



General Assembly

January Session, 2019

Committee Bill No. 124

LCO No. 6987



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Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT ESTABLISHING A CITIZENS IN NEED ACCOUNT AND A TAX DEDUCTION FOR CONTRIBUTIONS TO SAID ACCOUNT.

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

1 Section 1. (NEW) (*Effective July 1, 2019, and applicable to taxable years*
2 *commencing on or after January 1, 2019*) (a) (1) There is established an
3 account to be known as the "citizens in need account" which shall be a
4 separate, nonlapsing account within the General Fund. The account
5 shall contain any moneys required by law to be deposited in the
6 account.

7 (2) Moneys in the account shall be expended by the Comptroller, in
8 consultation with the Commissioner of Social Services, to assist
9 residents of this state who have had their benefits from social services
10 programs administered by the Department of Social Services reduced
11 due to state budgetary constraints. Such moneys shall not be used for
12 administrative purposes.

13 (b) Any taxpayer may make a charitable contribution to the citizens
14 in need account and such taxpayer shall be allowed a deduction from

15 such taxpayer's adjusted gross income, for purposes of the tax imposed
16 under chapter 229 of the general statutes, at the rate of two hundred
17 per cent of the amount of such contribution.

18 (c) The Commissioner of Social Services may adopt regulations, in
19 consultation with the Comptroller and in accordance with the
20 provisions of chapter 54 of the general statutes, to establish standards
21 or criteria for determining what social services programs are eligible to
22 receive moneys from the account and how disbursements from the
23 account will be made, methods to determine the amounts of and a
24 schedule for making such disbursements and any other regulations
25 necessary to implement the provisions of this section.

26 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
27 section 12-701 of the general statutes is repealed and the following is
28 substituted in lieu thereof (*Effective July 1, 2019, and applicable to taxable*
29 *years commencing on or after January 1, 2019*):

30 (B) There shall be subtracted therefrom:

31 (i) To the extent properly includable in gross income for federal
32 income tax purposes, any income with respect to which taxation by
33 any state is prohibited by federal law;

34 (ii) To the extent allowable under section 12-718, exempt dividends
35 paid by a regulated investment company;

36 (iii) To the extent properly includable in gross income for federal
37 income tax purposes, the amount of any refund or credit for
38 overpayment of income taxes imposed by this state, or any other state
39 of the United States or a political subdivision thereof, or the District of
40 Columbia;

41 (iv) To the extent properly includable in gross income for federal
42 income tax purposes and not otherwise subtracted from federal
43 adjusted gross income pursuant to clause (x) of this subparagraph in
44 computing Connecticut adjusted gross income, any tier 1 railroad

45 retirement benefits;

46 (v) To the extent any additional allowance for depreciation under
47 Section 168(k) of the Internal Revenue Code for property placed in
48 service after September 27, 2017, was added to federal adjusted gross
49 income pursuant to subparagraph (A)(ix) of this subdivision in
50 computing Connecticut adjusted gross income, twenty-five per cent of
51 such additional allowance for depreciation in each of the four
52 succeeding taxable years;

53 (vi) To the extent properly includable in gross income for federal
54 income tax purposes, any interest income from obligations issued by or
55 on behalf of the state of Connecticut, any political subdivision thereof,
56 or public instrumentality, state or local authority, district or similar
57 public entity created under the laws of the state of Connecticut;

58 (vii) To the extent properly includable in determining the net gain
59 or loss from the sale or other disposition of capital assets for federal
60 income tax purposes, any gain from the sale or exchange of obligations
61 issued by or on behalf of the state of Connecticut, any political
62 subdivision thereof, or public instrumentality, state or local authority,
63 district or similar public entity created under the laws of the state of
64 Connecticut, in the income year such gain was recognized;

65 (viii) Any interest on indebtedness incurred or continued to
66 purchase or carry obligations or securities the interest on which is
67 subject to tax under this chapter but exempt from federal income tax,
68 to the extent that such interest on indebtedness is not deductible in
69 determining federal adjusted gross income and is attributable to a
70 trade or business carried on by such individual;

71 (ix) Ordinary and necessary expenses paid or incurred during the
72 taxable year for the production or collection of income which is subject
73 to taxation under this chapter but exempt from federal income tax, or
74 the management, conservation or maintenance of property held for the
75 production of such income, and the amortizable bond premium for the

76 taxable year on any bond the interest on which is subject to tax under
77 this chapter but exempt from federal income tax, to the extent that
78 such expenses and premiums are not deductible in determining federal
79 adjusted gross income and are attributable to a trade or business
80 carried on by such individual;

