</i>	12-398(e)
Sec. 5	<i>from passage</i>	PA 09-3 of the June Sp. Sess., Sec. 73