

# Connecticut General Assembly

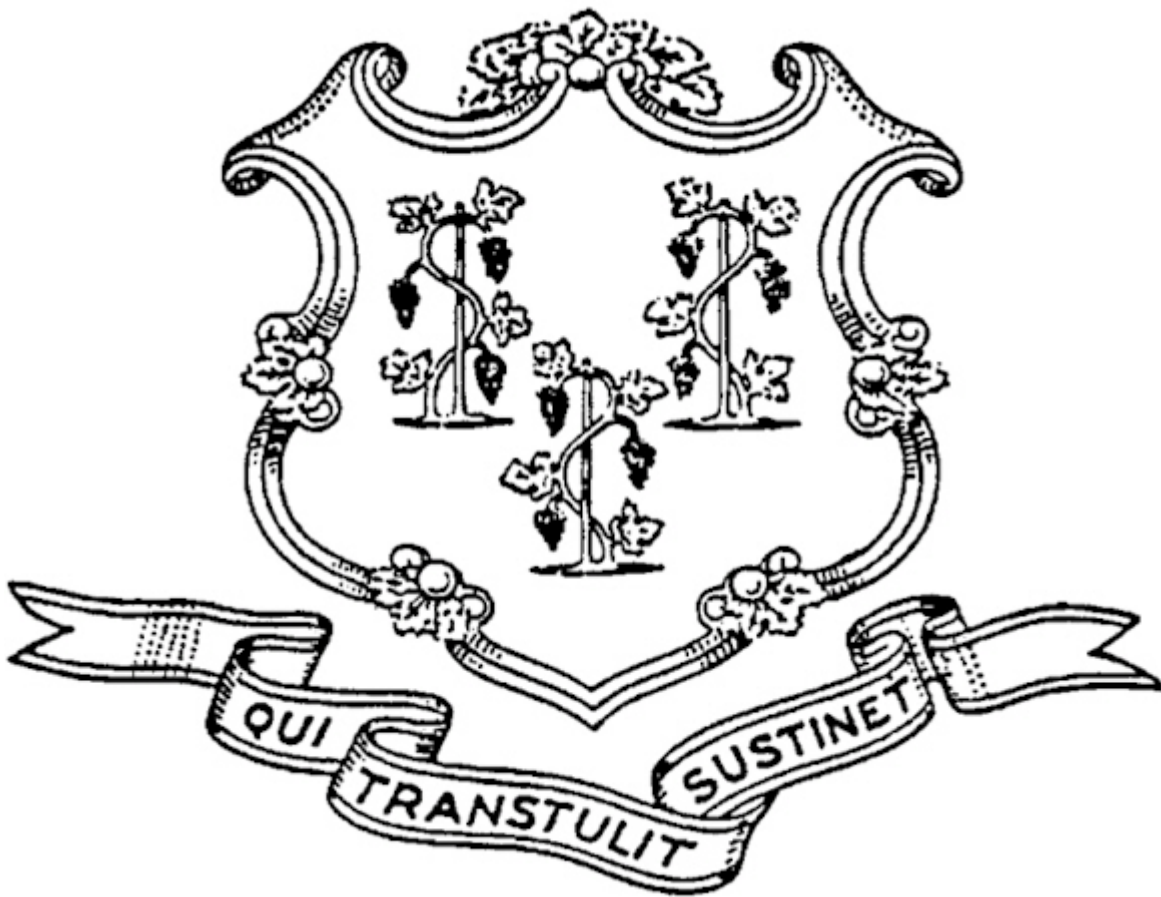
OFFICE OF FISCAL ANALYSIS



## Connecticut Revenue and Budget Data

February 27, 2006

**CONNECTICUT**  
**REVENUE AND BUDGET DATA**



**OFFICE OF FISCAL ANALYSIS**  
**CONNECTICUT GENERAL ASSEMBLY**

February 2006

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## INTRODUCTION

This document is designed to be a reference tool for legislators interested in putting the state's revenue and budget picture into historical perspective. Twenty years or more of data on major state taxes and some of the basic expenditure items most often asked for by state legislators is provided. Similar information is included for municipal finances. A section covering a number of important issues and major state and municipal programs or funds of interest to legislators is also provided.

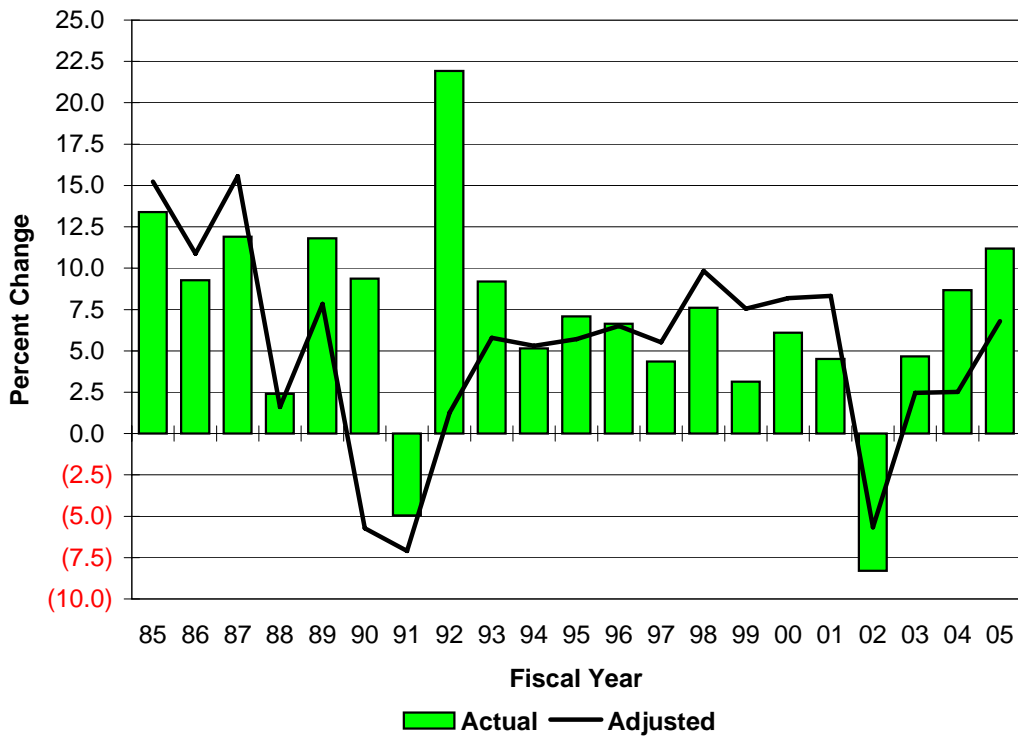
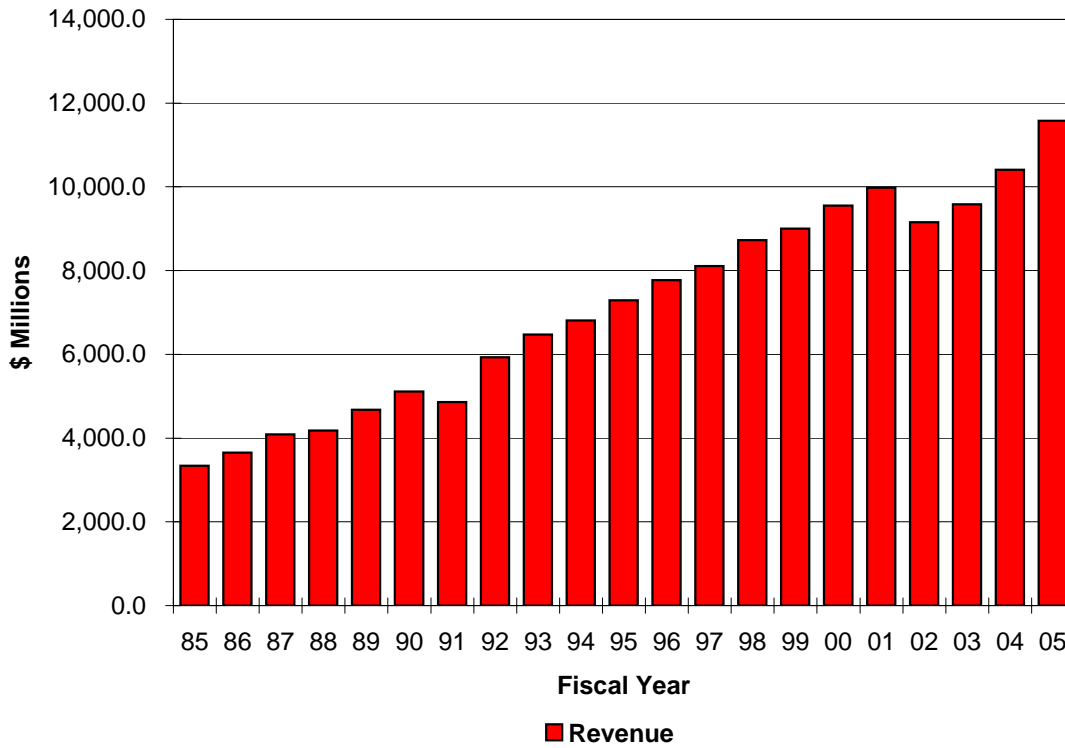
The information presented here is compiled from many authoritative sources, which are noted at the end of each document. In some cases the data is taken directly from the source, while in other cases adjustments are made to provide consistency among data elements. Where these adjustments are made, descriptive footnotes are included. Differences between figures provided in this edition and previous ones are generally due to revised data becoming available.

Any comments or questions concerning the information contained in this document, or suggestions would be welcomed by: **Office of Fiscal Analysis, LOB 5200, 300 Capitol Avenue, Hartford, CT 06106.**

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# Total Tax Revenue (General & Transportation Fund) Collections and Growth Rates FY 85 - FY 05



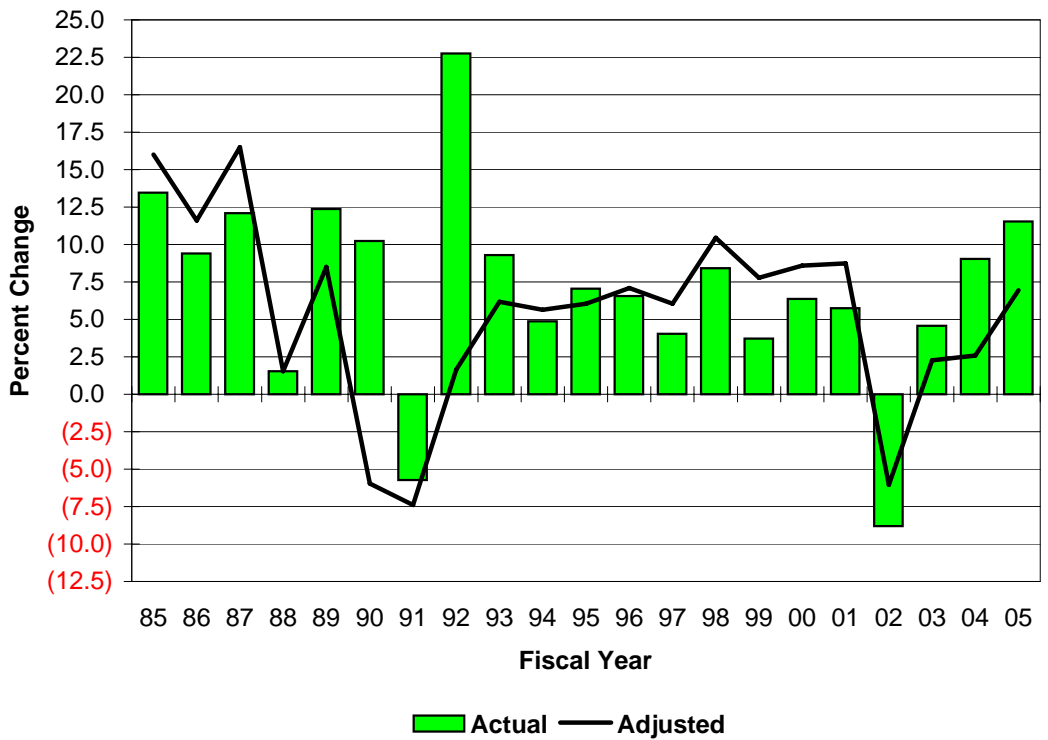
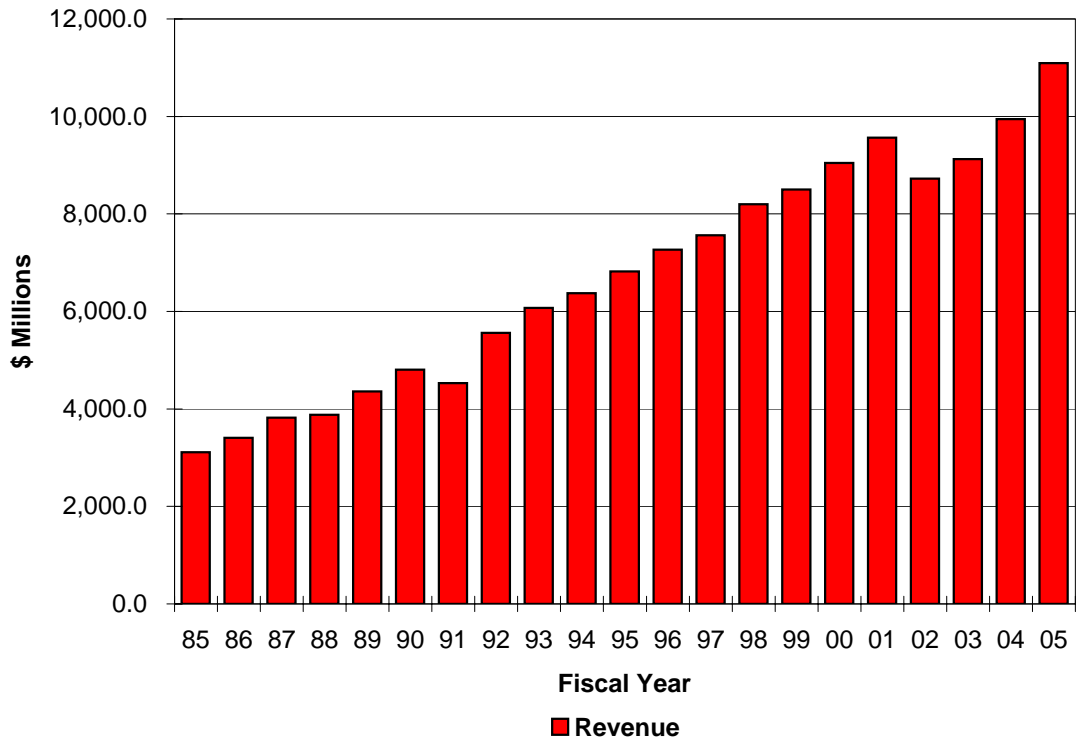
**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