81 (x) (I) For taxable years commencing prior to January 1, 2019, for a
82 person who files a return under the federal income tax as an
83 unmarried individual whose federal adjusted gross income for such
84 taxable year is less than fifty thousand dollars, or as a married
85 individual filing separately whose federal adjusted gross income for
86 such taxable year is less than fifty thousand dollars, or for a husband
87 and wife who file a return under the federal income tax as married
88 individuals filing jointly whose federal adjusted gross income for such
89 taxable year is less than sixty thousand dollars or a person who files a
90 return under the federal income tax as a head of household whose
91 federal adjusted gross income for such taxable year is less than sixty
92 thousand dollars, an amount equal to the Social Security benefits
93 includable for federal income tax purposes;

94 (II) For taxable years commencing prior to January 1, 2019, for a
95 person who files a return under the federal income tax as an
96 unmarried individual whose federal adjusted gross income for such
97 taxable year is fifty thousand dollars or more, or as a married
98 individual filing separately whose federal adjusted gross income for
99 such taxable year is fifty thousand dollars or more, or for a husband
100 and wife who file a return under the federal income tax as married
101 individuals filing jointly whose federal adjusted gross income from
102 such taxable year is sixty thousand dollars or more or for a person who
103 files a return under the federal income tax as a head of household
104 whose federal adjusted gross income for such taxable year is sixty
105 thousand dollars or more, an amount equal to the difference between
106 the amount of Social Security benefits includable for federal income tax
107 purposes and the lesser of twenty-five per cent of the Social Security
108 benefits received during the taxable year, or twenty-five per cent of the

109 excess described in Section 86(b)(1) of the Internal Revenue Code;

110 (III) For the taxable year commencing January 1, 2019, and each
111 taxable year thereafter, for a person who files a return under the
112 federal income tax as an unmarried individual whose federal adjusted
113 gross income for such taxable year is less than seventy-five thousand
114 dollars, or as a married individual filing separately whose federal
115 adjusted gross income for such taxable year is less than seventy-five
116 thousand dollars, or for a husband and wife who file a return under
117 the federal income tax as married individuals filing jointly whose
118 federal adjusted gross income for such taxable year is less than one
119 hundred thousand dollars or a person who files a return under the
120 federal income tax as a head of household whose federal adjusted
121 gross income for such taxable year is less than one hundred thousand
122 dollars, an amount equal to the Social Security benefits includable for
123 federal income tax purposes; and

124 (IV) For the taxable year commencing January 1, 2019, and each
125 taxable year thereafter, for a person who files a return under the
126 federal income tax as an unmarried individual whose federal adjusted
127 gross income for such taxable year is seventy-five thousand dollars or
128 more, or as a married individual filing separately whose federal
129 adjusted gross income for such taxable year is seventy-five thousand
130 dollars or more, or for a husband and wife who file a return under the
131 federal income tax as married individuals filing jointly whose federal
132 adjusted gross income from such taxable year is one hundred
133 thousand dollars or more or for a person who files a return under the
134 federal income tax as a head of household whose federal adjusted
135 gross income for such taxable year is one hundred thousand dollars or
136 more, an amount equal to the difference between the amount of Social
137 Security benefits includable for federal income tax purposes and the
138 lesser of twenty-five per cent of the Social Security benefits received
139 during the taxable year, or twenty-five per cent of the excess described
140 in Section 86(b)(1) of the Internal Revenue Code;

141 (xi) To the extent properly includable in gross income for federal
142 income tax purposes, any amount rebated to a taxpayer pursuant to
143 section 12-746;

144 (xii) To the extent properly includable in the gross income for
145 federal income tax purposes of a designated beneficiary, any
146 distribution to such beneficiary from any qualified state tuition
147 program, as defined in Section 529(b) of the Internal Revenue Code,
148 established and maintained by this state or any official, agency or
149 instrumentality of the state;

150 (xiii) To the extent allowable under section 12-701a, contributions to
151 accounts established pursuant to any qualified state tuition program,
152 as defined in Section 529(b) of the Internal Revenue Code, established
153 and maintained by this state or any official, agency or instrumentality
154 of the state;

155 (xiv) To the extent properly includable in gross income for federal
156 income tax purposes, the amount of any Holocaust victims' settlement
157 payment received in the taxable year by a Holocaust victim;

158 (xv) To the extent properly includable in gross income for federal
159 income tax purposes of an account holder, as defined in section 31-
160 51ww, interest earned on funds deposited in the individual
161 development account, as defined in section 31-51ww, of such account
162 holder;

163 (xvi) To the extent properly includable in the gross income for
164 federal income tax purposes of a designated beneficiary, as defined in
165 section 3-123aa, interest, dividends or capital gains earned on
166 contributions to accounts established for the designated beneficiary
167 pursuant to the Connecticut Homecare Option Program for the Elderly
168 established by sections 3-123aa to 3-123ff, inclusive;

169 (xvii) To the extent properly includable in gross income for federal
170 income tax purposes, any income received from the United States

