



General Assembly

Proposed Bill No. 602

January Session, 2025

LCO No. 1176



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
SEN. FAZIO, 36th Dist.

AN ACT CONCERNING THE PERSONAL INCOME TAX MARGINAL RATES, THE ASSET EXPENSE DEDUCTION FOR CORPORATIONS AND THE LIMIT OF BOND ISSUANCES THE STATE BOND COMMISSION MAY AUTHORIZE.

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

1 That the general statutes be amended to: (1) For taxable and income
2 years commencing on and after January 1, 2028, (A) reduce the marginal
3 rates for the personal income tax by (i) two percentage points for
4 unmarried individuals and married individuals filing separately, with
5 federal adjusted gross income of less than one hundred thousand
6 dollars, (ii) one and one-half percentage points for such individuals with
7 federal adjusted gross income of one hundred thousand dollars or more
8 but less than two hundred fifty thousand dollars, (iii) one percentage
9 point for such individuals with federal adjusted gross income of two
10 hundred fifty thousand dollars or more, and (iv) proportional amounts
11 for individuals filing as heads of households and married individuals
12 filing jointly; and (B) allow a taxpayer eligible to claim an asset expense
13 deduction under Section 179 of the Internal Revenue Code to claim the

14 entirety of such deduction at once in lieu of the current apportionment
15 method over five years; (2) establish a task force to develop a plan to
16 implement the specified personal income tax rate reductions in a
17 revenue-neutral way through the reduction of long-term spending and
18 the elimination of tax expenditures the task force determines are not
19 generating economic growth or are no longer serving their intended
20 purpose; and (3) limit the amount of bond issuances the State Bond
21 Commission may authorize to not more than the amount of estimated
22 revenue projected for the fiscal year divided by fifteen.

Statement of Purpose:

To (1) reduce the marginal rates for the personal income tax and allow an eligible taxpayer to claim the entirety of an asset expense deduction under Section 179 of the Internal Revenue Code at once rather than incrementally, for taxable and income years commencing January 1, 2028, (2) establish a task force to develop a plan to implement the specified personal income tax rate reductions in a revenue-neutral way, and (3) limit the amount of bond issuances the State Bond Commission may authorize to not more than the amount of estimated revenue projected for the fiscal year divided by fifteen.