**Total Tax Revenue (General & Transportation Fund)**

	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	974.1	187.4	0.0		
FY73	1,136.4	58.6	14.5	16.7	9.2
FY74	1,082.6	(102.3)	0.0	(4.7)	5.6
FY75	990.0	(28.4)	0.0	(8.6)	(5.9)
FY76	1,190.9	149.5	27.7	20.3	2.4
FY77	1,347.1	(0.7)	71.6	13.1	9.7
FY78	1,417.0	(4.1)	4.0	5.2	11.1
FY79	1,571.7	(9.6)	0.0	10.9	11.9
FY80	1,691.4	(0.9)	0.0	7.6	7.7
FY81	1,924.8	128.9	0.0	13.8	6.2
FY82	2,158.6	65.0	35.3	12.1	6.9
FY83	2,372.3	28.9	84.2	9.9	6.4
FY84	2,946.9	233.1	45.8	24.2	16.6
FY85	3,341.3	(1.8)	0.0	13.4	15.2
FY86	3,651.2	(113.3)	60.0	9.3	10.9
FY87	4,085.4	(68.8)	4.0	11.9	15.6
FY88	4,183.3	36.0	0.0	2.4	1.6
FY89	4,677.2	108.3	57.6	11.8	7.8
FY90	5,115.3	730.3	29.7	9.4	(5.7)
FY91	4,862.5	92.4	45.6	(4.9)	(7.1)
FY92	5,928.2	1,039.0	11.6	21.9	1.3
FY93	6,473.1	197.0	17.6	9.2	5.8
FY94	6,806.7	(38.3)	47.3	5.2	5.3
FY95	7,289.2	179.5	(35.4)	7.1	5.7
FY96	7,772.8	(9.4)	(19.1)	6.6	6.5
FY97	8,111.7	(96.6)	(13.9)	4.4	5.5
FY98	8,729.0	(178.7)	(16.6)	7.6	9.8
FY99	9,003.1	(362.7)	(40.5)	3.1	7.6
FY00	9,551.8	(245.4)	13.1	6.1	8.2
FY01	9,982.8	(345.7)	(4.8)	4.5	8.3
FY02	9,153.8	(248.2)	(19.9)	(8.3)	(5.7)
FY03	9,580.8	170.7	10.0	4.7	2.5
FY04	10,411.5	578.8	20.0	8.7	2.5
FY05	11,577.0	407.0	71.7	11.2	6.8



## Total General Fund Tax Revenue Collections and Growth Rates FY 85 - FY 05



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

**Total General Fund Tax Revenue**

	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	842.0	165.1	0.0		
FY73	992.7	54.1	14.5	17.9	9.8
FY74	941.4	(101.3)	0.0	(5.2)	6.6
FY75	846.9	(28.4)	0.0	(10.0)	(7.0)
FY76	1,033.3	149.5	13.7	22.0	2.7
FY77	1,184.3	(15.3)	71.6	14.6	10.6
FY78	1,252.5	(4.1)	4.0	5.8	12.6
FY79	1,402.9	(9.6)	0.0	12.0	13.1
FY80	1,533.1	(0.8)	0.0	9.3	9.3
FY81	1,771.1	128.9	0.0	15.5	7.1
FY82	2,003.9	65.0	35.3	13.1	7.5
FY83	2,205.8	18.9	83.7	10.1	6.8
FY84	2,744.9	202.1	45.8	24.4	17.7
FY85	3,114.3	(16.7)	0.0	13.5	16.0
FY86	3,406.8	(128.6)	60.0	9.4	11.6
FY87	3,818.6	(84.5)	4.0	12.1	16.5
FY88	3,877.3	4.2	0.0	1.5	1.5
FY89	4,356.7	92.3	57.6	12.4	8.5
FY90	4,802.9	730.3	29.7	10.2	(6.0)
FY91	4,527.6	62.0	45.6	(5.7)	(7.4)
FY92	5,558.2	991.0	11.6	22.8	1.6
FY93	6,075.3	169.0	17.6	9.3	6.2
FY94	6,371.0	(76.3)	47.3	4.9	5.7
FY95	6,820.6	149.3	(35.4)	7.1	6.1
FY96	7,268.1	(54.7)	(19.1)	6.6	7.1
FY97	7,561.1	(153.4)	(13.9)	4.0	6.1
FY98	8,198.3	(151.1)	(16.6)	8.4	10.4
FY99	8,503.2	(310.0)	(40.5)	3.7	7.8
FY00	9,045.4	(244.4)	13.1	6.4	8.6
FY01	9,565.3	(251.1)	(4.8)	5.7	8.7
FY02	8,723.5	(247.7)	(19.9)	(8.8)	(6.1)
FY03	9,122.8	170.7	10.0	4.6	2.3
FY04	9,947.0	578.8	20.0	9.0	2.6
FY05	11,095.3	407.3	71.7	11.5	6.9

## **GENERAL FUND REVENUE INCREASES AND DECREASES**

The following two sections list General Fund revenue increases and decreases enacted since FY 72. If the full effect of the revenue change does not occur in the first year, an estimate for the portion of the revenue impact occurring in the second year is also given. Revenue changes are based on the fiscal impact at the time the change was enacted.

Only estimated gains or losses above \$100,000 are included here. Items which affect revenue collections for only one year are noted below the dollar estimate.

**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

The revenue estimates below indicate the amount of additional revenue raised by tax changes in each fiscal year at the time enacted.

**FY 00-01**

Corporation Business Tax

- Repeal the Home Grown Cattle deduction, and the following tax Credits: Air Pollution Abatement Facilities, Industrial Waste Treatment Facilities, Work Education, Employee Training and New Facilities. 0.7

Sales and Use Tax

- Changes when sales tax is due on prepaid phone cards. 0.2

Tobacco Products

- Changed the tax on snuff from 20% to 40 cents per ounce. 0.2

**TOTAL FY 00-01** **1.1**

**FY 01-02**

Personal Income Tax

- Impose the income tax on a nonresident that wins the CT Lottery and allows a resident that wins an out-of-state lottery to claim a credit against the CT income tax for taxes paid to other jurisdictions. 4.0

Cigarette Excise Tax

- Excise Tax rate is increased from 50 cents per pack to \$1.10, 4/1/02 28.7
  - Floor Tax 9.5
- (one time)

Insurance Premiums

- Tax credit for HMOs providing health coverage for HUSKY A, B, and Plus Program is eliminate. 14.0

Sales Tax

- Increase in Cigarette Excise Tax increases retail prices generates additional sales tax revenue 1.5

**TOTAL FY 01-02** **57.7**

**FY 02-03**

Corporation Business Tax

- Impose a \$250 annual tax on LLC, LPs and Sub-S Corporations. 28.0
- Prohibit tax credits from reducing the Minimum Tax below \$250. 0.5
- Limit total value of tax credits allowed for any income year to 70% of a company's pre-tax liability. 30.0

Cigarette Excise Tax

- Excise Tax rate is increased from 50 cents per pack to \$1.10, 4/1/02 87.5

**GENERAL FUND REVENUE INCREASES**  
**(\$ Millions)**

- Excise Tax rate is increased from 50 cents per pack to \$1.51, 3/15/03 20.2

Insurance Premiums

- Tax credit for HMOs providing health coverage for HUSKY A, B, and Plus Program is eliminate. 1.6

Sales Tax

- Increase in Cigarette Excise Tax increases retail prices generates additional sales tax revenue 4.6  
 - Impose tax on self-storage units after 10/1/02. 1.2  
 - Delay scheduled phase-out of tax on computer and data processing services for two years. 10.0

Licenses, Permits, Fees

- Increase certain court fees. 1.5

Other

- Transfer to General Fund from other funds or sources. One-time unless indicated. The following transfer into the General Fund: 100.0  
 1) Transfer resources from quasi-public agencies  
 2) Transfer from Tobacco Health Trust Fund 46.9  
 3) Transfer from Biomedical Research Trust Fund 4.0  
 4) Redirect FY 03 resource from Tobacco Health Trust Fund 12.0  
 5) Redirect FY 03 resource from Biomed. Res. Trust Fund 4.0  
 6) Liquidation of stock from Athem's demutualization 127.2  
 7) Transfer from Private Occupational Student Protection Fund 1.0  
 8) Eliminate one-time transfer in FY 03 to Conservation Fund 1.0  
 9) Tax Amnesty Program 22.0  
 10) Suspend transfers to Underground Storage Tank Fund for FY 03 12.0  
 11) Transfer from Home Construction Guaranty Fund 1.2  
 12) Transfer from Probate Administration Fund 5.0  
 13) Transfer from Commercial Recording Account 1.0  
 14) Reduce transfers to Transportation Fund from Oil Co Tax by \$26 million in FY 03 and \$25 million thereafter 26.0

**TOTAL FY 02-03 548.4**

**FY 03-04**

Personal Income Tax

- Increase the 4.5% tax rate bracket to 5% effective 1/1/03. 403.9  
 - Reduce property tax credit maximum from \$500 to \$350 and eliminate residual \$100 tax credit for higher income levels, effective 1/1/03. 112.0

Sales Tax

- Impose tax on self-storage units after 10/1/02. 0.3  
 - Impose tax on health and athletic club services unless provided by a non-profit organization or municipality eff 4/1/03 7.5  
 - Reduce clothing exemption from \$75 to \$50 eff 4/1/03 30.0

**GENERAL FUND REVENUE INCREASES  
(\$ Millions)**

- Require out of state vendors with state contract without nexus to collect use tax on all CT sales during term of state contract. 2.5

Cigarette Excise Tax

- Excise Tax rate is increased from 50 cents per pack to \$1.51, 3/15/03 67.8

Public Service Companies

- Impose a 5% tax on satellite TV companies providing service in CT. 2.5

Insurance

- Limit the total value of tax credit against the tax to 70% of pre-tax liability for that year. 2.5

Corporation Business Tax

- Beginning with income years 2004 there is a 25% surcharge on any corporation with a liability greater than the \$250 Minimum Tax. 49.4

- Requires companies in determining their net income for tax purposes to add back otherwise deductible interest expenses and cost arising from transaction with one or more related members unless certain conditions are met. 10.0

- Increase the maximum additional tax due (preference tax) from \$25,000 to \$250,000 for a corporation filing a combined return 30.0

**TOTAL FY 03-04 718.4**

**FY 04-05**

Personal Income Tax

- Reduce property tax credit maximum from \$500 to \$350 and eliminate residual \$100 tax credit for higher income levels, effective 1/1/03. 0.2

- Change certain filing requirements 8.0

Public Service Companies

- Impose a 5% tax on satellite TV companies providing service in CT. 0.5

Sales Tax

- Impose tax on health and athletic club services unless provided by a non-profit organization or municipality eff 4/1/03 1.0

- Reduce clothing exemption from \$75 to \$50 eff 4/1/03 2.0

- Repeal phase-out of data processing tax exemption. Rate stays 1% 10.8

- Require out of state vendors with state contract without nexus to collect use tax on all CT sales during term of state contract. 2.5

Inheritance & Estate Taxes

- Establish a tax on estates over \$1 million for deaths occurring between 7/1/2004 and 1/1/05. 55.0  
(one time)

**TOTAL FY 04-05 80.0**

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

**Fiscal**  
**Impact**

**The revenue estimates below indicate the amount of additional revenue loss associated with the tax changes in each fiscal year at the time enacted.**

**FY 00-01**

Corporation Business Tax

- Phase-in a credit for the amount spent on fixed capital investments as follows: 3% for the 1998 income year, 4% for 1999, and 5% for the 2000 income year and after (2.1)
- Phase-in a credit for the amount spent on human capital investments as follows: 3% for the 1998 income year, 4% for 1999, and 5% for the 2000 income year and after (0.6)
- Up to \$1,000 credit per income year for construction trades apprenticeship (0.1)
- Phase-out of the tax on the net income of subchapter S corporations by reducing the percentage which is taxable to 90% on 1/1/97, 75% on 1/1/98, 55% on 1/1/99, and 30% on 1/1/2000. On 1/1/2001 and after S-Corp net income is exempted. (5.0)
- Allow subchapter S corporations to take credits on the same phase out schedule of the tax on net income effective with 1997 income year. (0.5)
- The corporate income tax rate is reduce from 8.50% to 7.50%, beginning with the 2000 income year. (one time) (38.5)
- Extend the carry-forward for up to 15 years of the research and experiment credit effective with the 2000 income year. (3.8)
- Extend the research and development credit to qualified small business defined as firms with a gross income under \$100 million. (1.2)
- Establish a Rehabilitating Historic Homes credit, capped at \$3 million (1.0)
- Credit for donation of computers to schools (0.3)

Personal Income Tax

- Credit for the amount of Property Tax paid on privately-owned motor vehicles is phased in over a five year period beginning with 1997 income year. (Repealed by PA 97-309) 0.0
- Increase the maximum property tax credit from \$350 to \$425 for income 1999 and to \$500 for income 2000 and thereafter. (42.0)
- Increase the standard exemption amount for Single Filers from \$12,000 to \$15,000 over eight years. For Income year 2000, \$12,250. (12.9)

Gift Tax

- Phase out tax on gifts under \$1 million over six years (1.0)

Hospital Gross Receipts Tax

- The 11% tax rate is reduced to 9.25% on 10/1/96, 8.25% on 10/1/97, 7.25% on 10/1/98, and 6.25% on 10/1/99. (5.0)
- Reduce the tax from 6.25% to 4.5% effective 10/1/99 (5.8)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
- The tax is repealed effective 4/1/01.	(75.0)
 <u>Inheritance Tax</u>	
- Phase out the inheritance tax by increasing the exemption amount for each class of inheritors over five years.	(20.7)
 <u>Insurance Premiums Tax</u>	
- Establish a Rehabilitating Historic Homes credit, capped at \$3 million	(0.5)
- Credit for HMOs providing HUSKY coverage increased from \$55 to \$73.50 times the average monthly enrollment per calendar year.	(14.5)
 <u>Petroleum Companies</u>	
- Phase-out fuel used in interstate commerce and #6 fuel used by industrial consumers (SIC 2000-3000) by 1% over five years eff 7/1/98	(0.2)
- Transfer an additional \$10 million per fiscal year to the TF.	(10.0)
- Transfer \$6 million in FY 01 to the Environmental Quality Fund.	(6.0)
 <u>Public Service Corporations Gross Receipts Tax</u>	
- The 5% tax on steam companies is phased out by 1% each year beginning 7/1/96 and eliminated 7/1/00. The rate is eliminated.	(0.2)
- Establish a Rehabilitating Historic Homes credit, capped at \$3 million	(0.5)
 <u>Sales and Use Tax</u>	
- The tax on computer data processing services is phased out by 1% each year beginning 7/1/97 and eliminated 7/1/02. The rate is reduced from 3% to 2% effective 7/1/00. (Delayed from 7/1/99 to 7/1/00 by PA 95-160)	(4.2)
- Transfer Sales tax collected by DMV to the Transportation Fund.	(42.5)
- Effect of electric deregulation on Sales Tax. Electric distribution companies must provide all customers in their service areas a standard offer option from 1/1/00 to 1/1/04 that is at least 10% below the approved rate on 12/1/96.	(1.7)
- Telecom and CATV services rendered between parent companies and wholly-owned subsidiaries.	(0.3)
- Reduce tax rate to 4% effective 7/1/99, 2% 7/1/00 and exempt as of 7/1/01 the following home remodeling services: paving, painting, staining, wallpapering, roofing, siding and exterior metal work.	(3.4)
- Reduce the Sales Tax hospital services from 6% to 5.75%	(0.2)
- Child Car Seats	(0.5)
- College Textbooks	(3.5)
- Items sold through vending machines costing less than 50 cents	(0.2)
- Passenger cars est highway MPG > 50mpg prior to 7/1/02	(0.01)
- Increasing exemption for clothing and footwear \$50 to \$75	(29.0)
- Sales Tax Free Week	(3.0)
- Leased employees wages and benefits under Prof service agreements	(0.1)