171 government as retirement pay for a retired member of (I) the Armed
172 Forces of the United States, as defined in Section 101 of Title 10 of the
173 United States Code, or (II) the National Guard, as defined in Section
174 101 of Title 10 of the United States Code;

175 (xviii) To the extent properly includable in gross income for federal
176 income tax purposes for the taxable year, any income from the
177 discharge of indebtedness in connection with any reacquisition, after
178 December 31, 2008, and before January 1, 2011, of an applicable debt
179 instrument or instruments, as those terms are defined in Section 108 of
180 the Internal Revenue Code, as amended by Section 1231 of the
181 American Recovery and Reinvestment Act of 2009, to the extent any
182 such income was added to federal adjusted gross income pursuant to
183 subparagraph (A)(xi) of this subdivision in computing Connecticut
184 adjusted gross income for a preceding taxable year;

185 (xix) To the extent not deductible in determining federal adjusted
186 gross income, the amount of any contribution to a manufacturing
187 reinvestment account established pursuant to section 32-9zz in the
188 taxable year that such contribution is made;

189 (xx) To the extent properly includable in gross income for federal
190 income tax purposes, (I) for the taxable year commencing January 1,
191 2015, ten per cent of the income received from the state teachers'
192 retirement system, (II) for the taxable years commencing January 1,
193 2016, January 1, 2017, and January 1, 2018, twenty-five per cent of the
194 income received from the state teachers' retirement system, and (III)
195 for the taxable year commencing January 1, 2019, and each taxable year
196 thereafter, fifty per cent of the income received from the state teachers'
197 retirement system or the percentage, if applicable, pursuant to clause
198 (xxi) of this subparagraph;

199 (xxi) To the extent properly includable in gross income for federal
200 income tax purposes, except for retirement benefits under clause (iv) of
201 this subparagraph and retirement pay under clause (xvii) of this
202 subparagraph, for a person who files a return under the federal income

203 tax as an unmarried individual whose federal adjusted gross income
204 for such taxable year is less than seventy-five thousand dollars, or as a
205 married individual filing separately whose federal adjusted gross
206 income for such taxable year is less than seventy-five thousand dollars,
207 or as a head of household whose federal adjusted gross income for
208 such taxable year is less than seventy-five thousand dollars, or for a
209 husband and wife who file a return under the federal income tax as
210 married individuals filing jointly whose federal adjusted gross income
211 for such taxable year is less than one hundred thousand dollars, (I) for
212 the taxable year commencing January 1, 2019, fourteen per cent of any
213 pension or annuity income, (II) for the taxable year commencing
214 January 1, 2020, twenty-eight per cent of any pension or annuity
215 income, (III) for the taxable year commencing January 1, 2021, forty-
216 two per cent of any pension or annuity income, (IV) for the taxable
217 year commencing January 1, 2022, fifty-six per cent of any pension or
218 annuity income, (V) for the taxable year commencing January 1, 2023,
219 seventy per cent of any pension or annuity income, (VI) for the taxable
220 year commencing January 1, 2024, eighty-four per cent of any pension
221 or annuity income, and (VII) for the taxable year commencing January
222 1, 2025, and each taxable year thereafter, any pension or annuity
223 income;

224 (xxii) The amount of lost wages and medical, travel and housing
225 expenses, not to exceed ten thousand dollars in the aggregate, incurred
226 by a taxpayer during the taxable year in connection with the donation
227 to another person of an organ for organ transplantation occurring on
228 or after January 1, 2017;

229 (xxiii) To the extent properly includable in gross income for federal
230 income tax purposes, the amount of any financial assistance received
231 from the Crumbling Foundations Assistance Fund or paid to or on
232 behalf of the owner of a residential building pursuant to sections 8-442
233 and 8-443; [, and]

234 (xxiv) To the extent properly includable in gross income for federal

235 income tax purposes, the amount calculated pursuant to subsection (b)
 236 of section 12-704g for income received by a general partner of a
 237 venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended
 238 from time to time; [and]

239 (xxv) To the extent any portion of a deduction under Section 179 of
 240 the Internal Revenue Code was added to federal adjusted gross income
 241 pursuant to subparagraph (A)(xiv) of this subdivision in computing
 242 Connecticut adjusted gross income, twenty-five per cent of such
 243 disallowed portion of the deduction in each of the four succeeding
 244 taxable years; and

245 (xxvi) The amount calculated pursuant to subsection (b) of section 1
 246 of this act for contributions made under said section during the taxable
 247 year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	New section
Sec. 2	<i>July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	12-701(a)(20)(B)

Statement of Purpose:

To establish a citizens in need account to receive charitable contributions to assist residents of this state who have had their benefits from state social services programs administered by the Department of Social Services reduced due to state budgetary constraints, and to provide a state tax deduction at the rate of two hundred per cent of the amount contributed to said account.

[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.]

Co-Sponsors: SEN. FASANO, 34th Dist.

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