**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
- Property removed from retailer's inventory	(0.1)
 <u>Admissions &amp; Dues</u>	
- Reduce the tax rate from 10% to 8% on movie tickets	(1.2)
- Exempt the CT Expo Center	(0.2)
- Admissions charge subject to the Cabaret Tax prior to repeal.	(1.3)
- Club locker dues	(0.2)
 <u>Special Revenue</u>	
- Increase the amount transferred from lottery operations to Chronic Gamblers Treatment Fund.	(0.3)
<b>TOTAL FY 00-01</b>	<b>(339.3)</b>

**FY 01-02**

<u>Corporation Business Tax</u>	
- Phase-in a credit for the amount spent on fixed capital investments as follows: 3% for the 1998 income year, 4% for 1999, and 5% for the 2000 income year and after	(1.7)
- Phase-in a credit for the amount spent on human capital investments as follows: 3% for the 1998 income year, 4% for 1999, and 5% for the 2000 income year and after	(0.4)
- Phase-out of the tax on the net income of subchapter S corporations by reducing the percentage which is taxable to 90% on 1/1/97, 75% on 1/1/98, 55% on 1/1/99, and 30% on 1/1/2000. On 1/1/2001 and after S-Corp net income is exempted.	(4.0)
- The corporate income tax rate is reduce from 8.50% to 7.50%, beginning with the 2000 income year.	(10.4)
- Extend the carry-forward for up to 15 years of the research and experiment credit effective with the 2000 income year.	(0.1)
- Extend the research and development credit to qualified small business defined as firms with a gross income under \$100 million.	(1.8)
- Eliminate Corporate Income Tax payment for S-Corporations under the minimum and capital base effective for the 2000 income year.	(3.5)
- Allow mfgs and broadcasters to use single factor formula	(53.6)
- Credit for donation of computers to schools	(0.2)
- Exchange of R&D tax credits will be an offset to revenue (see Refunds)	
 <u>Personal Income Tax</u>	
- Credit for the amount of Property Tax paid on privately-owned motor vehicles is phased in over a five year period beginning with 1997 income year. (Repealed by PA 97-309)	0.0
- Increase the standard exemption amount for Single Filers from \$12,000 to \$15,000 over eight years. For Income year 2001, \$12,500.	(3.2)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
<p>PA 02-1 MSS delays the changes by two years. For 2002 and 2003 the exemption amount stays at the 2001 level or \$12,500.</p>	
<b><u>Gift Tax</u></b>	
- Phase out tax on gifts under \$1 million over six years	(2.8)
<b><u>Hospital Gross Receipts Tax</u></b>	
- The 11% tax rate is reduced to 9.25% on 10/1/96, 8.25% on 10/1/97, 7.25% on 10/1/98, and 6.25% on 10/1/99.	(5.0)
<b><u>Inheritance Tax</u></b>	
- Phase out the inheritance tax by increasing the exemption amount for each class of inheritors over five years. Class A begins in 1997, Class B begins in 1999, and Class C begins in 2001.	(29.7)
<b><u>Insurance Premiums Tax</u></b>	
- Exempt new or renewal insurance health coverage for municipal employees and non-profit organizations written after July 1, 2001.	(1.0)
<b><u>Petroleum Companies</u></b>	
- Phase-out fuel used in interstate commerce and #6 fuel used by industrial consumers (SIC 2000-3000) by 1% over five years eff 7/1/98	(0.2)
- Transfer \$8 million in FY 02 and FY 03 to the Environmental Quality Fund.	(8.0)
- Extend the exemption of sales of propane or natural gas used as fuel in motor vehicles until 6/30/02	(0.2)
<b><u>Public Service Corporations Gross Receipts Tax</u></b>	
- Extend the exemption of sales of propane or natural gas used as fuel in motor vehicles until 6/30/02	(0.2)
<b><u>Admissions &amp; Dues</u></b>	
- Reduce the tax rate from 10% to 6% on movie tickets.	(1.2)
<b><u>Sales and Use Tax</u></b>	
- The tax on computer data processing services is phased out by 1% each year beginning 7/1/97 and eliminated 7/1/02. The rate is reduced from 2% to 0% effective 7/1/01. (Delayed from 7/1/00 to 7/1/01 by PA 95-160 and by PA 00-170)	(12.1)
- Transfer Sales tax collected by DMV to the Transportation Fund.	(37.0)
- Reduce tax rate to 4% effective 7/1/99, 2% 7/1/00 and exempt as of 7/1/01 the following home remodeling services: paving, painting, staining, wallpapering, roofing, siding and exterior metal work.	(3.3)
- Pilot program credit for computer purchased for ecommerce	(2.0)
- High speed data transmission equipment sold to CATV or Telcos	(8.0)
- TV equipment for the visually impaired	(0.01)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
- Canes, support hoses, caskets, smoking cessation products	(0.4)
- Suspend Sales Tax (5.75%) on hospital patient care services from July 1, 2001 to June 30, 2003.	(111.4)
- Exempt materials, equipment, tools, fuel and machinery from tax when used by a fuel cell manufacturing facility.	(0.1)
- Extend sunset from January 1, 2002 to July 1, 2002 on Alternative Fuel vehicles, conversion equipment, and filling/recharging stations	(0.2)
- Changes when the sales tax exemption is applied when hospitals are instead when they are provided.	(18.0) (one time)
 <u>Refunds</u>	
- The exchange of unused Corporate Income Tax R&D tax credits by corporation will be an offset to General Fund revenue.	(14.0)
- Refunds of payments will be an offset to revenue (prior to FY 02 refunds of payments were appropriated.)	(0.5)
<b>TOTAL FY 01-02</b>	<b>(334.2)</b>
 <b>FY 02-03</b>	
<u>Corporation Business Tax</u>	
- Extend sunset from July 1, 2002 to January 1, 2004 on Alternative Fuel vehicles, conversion equipment, and filling/recharging stations	(0.5)
<u>Personal Income Tax</u>	
- Increase the standard exemption amount for Single Filers. PA 02-1 MSS and PA 03-1 JSS further delay the changes.	0.0
<u>Gift Tax</u>	
- Phase out tax on gifts under \$1 million by 1/1/08. PA 02-1 MSS delayed the schedule phase-out of the tax by two years.	(1.9)
- Phase out tax on gifts under \$1 million over eight years. PA 02-1 MSS delayed the schedule phase-out of the tax by two years.	0.0
<u>Inheritance Tax</u>	
- Phase out the inheritance tax by increasing the exemption amount for each class of inheritors over five years. Class A begins in 1997, Class B begins in 1999, and Class C begins in 2001. PA 01-1 of the November Special Session delayed the phase out by one year. PA 03-1 JSS delayed the phase out by two additional years for Class Class B from 1/1/04 to 1/1/06 and Class C from 1/1/06 to 1/1/08.	0.0
<u>Petroleum Companies</u>	
- Transfer \$8 million in FY 02 and FY 03 to the Environmental Quality Fund.	(8.0)
- Transfer \$1 million in FY 03 to the Conservation Fund.	(1.0)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
- Exempt sales between 1/1/00 and 7/1/01 of propane used as fuel in motor vehicles.	(0.2) (one-time)
- Extend sunset from July 1, 2002 to July 1, 2004 on exemption on sales of propane used as fuel in a motor vehicle.	(0.1)
- Exempt sale from July 1, 2002 to July 1, 2004 of petroleum products used as fuel in fuel cells.	(0.1)
 <u>Public Service Companies</u>	
- Extend sunset from July 1, 2002 to July 1, 2004 exemption of sales of natural gas and propane used as fuel in motor vehicles.	(0.1)
 <u>Sales and Use Tax</u>	
- Transfer Sales tax collected by DMV to the Transportation Fund.	(28.9)
- Suspend Sales Tax (5.75%) on hospital patient care services from July 1, 2001 to June 30, 2003.	(3.4)
- Exempt business analysis, management, consulting and public relations services in connection with aircraft owned or operated by an air carrier retroactive to 7/1/94.	(0.2) (0.8) (one-time)
- Extend sunset from July 1, 2002 to January 1, 2004 on Alternative Fuel vehicles, conversion equipment, and filling/recharging stations	(0.2)
- Exempt sales from July 1, 2002 to July 1, 2004 of vehicles exclusively powered by hydrogen.	(0.1)
- Exempt non-cable communication services purchased by cable network.	(0.1)
<b>TOTAL FY 02-03</b>	<b>(45.6)</b>
 <b>FY 03-04</b>	
<u>Corporation Business Tax</u>	
- Reinstate R&D tax credit refunds for companies that file alt-capital base tax for income years 2002 through 2004.	(12.5)
 <u>Sales and Use Tax</u>	
- Increase credit on pilot program credit from \$2 million to \$4 million for computer purchased and donated to higher education for electronic commerce or workforce development.	(2.0)
- Repeal 5.75% tax on hospital patient care services (previously suspended for 2 years.)	(115.7)
 <u>Personal Income Tax</u>	
- Increase the standard exemption amount for Single Filers. PA 02-1 MSS and PA 03-1 JSS further delay the changes.	(2.7)
 <u>Gift Tax</u>	
- Phase out tax on gifts under \$1 million by 1/1/08. PA 02-1 MSS	(1.2)

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
<ul style="list-style-type: none"> <li>delayed the schedule phase-out of the tax by two years.</li> <li>- Phase out tax on gifts under \$1 million over eight years. PA 02-1 MSS delayed the schedule phase-out of the tax by two years.</li> </ul>	0.0
<u>Inheritance Tax</u>	
<ul style="list-style-type: none"> <li>- Phase out the inheritance tax by increasing the exemption amount for each class of inheritors over five years. Class A begins in 1997, Class B begins in 1999, and Class C begins in 2001. PA 01-1 of the November Special Session delayed the phase out by one year. PA 03-1 JSS delayed the phase out by two additional years for Class Class B from 1/1/04 to 1/1/06 and Class C from 1/1/06 to 1/1/08.</li> </ul>	0.0
<u>Petroleum Companies</u>	
<ul style="list-style-type: none"> <li>- Transfer \$10.5 million in FY 04 and FY 05 to the Emergency Spill Response Account.</li> </ul>	(10.5)
<u>Public Service Companies</u>	
<ul style="list-style-type: none"> <li>- Exempt sales by an existing energy plant compromised of three gas turbines with a total capacity of 775 megawatts effective 5/1/03.</li> <li>- Earmark \$2 million per year in cable and satellite TV gross earnings tax revenues to the CT Television Network.</li> </ul>	(5.0) (2.0)
<u>Other</u>	
<ul style="list-style-type: none"> <li>- Transfer \$125.3 million from FY 04 to FY 05</li> </ul>	(125.3) (one time)
<b>TOTAL FY 03-04</b>	
<b>(264.4)</b>	
<b>FY 04-05</b>	
<u>Sales and Use Tax</u>	
<ul style="list-style-type: none"> <li>- Repeal 5.75% tax on hospital patient care services.</li> <li>- Exempt tangible personal property purchased by for-profit hospitals</li> <li>- Exempt certain sales or services sold to an acute care for-profit hospital.</li> </ul>	(0.7) (0.4) (0.8) (one-time)
<u>Personal Income Tax</u>	
<ul style="list-style-type: none"> <li>- Increase the standard exemption amount for Single Filers. PA 02-1 MSS and PA 03-1 JSS further delay the changes.</li> </ul>	(4.6)
<u>Gift Tax</u>	
<ul style="list-style-type: none"> <li>- Phase out tax on gifts under \$1 million by 1/1/10. PA 02-1 MSS delayed the schedule phase-out of the tax by two years. PA 03-1 JSS delayed the schedule phase-out of the tax by another two years.</li> </ul>	(0.3)
<u>Inheritance Tax</u>	

**GENERAL FUND REVENUE DECREASES**  
**(\$ Millions)**

	<b><u>Fiscal Impact</u></b>
<ul style="list-style-type: none"> <li>- Phase out the inheritance tax by increasing the exemption amount for each class of inheritors over five years. Class A begins in 1997, Class B begins in 1999, and Class C begins in 2001. PA 01-1 of the November Special Session delayed the phase out by one year. PA 03-1 JSS delayed the phase out by two additional years for Class B from 1/1/04 to 1/1/06 and Class C from 1/1/06 to 1/1/08.</li> </ul>	(13.4)
<u>Petroleum Companies</u>	
<ul style="list-style-type: none"> <li>- Extend sunset from July 1, 2004 to July 1, 2008 on exemption on sales of propane used as fuel in a motor vehicle.</li> </ul>	(0.1)
<ul style="list-style-type: none"> <li>- Exempt sale from July 1, 2004 to July 1, 2008 of petroleum products used as fuel in fuel cells.</li> </ul>	(0.1)
<u>Public Service Companies</u>	
<ul style="list-style-type: none"> <li>- Exempt from tax portion of electric companies revenue used to pay debt service on energy securitization bonds.</li> </ul>	(1.7)
<ul style="list-style-type: none"> <li>- Extend sunset from July 1, 2004 to July 1, 2008 on exemption on sales of propane used as fuel in a motor vehicle.</li> </ul>	(0.1)
<ul style="list-style-type: none"> <li>- Exempt sales of natural gas used as fuel to a cogeneration facility providing electricity or steam to a company engaged in manufacturing.</li> </ul>	(0.8)
<u>Real Estate Conveyance</u>	
<ul style="list-style-type: none"> <li>- Exempt employers and relocation companies resale of residential property acquired through employee relocation plans.</li> </ul>	(1.2)
<b>TOTAL FY 04-05</b>	<b>(24.2)</b>

## DATES OF ADOPTION OF MAJOR STATE TAXES BY STATE

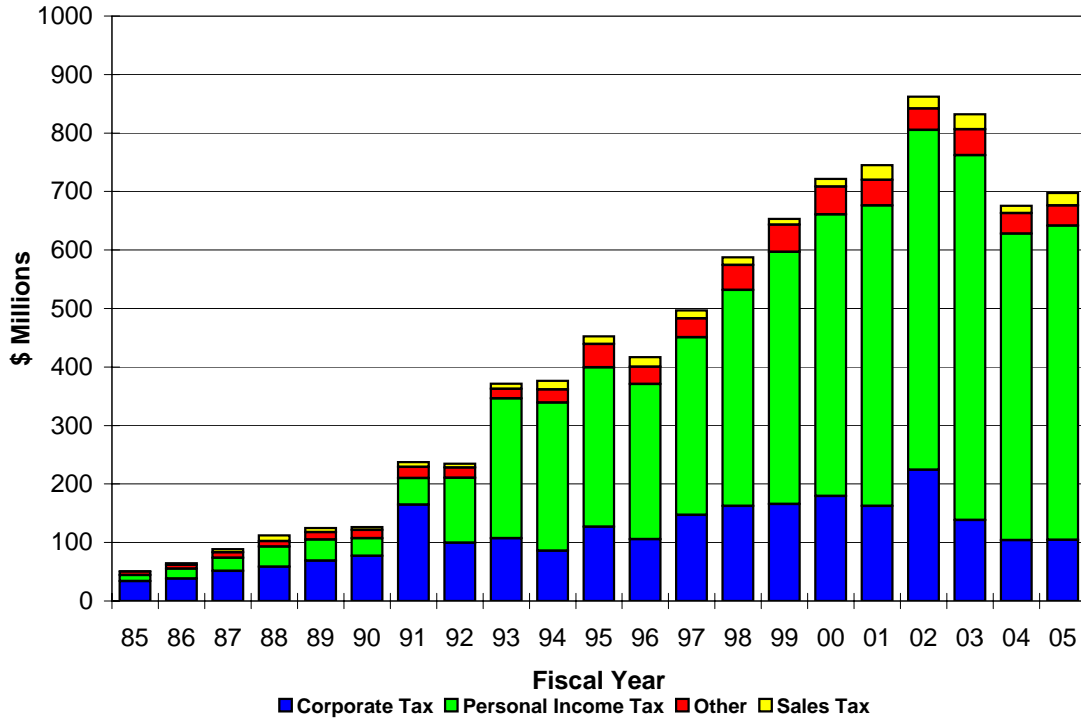
State	Individual Income	Corporate Income	General Sales	Gasoline	Cigarettes	Distilled Spirits[a]
Alabama	1933	1933	1936	1923	1935	-
Alaska	1949 [b]	1949	-	1946	1949	1945
Arizona	1933	1933	1933	1921	1933	1975
Arkansas	1929	1929	1935	1921	1929	1935
California	1935	1929	1933	1923	1959	1935
Colorado	1937	1937	1935	1919	1964	1933
Connecticut	1969 [c]	1915	1947	1921	1935	1937
Delaware	1917	1957	-	1923	1943	1933
Florida	-	1971	1949	1921	1943	1935
Georgia	1929	1929	1951	1921	1937	1937
Hawaii	1901	1901	1935	1932	1939	1939
Idaho	1931	1931	1965	1923	1945	-
Illinois	1969	1969	1933	1927	1941	1934
Indiana	1963	1963	1933	1923	1947	1933
Iowa	1934	1934	1933	1925	1921	-
Kansas	1933	1933	1937	1925	1927	1948
Kentucky	1936	1936	1960	1920	1936	1934
Louisiana	1934	1934	1938	1921	1932	1934
Maine	1969	1969	1951	1923	1941	-
Maryland	1937	1937	1947	1922	1958	1933
Massachusetts	1916	1919	1966	1929	1939	1933
Michigan	1967	1967	1933	1925	1947	-
Minnesota	1933	1933	1967	1925	1947	1934
Mississippi	1912	1921	1932	1922	1932	1966
Missouri	1917	1917	1934	1925	1955	1934
Montana	1933	1917	-	1921	1947	-
Nebraska	1967	1967	1967	1925	1947	1935
Nevada	-	-	1955	1923	1947	1935
New Hampshire	1923 [b]	1970	-	1923	1939	-
New Jersey	1976	1958	1966	1927	1948	1933
New Mexico	1933	1933	1933	1919	1943	1934
New York	1919	1917	1965	1929	1939	1933
North Carolina	1921	1921	1933	1921	1969	-
North Dakota	1919	1919	1935	1919	1927	1936
Ohio	1971	1971	1934	1925	1931	-
Oklahoma	1915	1931	1933	1923	1933	1959
Oregon	1930	1929	-	1919	1965	-
Pennsylvania	1971	1935	1953	1921	1937	-
Rhode Island	1971	1947	1947	1925	1939	1933
South Carolina	1922	1922	1951	1922	1923	1935
South Dakota	-	-	1933	1922	1923	1935
Tennessee	1931 [b]	1923	1947	1923	1925	1939
Texas	-	-	1961	1923	1931	1935
Utah	1931	1931	1933	1923	1923	-
Vermont	1931	1931	1969	1923	1937	-
Virginia	1916	1915	1966	1923	1960	-
Washington	-	-	1933	1921	1935	-
West Virginia	1961	1967	1933	1923	1947	-
Wisconsin	1911	1911	1961	1925	1939	1934
Wyoming	-	-	1935	1923	1951	-

[a] Excludes excises by the states that own and operate liquor stores, and by North Carolina where county stores operate under state supervision.

[b] Taxes are limited: New Hampshire and Tennessee (interest and dividends). Alaska abolished its individual income tax in 1980.

[c] Connecticut established a capital gains tax in FY 1969, a dividends tax in FY 1972, an interest tax in FY 1984 and an earned income tax in FY 1992.

## Refund of Taxes FY 85 - FY 05



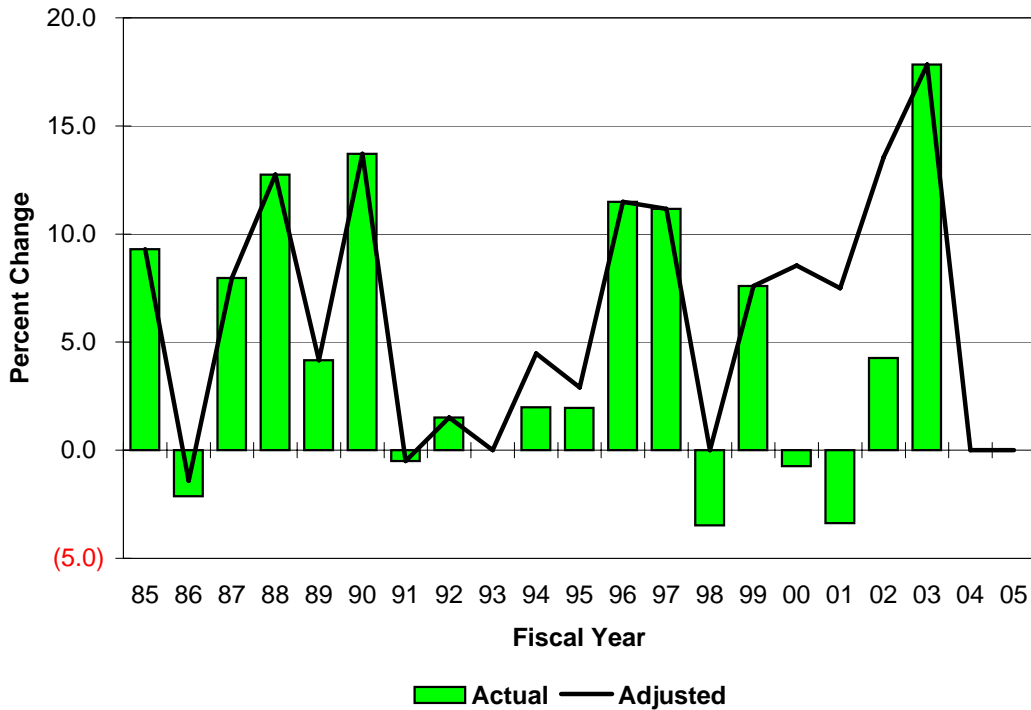
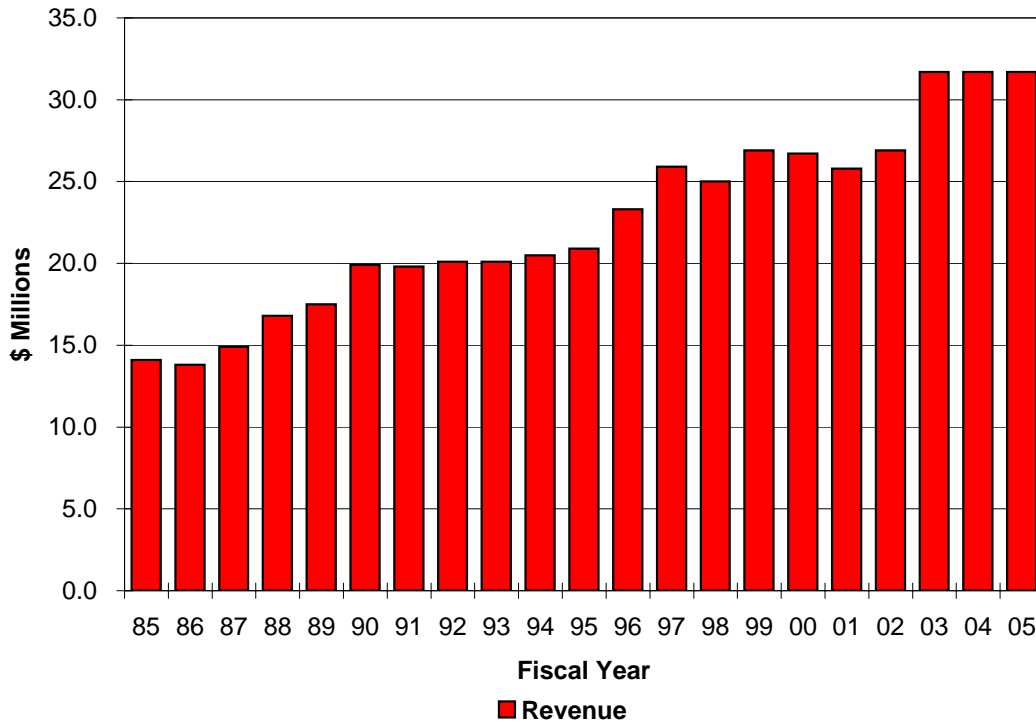
Fiscal Year	Refund of Taxes -- Millions \$				Total
	Sales Tax	Corp. Tax	Personal Income Tax*	Other**	
1985	0.7	33.7	10.8	5.8	51.0
1986	2.8	38.4	16.6	6.9	64.7
1987	5.7	51.3	22.5	9.2	88.7
1988	10.2	58.6	34.2	9.3	112.3
1989	7.2	69.1	35.9	12.6	124.8
1990	4.5	77.1	30.3	14.3	126.2
1991	8.4	164.4	45.9	18.7	237.4
1992	7.0	99.7	111.0	17.2	234.9
1993	9.0	107.4	238.8	16.3	371.5
1994	14.4	85.8	253.3	22.6	376.1
1995	13.1	126.8	272.7	39.7	452.3
1996	16.5	105.7	265.0	29.7	416.9
1997	13.4	147.2	303.4	32.5	496.5
1998	13.4	162.6	369.3	42.3	587.6
1999	10.0	165.7	431.0	46.5	653.2
2000	13.2	179.6	481.5	47.2	721.5
2001	24.8	162.3	513.9	43.9	744.9
2002	20.3	224.3	581.1	36.6	862.3
2003	25.4	138.5	623.8	44.2	831.9
2004	12.8	104.2	523.8	34.9	675.7
2005	21.4	104.4	537.1	34.7	697.6

\*Prior years to FY 92 is only Capital Gains, Interest & Dividends.

\*\*Includes Transportation and Other Funds.



## Admissions, Dues and Cabaret Taxes Collections and Growth Rates FY 85 - FY 05



**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

**Admissions and Dues Taxes**

	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	7.0	0.0	0.0		
FY73	7.3	0.0	0.0	4.3	4.3
FY74	8.5	0.0	0.0	16.4	16.4
FY75	9.4	0.0	0.0	10.6	10.6
FY76	9.5	0.0	0.0	1.1	1.1
FY77	10.1	0.0	0.0	6.3	6.3
FY78	11.0	0.0	0.0	8.9	8.9
FY79	10.9	(0.8)	0.0	(0.9)	6.4
FY80	11.7	0.0	0.0	7.3	7.3
FY81	11.7	0.0	0.0	0.0	0.0
FY82	11.9	0.0	0.0	1.7	1.7
FY83	12.5	0.0	0.0	5.0	5.0
FY84	12.9	0.0	0.0	3.2	3.2
FY85	14.1	0.0	0.0	9.3	9.3
FY86	13.8	(0.1)	0.0	(2.1)	(1.4)
FY87	14.9	0.0	0.0	8.0	8.0
FY88	16.8	0.0	0.0	12.8	12.8
FY89	17.5	0.0	0.0	4.2	4.2
FY90	19.9	0.0	0.0	13.7	13.7
FY91	19.8	0.0	0.0	(0.5)	(0.5)
FY92	20.1	0.0	0.0	1.5	1.5
FY93	20.1	0.0	0.0	0.0	0.0
FY94	20.5	(0.3)	(0.2)	2.0	4.5
FY95	20.9	(0.4)	0.0	2.0	2.9
FY96	23.3	0.0	0.0	11.5	11.5
FY97	25.9	0.0	0.0	11.2	11.2
FY98	25.0	(0.9)	0.0	(3.5)	0.0
FY99	26.9	0.0	0.0	7.6	7.6
FY00	26.7	(2.5)	0.0	(0.7)	8.6
FY01	25.8	(2.9)	0.0	(3.4)	7.5
FY02	26.9	(2.4)	0.0	4.3	13.6
FY03	31.7	0.0	0.0	17.8	17.8
FY04	31.7	0.0	0.0	0.0	0.0
FY05	31.7	0.0	0.0	0.0	0.0

## ADMISSIONS, DUES AND CABARET TAXES

Fiscal Year	Revenues (Millions \$)	Rate	Base Change
1972	7.0	10%	
1973	7.3	10%	Cabaret tax is not imposed on places providing the music of a single instrumental performer.
1974	8.5	10%	Exemption: for charges paid by members of a senior citizens center as long as the charge to a single event is paid for groups at least ten persons.
1975	9.4	10%	
1976	9.5	10%	
1977	10.1	10%	
1978	11.0	10%	The exemption allowed single instrumental performers is extended to all single performers.
1979	10.9	10%, 5%	Cabaret tax reduced to 5% from 10%.
1980	11.7	10%, 5%	
1981	11.7	10%, 5%	
1982	11.9	10%, 5%	
1983	12.5	10%, 5%	
1984	12.9	10%, 5%	
1985	14.1	10%, 5%	
1986	13.8	10%, 5%	Annual dues or initiation fees which are less than \$100 are exempt from the dues tax.
1987	14.9	10%, 5%	
1988	16.8	10%, 5%	
1989	17.5	10%, 5%	1) Live performances held at non-profit theaters or playhouses are exempt from Admissions Tax. 2) Admissions Tax exemption increased from \$1 to \$2.
1990	19.9	10%, 5%	
1991	19.8	10%, 5%	
1992	20.1	10%, 5%	
1993	20.1	10%, 5%	PA 93-3 and PA 93-74 create exemptions for Beehive Stadium, the Wm. O'Neill Center, the Tennis Foundation of CT, and the New Britain Memorial Stadium from the Admission Tax.
1994	20.5	10%, 5%	PA 94-4 (May S. S.) exempts carnival or amusement ride charges from the admissions tax beginning 7/1/94.
1995	20.9	10%, 5%	
1996	23.3	10%, 5%	

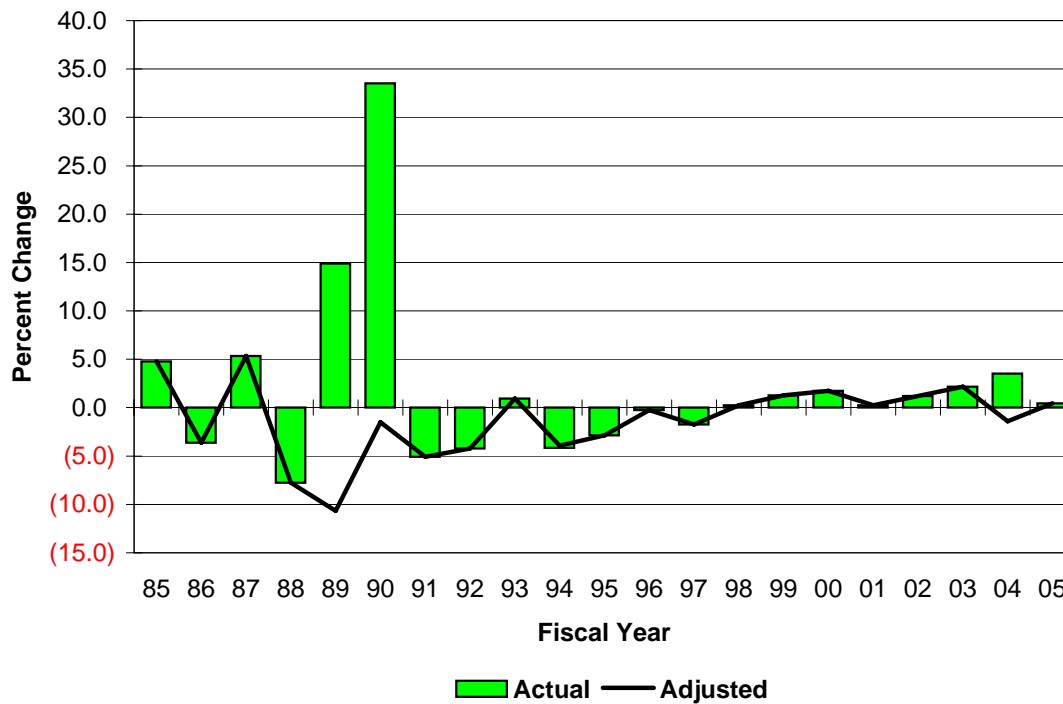
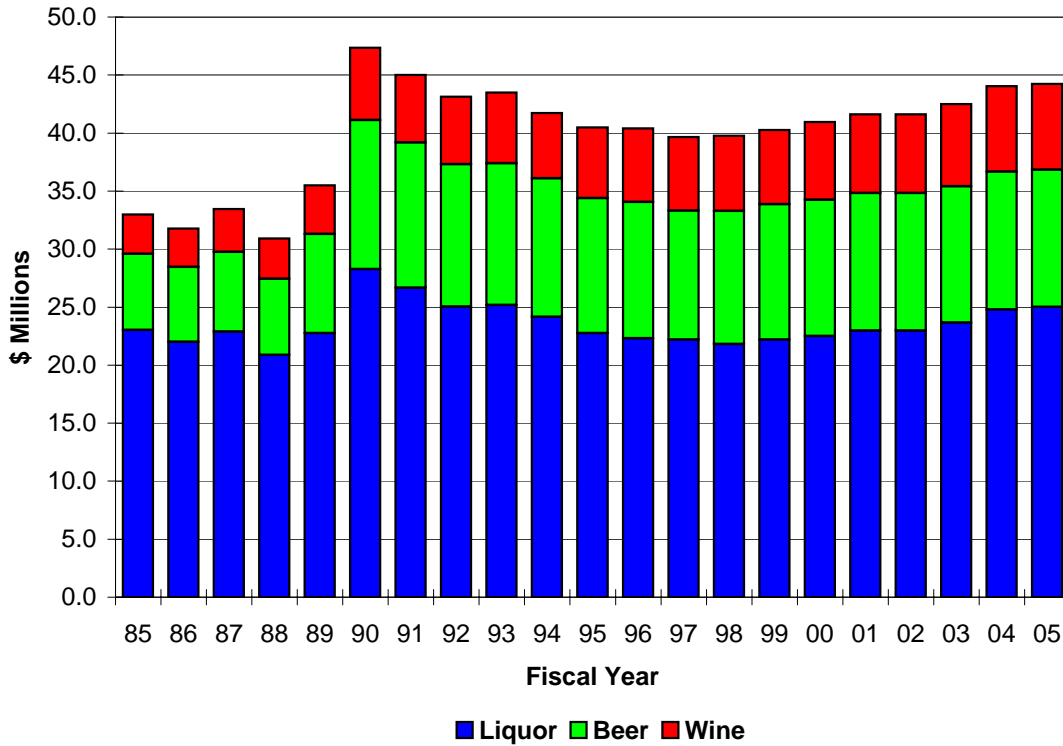
## ADMISSIONS, DUES AND CABARET TAXES

Fiscal Year	Revenues (Millions \$)	Rate	Base Change
1997	25.9	10%, 5%	
1998	25.0	10%, 5%	PA 97-315 exempts live performances at the Gateway's Candlewood Playhouse and at Ocean Beach Park from the Admissions Tax. It also increases the maximum motion picture charge exempt from the Admissions Tax from \$2.00 to \$4.50.
1999	26.9	10%, 5%	PA 98-244 exempts from the 5% Cabaret tax (1) places offering Karaoke without a paid entertainer, and (2) restaurants operating under a liquor permit that only allows the sale of beer only or beer and wine.
2000	26.7	10%, 5%	<p>PA 99-173 made the following changes:</p> <p>(1) Repealed the Cabaret Tax effective 7/1/99. The tax originally was levied on the amount charged for admissions, refreshment service or merchandise at a cabaret or similar place furnishing music, dancing privileges, or other entertainment for profit, for profit, at the rate of 5%.</p> <p>(2) Increased the exempt for movie tickets from \$4.50 to \$5.00.</p> <p>(3) Exempted the following: Stafford Motor Speedway, Lime Rock Park, Thompson Speedway, Waterford Speedbowl, Bridgeport Harbor Yard Stadium, New Haven Ravens Games, and Waterbury Spirits Games.</p> <p>(4) Exempted private lawn bowling clubs from the Dues Tax.</p> <p>PA 99-1 JSS exempts the New Britain Stadium and the New Britain Rock Cats retroactive to when the stadium was placed in service.</p> <p>PA 99-173 and PA 99-235 exempted the portion of dues dues paid by members of clubs (e. g. golf, social) to acquire open space.</p>
2001	25.8	10%, 5%	<p>PA 00-170 made the following changes:</p> <p>(1) Exempts events held at the Connecticut Expo Center from the admissions tax..</p> <p>(2) Reduced the admissions tax on movie theater tickets from 10% to 8% effective 7/1/00 and to 6% effective 7/1/01 and there after.</p> <p>(3) Exempted establishments from the admission tax that were subject to the Cabaret Tax (REPEALED) before July 1, 1999.</p> <p>PA 00-174 exempted club locker rentals from the Dues Tax.</p>
2002	26.9	10%, 5%	
2003	31.7	10%, 5%	

## ADMISSIONS, DUES AND CABARET TAXES

<b>Fiscal Year</b>	<b>Revenues (Millions \$)</b>	<b>Rate</b>	<b>Base Change</b>
2004	31.7 Unaudited	10%, 5%	
2005	31.7 Unaudited	10%, 5%	
2006	32.6 Budget Act	10%, 5%	
2007	33.3 Budget Act	10%, 5%	

## Alcoholic Beverage Tax Collections and Growth Rates FY 85 - FY 05



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

<b>Alcohol</b>					
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	24.1	0.0	0.0		
FY73	24.2	0.0	0.0	0.4	0.4
FY74	24.7	0.0	0.0	2.1	2.1
FY75	24.2	0.0	0.0	(2.0)	(2.0)
FY76	26.5	0.0	2.1	9.5	0.8
FY77	24.3	0.0	0.0	(8.3)	(0.4)
FY78	25.2	0.0	0.0	3.7	3.7
FY79	25.3	0.0	0.0	0.4	0.4
FY80	25.6	0.0	0.0	1.2	1.2
FY81	25.4	0.0	0.0	(0.8)	(0.8)
FY82	26.0	1.1	0.0	2.4	(2.0)
FY83	27.1	0.0	0.0	4.2	4.2
FY84	31.5	4.8	0.0	16.2	(1.5)
FY85	33.0	0.0	0.0	4.8	4.8
FY86	31.8	0.0	0.0	(3.6)	(3.6)
FY87	33.5	0.0	0.0	5.3	5.3
FY88	30.9	0.0	0.0	(7.8)	(7.8)
FY89	35.5	5.8	2.1	14.9	(10.7)
FY90	47.4	14.5	0.0	33.5	(1.5)
FY91	45.0	0.0	0.0	(5.1)	(5.1)
FY92	43.1	0.0	0.0	(4.2)	(4.2)
FY93	43.5	0.0	0.0	0.9	0.9
FY94	41.7	(0.1)	0.0	(4.1)	(3.9)
FY95	40.5	0.0	0.0	(2.9)	(2.9)
FY96	40.4	0.0	0.0	(0.2)	(0.2)
FY97	39.7	0.0	0.0	(1.7)	(1.7)
FY98	39.8	0.0	0.0	0.3	0.3
FY99	40.3	0.0	0.0	1.3	1.3
FY00	41.0	0.0	0.0	1.7	1.7
FY01	41.1	0.0	0.0	0.2	0.2
FY02	41.6	0.0	0.0	1.2	1.2
FY03	42.5	0.0	0.0	2.2	2.2
FY04	44.0	2.1	0.0	3.5	(1.4)
FY05	44.2	0.0	0.0	0.5	0.5

## ALCOHOLIC BEVERAGE TAX

Fiscal Year	Revenues (Millions \$)	Base Change
1972	24.1	
1973	24.2	
1974	24.7	
1975	24.2	
1976	26.5	
1977	24.3	
1978	25.2	
1979	25.3	
1980	25.6	The amount of alcoholic beverages that an individual may bring into the state without owing tax is increased from 1 to 4 gallons.
1981	25.4	5 year moratorium on new package store permits (Eff. 6/8/81).
1982	26.0	Eliminated minimum mark-up on beer and alcohol (1/1/82)
1983	27.1	<ol style="list-style-type: none"> <li>1) Eliminated minimum mark-up on wine (1/1/83.)</li> <li>2) Sunday liquor sales authorized for cafes.</li> <li>3) Package, drug &amp; grocery stores may sell liquor on Election Day and Independence Day if also a Saturday (10/1/82).</li> <li>4) Legal drinking age is raised from 18 to 19 (7/1/82).</li> </ol>
1984	31.5	<ol style="list-style-type: none"> <li>1) The legal drinking age is raised 19 to 20 (10/1/83).</li> <li>2) Eliminated the revolving fund established to pay for alcohol education and treatment program. All fund monies and future revenue collections will be deposited into the General Fund.</li> <li>3) Established two classes of liquor permits at Bradley International Airport. Night club permit cost is \$3000 for a restaurant and \$1,200 for a bar.</li> <li>4) All rates increase by 20%:               <ul style="list-style-type: none"> <li>(8/1/83) Beer - \$3.00/bbl</li> <li>Distilled liquor - \$3.00/gal</li> <li>Wine - \$.30/gal</li> <li>Sparkling wine - \$.75/gal</li> </ul> </li> </ol>
1985	33.0	
1986	31.8	<ol style="list-style-type: none"> <li>1) Ended 5 year moratorium on new package store permits (7/1/86)</li> <li>2) The legal drinking age is raised from 20 to 21 (9/1/85).</li> <li>3) Eliminated night club liquor permits.</li> </ol>
1987	33.5	
1988	30.9	Reduction in tax rate from \$3/gal to \$1.35/gal on wine (7/1/87)
1989	35.5	<p>All rates increased:</p> <ul style="list-style-type: none"> <li>(4/1/89) Beer - \$6.00/bbl</li> <li>Distilled liquor - \$4.50/gal</li> <li>Wine - \$.60/gal</li> <li>Sparkling wine - \$1.50/gal</li> <li>Wine cooler - \$2.05/gal</li> </ul>



## ALCOHOLIC BEVERAGE TAX

Fiscal Year	Revenues (Millions \$)	Base Change
1990	47.4	
1991	45.0	
1992	43.1	
1993	43.5	
1994	41.7	Separate tax levied on small wineries (under 55,000 gal/yr) is established.
1995	40.5	
1996	40.4	
1997	39.7	PA 96-220 1) Allows farm wineries to sell wine by the glass and bottle for on premise consumption. 2) Allows hard cider permit holders to make, store, bottle, distribute, and sell at wholesale and retail apple wine with up to 15% alcohol. 3) The sunset date that allowed brew pubs which held a permit on 1/1/94 to sell beer for off-premise consumption until 10/1/96 is eliminated. 4) Allows the purchase for consumer aged 21 or over to brew beer for personal or family use.
1998	39.8	PA 97-243 adopts the federal standards for differentiation between still and sparkling wines. It includes hard cider (which was previously excluded) in the "still wine" definition for purposes of the Alcoholic Beverage Tax. But it subjects cider containing not more than 7% to the same tax as applies to beer effective 7/1/97.
1999	40.3	PA 98-236 establishes keg beer registration and prohibits liquor sales through drive-up windows. It allows an apple brandy manufacturer to also manufacture eau-de-vie which is another type of brandy distilled from fruit byproducts.
2000	41.0	PA 99-65 allows any person other than a minor to produce wine, for personal or family use only, without payment of tax. Such wine may be transported in sealed containers for use at organized affairs, including exhibitions, tastings, contests or competitions, but may not be sold or offered for sale. Effective 10/1/1999.  PA 99-121 allows individuals to import up to 5 gallons of alcoholic beverages for their own consumption from outside the United States each year. Alcoholic beverages need not be purchased by the individual importing them.
2001	41.1	PA 00-01 June 30th Special Session permits the retail sales of alcohol on Sundays preceding Christmas and New Years Days. PA 00-192 relaxes restriction on liquor sales occurring on Christmas Day.
2002	41.6	PA 01-92 allows individuals to import alcoholic beverages into CT for their own consumption without having to be physically present at the point of purchase.

## ALCOHOLIC BEVERAGE TAX

<b>Fiscal Year</b>	<b>Revenues (Millions \$)</b>	<b>Base Change</b>
2003	42.5	PA 03-1 JSS extends the sale of alcohol until 9 PM.
2004	44.0 Unaudited	
2005	44.2 Unaudited	PA 05-274 modifies the direct shipping laws and requires all shipper, both in-state and out-of-state, to pay sales and alcoholic beverages tax due from sales to the DRS.
2006	44.0 Budget Act	
2007	44.0 Budget Act	

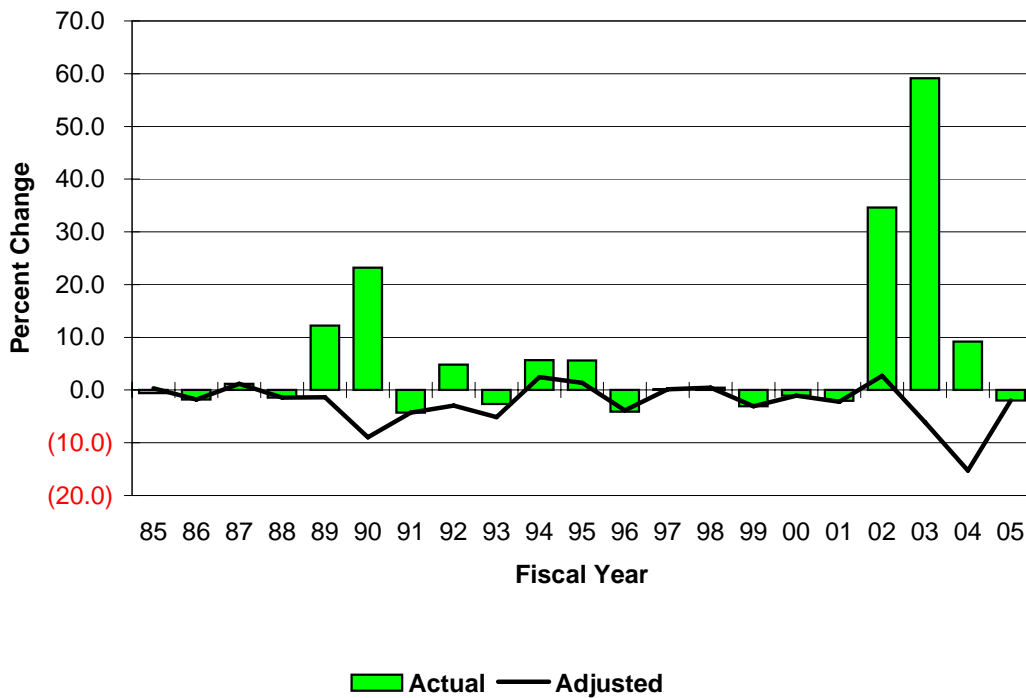
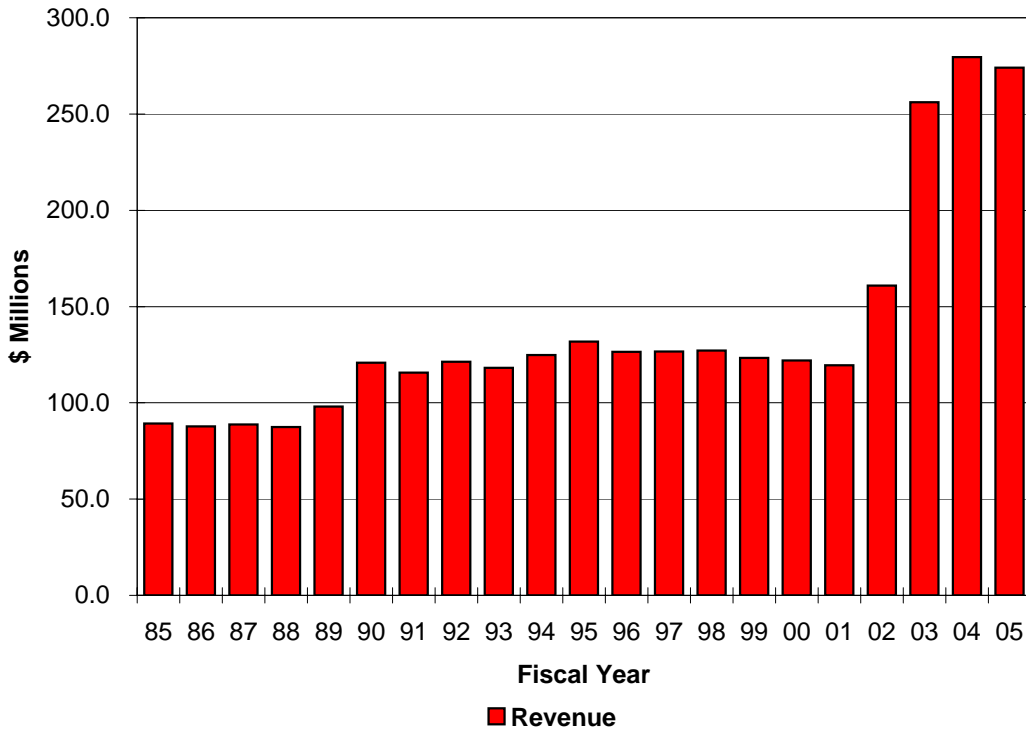
## ALCOHOLIC BEVERAGE TAX RATES

Fiscal Year	Malt Beverages		Wine Under 21% Alcohol	Wine Over 21% Alcohol & Sparkling Wines	Small Wineries	Distilled Liquor	Alcohol	Liquor Based Coolers
	(\$/bbl)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)	(\$/gal)
1972	2.5	0.0833	0.25	0.625		2.50	2.50	
1973	2.5	0.0833	0.25	0.625		2.50	2.50	
1974	2.5	0.0833	0.25	0.625		2.50	2.50	
1975	2.5	0.0833	0.25	0.625		2.50	2.50	
1976	2.5	0.0833	0.25	0.625		2.50	2.50	
1977	2.5	0.0833	0.25	0.625		2.50	2.50	
1978	2.5	0.0833	0.25	0.625		2.50	2.50	
1979	2.5	0.0833	0.25	0.625		2.50	2.50	
1980	2.5	0.0833	0.25	0.625		2.50	2.50	
1981	2.5	0.0833	0.25	0.625		2.50	2.50	
1982	2.5	0.0833	0.25	0.625		2.50	2.50	
1983	2.5	0.0835	0.25	0.625		2.50	2.50	
1984	3.0	0.1000	0.30	0.750		3.00	3.00	
1985	3.0	0.1000	0.30	0.750		3.00	3.00	
1986	3.0	0.1000	0.30	0.750		3.00	3.00	
1987	3.0	0.1000	0.30	0.750		3.00	3.00	
1988	3.0	0.1000	0.30	0.750		3.00	3.00	1.35 [1]
1989	3.0	0.1000	0.30	0.750		3.00	3.00	1.35
1990	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1991	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1992	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1993	6.0	0.2000	0.60	1.500		4.50	4.50	2.05
1994	6.0	0.2000	0.60	1.500	0.15 [2]	4.50	4.50	2.05
1995	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
1996	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
1997	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
1998	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
1999	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
2000	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
2001	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
2002	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
2003	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
2004	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05
2005	6.0	0.2000	0.60	1.500	0.15	4.50	4.50	2.05

**ALCOHOLIC BEVERAGE TAX REVENUE  
(Millions \$)**

Fiscal Year	Total Revenue	Malt Beverages		Wine	Wine Over	Distilled Liquor	Liquor Based		Small Wineries
		bbbl	gal	Under 21% Alcohol	21% Alcohol & Sparkling Wines		Alcohol	Coolers	
1972	\$24.1	\$0.6	\$3.6	\$1.2	\$0.3	\$18.4	\$0.02		
1973	24.2	0.6	3.7	1.3	0.2	18.4	0.02		
1974	24.7	0.7	3.8	1.3	0.2	18.7	0.02		
1975	24.2	0.7	4.0	1.4	0.2	18.0	0.02		
1976	26.5	0.7	4.3	1.5	0.2	19.7	0.02		
1977	24.3	0.7	4.0	1.6	0.2	17.9	0.02		
1978	25.2	0.7	4.2	1.7	0.2	18.4	0.03		
1979	25.3	0.7	4.4	1.8	0.2	18.2	0.03		
1980	25.6	0.8	4.3	1.9	0.2	18.4	0.04		
1981	25.4	0.9	4.0	2.0	0.3	18.2	0.05		
1982	26.0	0.9	4.1	2.1	0.3	18.6	0.04		
1983	27.1	0.9	4.3	2.3	0.4	19.3	0.03		
1984	31.5	1.0	5.2	2.7	0.5	22.2	0.04		
1985	33.0	1.0	5.6	2.8	0.6	23.0	0.04		
1986	31.8	0.9	5.6	2.8	0.6	21.9	0.07		
1987	33.4	0.9	6.0	3.1	0.6	22.7	0.15		
1988	30.9	0.9	5.7	2.9	0.6	20.7	0.13	\$0.08	
1989	35.5	1.2	7.4	3.5	0.7	22.5	0.16	0.09	
1990	47.4	1.7	11.1	5.3	0.9	27.8	0.18	0.33	
1991	45.0	1.8	10.7	4.9	0.9	25.9	0.15	0.57	
1992	43.1	1.8	10.4	5.0	0.8	24.4	0.14	0.51	
1993	43.5	1.9	10.4	5.3	0.8	24.6	0.15	0.47	
1994	41.7	1.7	10.2	4.9	0.7	23.4	0.26	0.47	\$0.007
1995	40.5	1.6	10.0	5.4	0.7	22.4	0.21	0.14	0.01
1996	40.4	1.6	10.2	5.6	0.7	22.0	0.19	0.16	0.01
1997	39.7	1.5	9.6	5.7	0.7	21.8	0.14	0.24	0.011
1998	39.8	1.5	10.0	5.8	0.7	21.5	0.14	0.14	0.01
1999	40.3	1.4	10.3	5.7	0.7	21.9	0.13	0.15	0.009
2000	41.0	1.3	10.4	6.0	0.7	22.2	0.16	0.19	0.009
2001	41.6	1.2	10.7	6.2	0.6	22.6	0.16	0.23	0.011
2002	41.6	1.2	10.7	6.2	0.6	22.6	0.16	0.23	0.012
2003	42.5	1.2	10.6	6.5	0.6	23.3	0.20	0.15	0.011
2004	44.1	1.2	10.7	6.8	0.6	24.5	0.18	0.10	0.01
2005	44.2	1.2	10.7	6.8	0.6	24.8	0.18	0.08	0.01

# Cigarette Tax and Tobacco Products Tax Collections and Growth Rates FY 85 - FY 05



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

<b>Cigarettes</b>					
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	68.2	12.5	0.0		
FY73	69.9	0.0	0.0	2.5	2.5
FY74	72.4	0.0	0.0	3.5	3.5
FY75	70.2	0.0	0.0	(3.0)	(3.0)
FY76	77.4	0.0	4.3	10.2	4.1
FY77	74.8	0.0	0.0	(3.3)	2.4
FY78	76.2	0.0	0.0	1.8	1.8
FY79	76.3	0.0	0.0	0.2	0.2
FY80	75.8	0.0	0.0	(0.7)	(0.7)
FY81	74.3	0.0	0.0	(1.9)	(1.9)
FY82	74.3	0.0	0.0	(0.0)	(0.0)
FY83	73.8	0.0	0.0	(0.7)	(0.7)
FY84	89.8	15.6	0.8	21.8	(0.4)
FY85	89.3	0.0	0.0	(0.6)	0.3
FY86	87.7	0.0	0.0	(1.8)	(1.8)
FY87	88.7	0.0	0.0	1.2	1.2
FY88	87.5	0.0	0.0	(1.4)	(1.4)
FY89	98.1	9.4	2.5	12.2	(1.4)
FY90	120.9	33.8	0.0	23.2	(8.9)
FY91	115.7	0.0	0.0	(4.3)	(4.3)
FY92	121.3	8.5	0.5	4.8	(2.9)
FY93	118.1	3.5	0.0	(2.6)	(5.1)
FY94	124.8	3.6	0.2	5.7	2.5
FY95	131.8	5.2	0.3	5.6	1.4
FY96	126.4	0.0	0.0	(4.1)	(3.9)
FY97	126.6	0.0	0.0	0.2	0.2
FY98	127.2	0.0	0.0	0.5	0.5
FY99	123.3	0.0	0.0	(3.1)	(3.1)
FY00	122.0	0.0	0.0	(1.1)	(1.1)
FY01	119.5	0.2	0.0	(2.0)	(2.2)
FY02	160.9	28.7	9.5	34.6	2.7
FY03	256.1	107.7	6.2	59.2	(6.1)
FY04	279.6	67.8	0.0	9.2	(15.2)
FY05	274.0	0.0	0.0	(2.0)	(2.0)

## CIGARETTE TAX AND TOBACCO PRODUCTS TAX

Fiscal Year	Revenues (Millions \$)	Tax Rate (\$/pack)	Base Change
1972	68.2	0.21	
1973	69.9	0.21	
1974	72.4	0.21	
1975	70.2	0.21	
1976	77.4	0.21	
1977	74.8	0.21	
1978	76.2	0.21	
1979	76.3	0.21	
1980	75.8	0.21	
1981	74.3	0.21	Cigarettes subject to sales tax (tobacco products has been subject to the Sales and Use Tax).
1982	74.3	0.21	
1983	73.8	0.21	
1984	89.8	0.26	Effective 8/1/83
1985	89.3	0.26	
1986	87.7	0.26	If the federal excise tax on cigarettes is ever reduced, the state excise tax will increase by the amount of the federal excise tax reduction.
1987	88.7	0.26	
1988	87.5	0.26	
1989	98.1	0.26	
1990 [1]	120.9	0.40	PA 89-16 (effective 4/1/89): (a) Tax rate increased from 26 to 40 cents per pack. (b) Exemption for cigarettes sold at correctional institutions is eliminated.  PA 89-251 Imposes 20% Tobacco Products Tax on non-cigarette tobacco items.
1991	115.7	0.40	
1992	121.3	0.45	PA 91-3 (JSS) increased rate, effective 10/1/91.
1993	118.1	0.45	
1994	124.8	0.47	PA 93-74 increased rate, effective 7/1/93.
1995	131.8	0.50	PA 93-74 increased rate, effective 7/1/94.

[1] FY 90 and all subsequent years include revenue from the 20% excise tax on non-cigarette

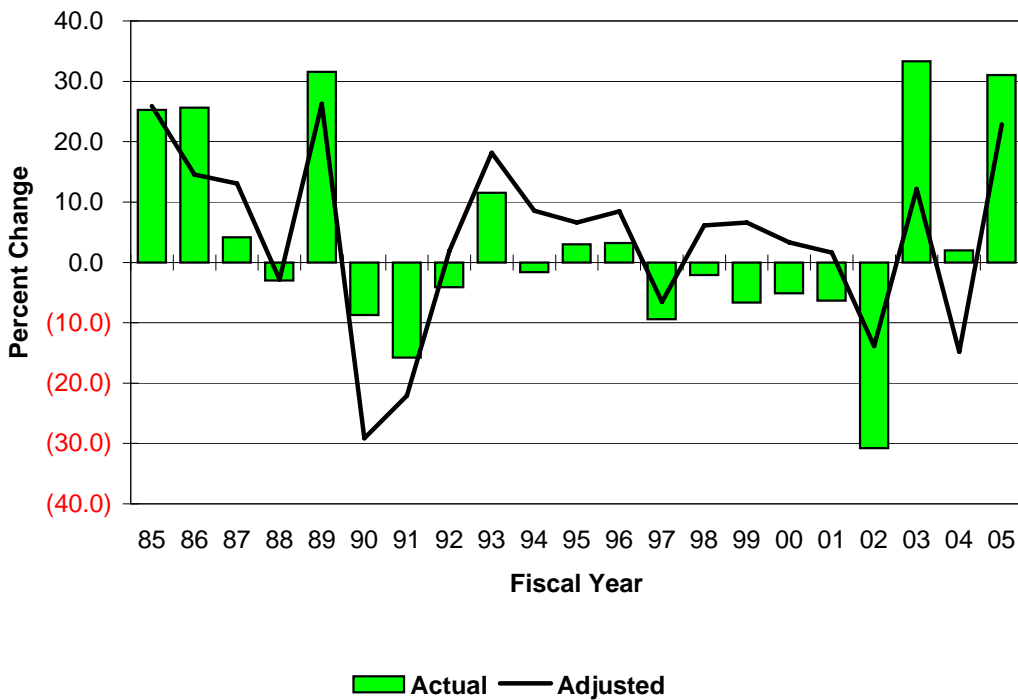
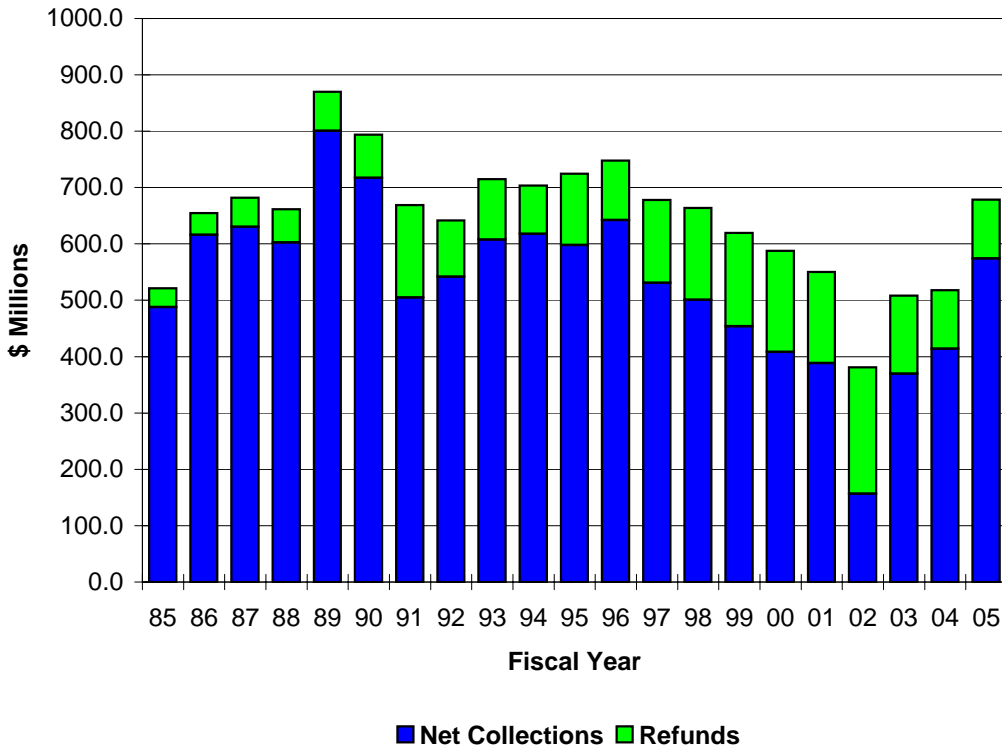
## CIGARETTE TAX AND TOBACCO PRODUCTS TAX

Fiscal Year	Revenues (Millions \$)	Tax Rate (\$/pack)	Base Change
			tobacco products.
1996	126.4	0.50	
1997	126.6	0.50	
1998	127.2	0.50	
1999	123.3	0.50	PA 99-109 prohibits cigarette distributors and dealers from selling cigarettes produced and labeled for export only.
2000	122.0	0.50	PA 00-56 and PA 00-170 prohibits the sale of single cigarettes or cigarette packs containing less than 20 cigarettes. PA 01-6 JSS allows fines for dealers or distributors which sell cigarettes in packs that do not contain at least 20 cigarettes per pack.
2001	119.5	0.50	PA 00-170 and 00-215 changed the tax on snuff from 20% of the whole sale price to 40 cents per ounce.  PA 01-6 JSS applies the cigarette tax instead of the tobacco products tax to "roll your own" and requires certain labeling to appear on snuff products to be taxed by weight instead of wholesale price.
2002	160.9	\$1.11 (eff 4/1/02)	PA 02-1 increased the excise tax from 50 cents per pack to \$1.11 per pack.
2003	256.1	\$1.51 (eff 3/15/03)	PA 03-2 JSS Increased the excise tax from \$1.10 per pack to \$1.51 per pack, effective 3/15/03.
2004	279.6 Unaudited	\$1.51	
2005	274.0 Unaudited	\$1.51	
2006	266.0 Budget Act		
2007	262.0 Budget Act		

[1] FY 90 and all subsequent years include revenue from the 20% excise tax on non-cigarette tobacco products.



# Corporation Tax Collections and Growth Rates FY 85 - FY 05



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

<b>Corporations</b>					
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	122.7	0.0	0.0		
FY73	138.6	0.0	0.0	13.0	13.0
FY74	140.2	(8.0)	0.0	1.2	6.9
FY75	140.0	0.0	0.0	(0.1)	(0.1)
FY76	143.2	19.8	0.0	2.3	(11.9)
FY77	201.7	13.2	35.0	40.9	7.2
FY78	199.6	0.0	0.0	(1.0)	19.7
FY79	231.1	0.0	0.0	15.8	15.8
FY80	246.1	(0.5)	0.0	6.5	6.7
FY81	248.7	0.0	0.0	1.1	1.1
FY82	330.7	50.6	35.3	33.0	(1.6)
FY83	345.5	6.8	33.7	4.5	3.2
FY84	416.1	15.0	0.0	20.4	28.6
FY85	521.3	(2.6)	0.0	25.3	25.9
FY86	654.8	(2.5)	60.0	25.6	14.6
FY87	681.9	9.5	0.0	4.1	13.0
FY88	661.3	(1.3)	0.0	(3.0)	(2.8)
FY89	870.0	35.0	0.0	31.6	26.3
FY90	794.1	142.0	35.6	(8.7)	(29.1)
FY91	669.0	35.0	43.0	(15.8)	(22.1)
FY92	641.4	(33.7)	36.9	(4.1)	1.9
FY93	715.2	(29.0)	29.8	11.5	18.2
FY94	703.5	(58.4)	17.7	(1.6)	8.6
FY95	724.7	(6.6)	0.3	3.0	6.6
FY96	748.1	(23.9)	(13.6)	3.2	8.4
FY97	677.9	(37.9)	4.1	(9.4)	(6.6)
FY98	663.7	(41.9)	(9.4)	(2.1)	6.1
FY99	619.5	(71.9)	(26.2)	(6.7)	6.6
FY00	587.8	(74.9)	(4.4)	(5.1)	3.3
FY01	550.5	(59.9)	8.6	(6.3)	1.6
FY02	381.0	(77.2)	(8.6)	(30.8)	(13.9)
FY03	508.0	71.0	0.0	33.3	12.2
FY04	518.0	85.4	0.0	2.0	(14.8)
FY05	678.7	42.1	0.0	31.0	22.9

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
1972	122.7	8.0	
1973	138.6	8.0	
1974	140.2	8.0	
1975	140.0	8.0	
1976	143.2	10.0	
1977	201.7	10.0	Accelerated payments
1978	199.6	10.0	
1979	231.1	10.0	A credit against the state corporation business tax is allowed equal to 25% of the portion to tax which is allocable to new, expanded, or substantially renovated manufacturing facility in an economically distressed municipality.
1980	246.1	10.0	Tax credit allowed for: (1) An approved cooperative work education occupations programs. The credit is equal to 10% of wages paid by an employer to a qualified high school student. The maximum credit is \$300 per income year. (2) Apprenticeship training in the machine tool and metal trades. The credit equals \$2.50 per hour of training and may not exceed the lesser of \$3,000 or 50% of wages paid in any income year.
1981	248.7	10.0	
1982	330.7	10.0	(1) (a) effective tax rate goes to 10% from 9.1%; (b) tax on capital base is increased to 3.1 mills from .31 mills; (c) the minimum tax is increased to \$250 from \$50. (2) A tax credit (up to 25% of cost) is provided for establishing a day care facility. (3) An exemption is provided for the earnings of International Banking Facilities. (4) A new fourth base is established for calculating tax liability (corporations whose gross receipts exceed \$50,000 must calculate their tax liability on the base of a 5% tax on 50% of their net income and compensation paid to officers and owners of more than 1% of the common stock.) (5) (a) The corporation business tax on dividends is eliminated; (b) The allocation formula is eliminated and all business income is distributed to Connecticut on the basis of the apportionment factor; (c) The sales factor is to be double weighted in arriving at the apportionment factor. (6) The urban jobs tax credit is increased to 50% from 25% for that portion of tax allocable to a manufacturing facility located in an enterprise zone. (7) Effective with income years beginning on or before 1/1/82, corporate taxpayers must make an estimated payment of 60% of their tax liability or \$250 whichever is greater, during the sixth month of their income year. An additional payment, bringing the total estimated payment to 80%, is required during the twelfth month. (8) Accelerated Cost Recovery System (ACRS) is disallowed (eff 1/1/81) (A description of ACRS is included under Business Taxes.)

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes								
1983	345.5	10.0	<p>(1) Exemption for gains resulting from the sale or exchange on cattle raised from birth on a farm in Connecticut. (To qualify for the exclusion at least 75% of a taxpayers gross income must be derived from farming).</p> <p>(2) Calculation of tax liability on bases of net income plus compensation to owners and officers is repealed with income years beginning 1/1/83.</p> <p>(3) Various tax credits are provided to business firms choosing to engage in various community service activities as follows (1/1/82):</p> <table style="margin-left: 40px; width: 100%;"> <thead> <tr> <th style="text-align: left;">Project</th> <th style="text-align: left;">Credit</th> </tr> </thead> <tbody> <tr> <td>(a) Energy conservation and employee training</td> <td>70%</td> </tr> <tr> <td>(b) Eligible program as determined by municipality</td> <td>50%</td> </tr> <tr> <td>(c) Child Day Care Centers</td> <td>50%</td> </tr> </tbody> </table> <p>(4) Businesses located in enterprise zones are ineligible to receive the 50% urban jobs tax credit if a firm has relocated to a designated enterprise zone from a distressed municipality or an area eligible for enterprise zone designation.</p>	Project	Credit	(a) Energy conservation and employee training	70%	(b) Eligible program as determined by municipality	50%	(c) Child Day Care Centers	50%
Project	Credit										
(a) Energy conservation and employee training	70%										
(b) Eligible program as determined by municipality	50%										
(c) Child Day Care Centers	50%										
1984	416.1	11.5	<p>(1) Rate increases effective with income years beginning 1/1/83.</p> <p>(2) Tax credit for expenditures for day care is increased to \$20,000 from \$10,000.</p>								
1985	521.3	11.5	<p>(1) Corporate tax credits are increased under the Neighborhood Assistance Program.</p>								
1986	654.8	11.5	<p>(1) Corporations may only deduct 88% of there federal depreciation expense for income year 1985. The full deduction is allowed for income year 1986 and thereafter. (A description of ACRS is include under Business Taxes.)</p> <p>(2) The minimum tax is reduced from \$250 to \$100 (1/1/85)</p> <p>(3) Neighborhood assistance: Annual tax credit is increased to \$2 million from \$1.5 million (7/1/85).</p> <p>(4) The tax exemption for companies providing alternative energy systems is extended for three years, until FY 1987.</p>								
1987	681.9	11.5	<p>(1) Regulated investment companies and real estate investment trusts will no longer be allowed a deduction for dividends paid when determining the tax on their capital base (10/1/86).</p> <p>(2) Maximum tax on capital base is increased from \$100,00 to \$500,000 (1/1/86).</p> <p>(3) Neighborhood Assistance tax credits increased to a maximum \$3 million per year from \$2 million (1/1/86)</p> <p>(4) A tax credit of \$250,000 per year for all firms is available to businesses providing subsidies to employees for child day care. Tax credit is 50% of cost of subsidy (7/1/86).</p> <p>(5) A tax credit for 50% of donations to the Rental Housing Assistance Trust Fund is allowed up to a limit of \$25,000 in credits per firm annually; the annual limit for all firms is \$500,000 (1/1/86 but not after 1/1/88).</p>								

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
1988	661.3	11.5	<p>(1) Taxpayers with estimated liability less than \$1,000 are not required to file estimated payments (1/1/87)</p> <p>(2) July 1987 Special Session:            A residential property tax relief fund is established and for FY 1989 a portion of the corporation tax is earmarked as follows:                FY 1989-1991: 1/23 of Corp. Tax                FY 1992: 1/46 of Corp. Tax</p>
1989	870.0	11.5	(1) Earmarking of revenue for the Property Tax Relief Fund begun in the July 1987 Special Session is eliminated
1990	794.1	11.5	<p>(1) PA 89-16</p> <p style="padding-left: 20px;">(a) A 15% surtax is added and the minimum tax is increased from \$100 to \$250 (1/1/89)</p> <p style="padding-left: 20px;">(b) The timing and percentage of estimated payment due is changed (1/1/89)</p> <p>(2) PA 89-251</p> <p style="padding-left: 20px;">(a) The deduction for income taxes paid to other states is eliminated (1/1/89)</p> <p style="padding-left: 20px;">(b) The surtax is increased from 15% to 20% (1/1/89)</p> <p style="padding-left: 20px;">(c) The first \$25,000 of tax savings for firms filing a combined return eliminated (1/1/90)</p>
1991	669.0	11.5	<p>(1) PA 90-148 - The second estimated payment is increased from 60% to 70% (1/1/91)</p> <p>(2) PA 90-174 - Liability calculated on the capital base is limited to \$50,000 maximum for regulated investment companies or real estate investment trusts beginning 1/1/91. Liability for 1986 to 1990 income year is limited to \$500,000 (7/1/90).</p>
1992	641.4	11.5	<p>(1) PA 91-3 (JSS)</p> <p style="padding-left: 20px;">(a) The 20% surtax is reduced to 10% for 1992 income years.</p> <p style="padding-left: 20px;">(b) The maximum for the capital base is increased from \$0.5 million to \$1 million, effective 1/1/92.</p> <p style="padding-left: 20px;">(c) Thirty percent of dividends received from companies in which ownership is less than 20% must be included in the net income base, effective 1/1/91</p> <p>(2) PA 91-179 provides a credit for up to 10% of the cost of operating natural gas-powered vehicles for the 1991 and 1992 income years.</p>
1993	715.2	11.5	<p>(1) PA 91-3 (JSS) eliminates the 10% surtax for 1993 income years.</p> <p>(2) PA 92-124 applies the tax to unrelated business income of nonprofit corporations, beginning with 1992 income years.</p> <p>(3) PA 92-193 establishes credits for research and development, job training and technology-related research and development grants to state colleges and universities. The credits are phased in over a period of years.</p> <p>(4) PA 92-250 establishes a credit for manufacturing or other economic-base businesses based upon the number of new employees and square feet occupied, effective with 1993 income years.</p>

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes										
1994	703.5	11.5	<p>(1) PA 93-74 makes the following changes:</p> <p>(a) The tax rate is reduced as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">income years beginning on or after:</th> <th style="text-align: left;">New tax rate</th> </tr> </thead> <tbody> <tr> <td>1/1/95</td> <td>11.25%</td> </tr> <tr> <td>1/1/96</td> <td>11.00%</td> </tr> <tr> <td>1/1/97</td> <td>10.50%</td> </tr> <tr> <td>1/1/98</td> <td>10.00%</td> </tr> </tbody> </table> <p>(b) Mutual funds and real estate investment trusts (REITS) are exempted from the tax effective with 1993 income years.</p> <p>(c) The interest rate for the tax is reduced from 20% to 15%, effective with 1994 income years.</p> <p>(2) PA 93-74 and 332 provide that the unpaid loss reserve adjustment required by the federal code for non-life insurance companies shall not be deducted from gross income, effective with 1993 income years.</p> <p>(3) PA 382 provides a 5% credit for small- and a 10% credit for medium-sized companies for the increase in capital goods expenditure over the prior year, effective with 1995 income years.</p> <p>(4) PA 93-433 provides a 1-6% credit for research and development expenditures, effective with 1993 income years. The credit is subject to certain employment restrictions.</p> <p>(5) PA 93-267 creates a new form of business called Limited Liability Company (LLC), effective 10/1/93.</p> <p>(6) PA 93-311 creates entertainment districts where certain entertainment-related businesses may be eligible for the same benefits that applies to businesses located within enterprise zones.</p>	income years beginning on or after:	New tax rate	1/1/95	11.25%	1/1/96	11.00%	1/1/97	10.50%	1/1/98	10.00%
income years beginning on or after:	New tax rate												
1/1/95	11.25%												
1/1/96	11.00%												
1/1/97	10.50%												
1/1/98	10.00%												
1995	724.7	11.5, 11.25	<p>(1) PA 94-4 (May S. S.) makes the following changes:</p> <p>(a) Increases credit for apprenticeship wages from \$2.50 per hr to \$4.00 per hr and the maximum credit allowed from \$3,000 to \$4,800 per year, effective 1/1/94.</p> <p>(b) Creates a credit for 50% of the traffic management program expenses related to attainment of Clean Air Act standards, 1/1/95.</p> <p>(c) Expands the 5% credit provided by PA 93-382 for machinery and equipment expenditures to companies employing 250-500 employees is expanded to include businesses with up to 800 employees, effective 1/1/95.</p> <p>(d) Creates a credit for 100% of Property Tax paid on data processing equipment, effective with Property Tax paid on the 10/1/94 grand list.</p> <p>(2) PA 94-170 provides a credit which is equal to 50% of the cost of:</p> <p>(1) the construction of new filling stations which provide compressed natural gas, liquefied petroleum gas or liquefied natural gas, and</p> <p>(2) the conversion of motor vehicles so they can use these fuels or electricity. This credit is effective for the 1994--1998 income years.</p> <p>(3) PA 94-4 exempts cooperative housing corporations from the tax, effective with the 1990 income year.</p> <p>(4) PA 94-214 creates a credit equal to the following percentage of monies invested through a fund manager in a qualified insurance business:</p> <p>(1) 10% of the investment for tax year beginning 3 years after the date of investment to no later than 7 years after the date of investment,</p>										

## CORPORATION TAX

**Fiscal Revenues**  
**Year (Millions \$)**

**Rate**

**Base Changes**

(2) 20% of the investment for tax years beginning seven years and ending 10 years from the date of investment.

The credit is applicable against the corporate income tax, insurance premiums tax, and the personal income tax.

(5) PA 94-1 (Oct S. S.) Allows foreign banks to open certain federal- or state-licensed branches and other banking offices in Connecticut. It makes these foreign banks and other financial institutions eligible for up to \$145 million in state tax credits over 15 years if they meet certain building and job creation requirements.

1996      748.1      11.25, 10.75 (1) PA 95-160 contains the following provisions:  
 (a) The tax rate reduction schedule contained in PA 93-74 is modified as follows:

income years beginning on or after	Tax Rate
1/1/96	10.75
1/1/97	10.50
1/1/98	9.50
1/1/99	8.50
1/1/00	7.50

(b) Delays the Clean Air Act traffic management credit that was scheduled to take effect beginning with the 1995 income year to the 1997 income year.

(c) Delays the credit for capital goods expenditures by small- and medium-sized firms that was scheduled to take effect beginning with the 1995 income year to the 1997 income year.

(d) The credit against the Insurance Premiums Tax provided in PA 94-4 (MSS) for 100% of the property tax paid on data processing equipment is delayed from the 10/1/94 grand list to the 10/1/96 grand list. No change for the Corporate tax credit.

(2) PA 95-129 modifies the 50% tax credit for firms moving into the state which construct a building of at 900,000 sq. ft. and locate 2,000 jobs in state. The Act provides a 40% credit for the location of 1,600 jobs in state or a 30% credit for 1,200 jobs located in state.

(3) PA 95-284 provides a tax credit for firms that participate in qualified plastics trades apprenticeship programs. The credit is for up to \$4,800 per apprentice and is applicable beginning with the 1995 income year.

(4) PA 95-327 allows corporations the option of making estimated payments based on (1) their current year's estimated liability or (2) a percentage of their prior year's estimate tax payment. The percentages for option (2) are as follows:

Income Year	%
1996	200%
1997	175%
1998	150%
1999	125%
2000	100%

(5) PA 95-288 creates a tax credit for firms which invest in the Critical Industries Development Account.

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes												
			<p>(6) PA 95-334 expands the definition of a manufacturing facility to include plant, buildings, or other real property for purpose of identifying a manufacturing firm located anywhere in a town within an entertainment district.</p> <p>(7) PA 95-283 extends the tax exemption for new and newly acquired manufacturing machinery from four to five years and makes machinery and equipment used in producing motion pictures and video and sound recordings eligible for the exemption.</p> <p>(8) PA 95-15 modifies tax credit for expenditures related to alternative vehicle fuels and extends the sunset date.</p> <p>(9) PA 95-268 modifies the Neighborhood Assistance Act and transfers responsibility from the Department of Social Services to the Department of Revenue Services.</p> <p style="padding-left: 20px;">(a) Requires DRS to prorate the tax credits available to business if the total amount of credits exceeds the statutory \$3 million limit.</p> <p style="padding-left: 20px;">(b) It lowers the tax credit for most programs from 50% to 40% of the amount invested.</p> <p style="padding-left: 20px;">(c) Allows tax credit only for cash assistance.</p> <p style="padding-left: 20px;">(d) It limits the ability to carry tax credits backwards to the two preceding years and repeals the carry forward.</p> <p style="padding-left: 20px;">(e) Reduces the amount of investment in any one program may qualify for from \$300,000 to \$150,000.</p> <p>(10) PA 95-325 makes expenditures related to the Clean Air Act traffic management credit made between 1/1/95 and 1/1/97, eligible for the tax credit in 1997.</p>												
1997	677.9	10.75,10.50	<p>(1) PA 96-175 phases out the tax on the net income of subchapter S corporations by reducing the percentage which is taxable. The phase-out is as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Beginning on <u>or after</u></th> <th style="text-align: left;"><u>% of Net Taxable Income</u></th> </tr> </thead> <tbody> <tr> <td>January 1, 1997</td> <td>90%</td> </tr> <tr> <td>January 1, 1998</td> <td>75%</td> </tr> <tr> <td>January 1, 1999</td> <td>55%</td> </tr> <tr> <td>January 1, 2000</td> <td>30%</td> </tr> <tr> <td>January 1, 2001</td> <td>Exempt</td> </tr> </tbody> </table> <p>(2) PA 96-144 contained the following provisions</p> <p style="padding-left: 20px;">(a) provides a tax credit for machinery and equipment purchased between January 1,1995 to May 30,1995 for companies who employ up to 800 employees. Companies that have up to 250 employees are eligible of a credit of 10% the equipment's purchase price, while companies with between 250 and 800 employees are eligible for a 5% credit of the purchase price. The credit must be taken against a company's 1997 liability.</p> <p style="padding-left: 20px;">(b) extends back the credit for property tax on data processing on insurance, hospital, and medical services corporations, railroad and utility companies, and air carriers to income years starting on or after 1/1/95.</p> <p style="padding-left: 20px;">(c) allows the carry forward of the credit for property tax on data processing equipment for five succeeding years provided the taxpayer has applied all other credits allowed by law and the property tax credit exceeds its remaining liability.</p>	Beginning on <u>or after</u>	<u>% of Net Taxable Income</u>	January 1, 1997	90%	January 1, 1998	75%	January 1, 1999	55%	January 1, 2000	30%	January 1, 2001	Exempt
Beginning on <u>or after</u>	<u>% of Net Taxable Income</u>														
January 1, 1997	90%														
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January 1, 2000	30%														
January 1, 2001	Exempt														



## CORPORATION TAX

Fiscal Revenues Year (Millions \$)	Rate	Base Changes
		(3) PA 96-265 requires motor carriers to apportion their income based on the relative number of miles drive in state. Effective beginning with the 1996 income year.
		(4) PA 96-252 allows biotechnology companies to carry forward the existing 20% credit for research and development expenses. The credit applies to the amount a company spends on research and development that exceeds the amount it spent in the prior year. The Act allows the credit to carried forward for up to 15 years. Effective beginning with the 1997 income year.
		(5) PA 96-197 exempts out-of-state Connecticut corporations from the state's corporation business tax if their only contact with the state is participation as a limited partner in an investment partnership.
		(6) PA 96-253 exempts banks, insurers, and investment companies from the corporate business tax if all of their business is outside the United States, and if the company's headquarters is located within a special export zone in Hartford.
		(7) PA 96-104 exempts out-of-state companies engaged in business with in state printers provided the companies whose only activities in the state are related to a contract with in-state commercial printers to print and distribute printed material.
		(8) PA 96-111 allows regulated investment companies to use a different apportionment formula to determine corporate tax liability based on the shareholder or accounts that are domiciled in Connecticut effective beginning with the 1996 income year.
		(9) PA 96-239 contained the following provisions
		(a) expands enterprise zone benefits to service firms located in a town with an enterprise zone within it. Firms located outside the enterprise zone would still be eligible for the benefits. The act adds telemarketer to the definition of service firms eligible for such benefits.
		(b) provides a property tax abatement for service firms located outside enterprise zones but in the same town effective 7/1/96.
		(c) provides a job creation credit for service firms based on the number of new hires in conjunction with the development or acquisition of their facilities.
		(d) provides a 10 year corporate tax credit for newly created business that locates in an enterprise zone and hires zone or town residents effective 1/1/97. The credit is 100% for the first three years and 50% for next seven years.
		(10) PA 96-139 made technical changes to effective date of the corporate tax rate reductions enacted in PA 95-160.
		(11) PA 96-183 expands the alternative fuels credit against the corporation business tax for expenditures related to alternative fuels equipment for a LPG or LNG stations.
		(12) PA 96-262 creates a new tax credit for business that provide parent education programs to their employees and those "investing" in child care. The credit is 40% of the amount a business spends on parenting classes. The credit is only available after the employer has exhausted the day care subsidy credit. The act also appears to create a 60% credit for businesses that invest in child care programs on top of the existing credit for when they establish day care facilities under the Neighborhood Assistance Act.

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			<p>(13) PA 96-222 makes retail product distribution facilities eligible for certain property tax exemptions and corporate business credits relating to enterprise zones or location in towns with such zones.</p> <p>(14) PA 96-264 extends enterprise zone benefits to certain biotechnology, pharmaceutical, and photonics companies to such businesses located in enterprise zone towns with major research university.</p>
1998	663.7	10.50,9.50	<p>(1) PA 97-317 allows state chartered banks to sell insurance directly or through a subsidiary.</p> <p>(2) PA 97-295 contained the following provisions in order to streamline the Corporate Business Tax</p> <p style="padding-left: 20px;">(a) Repealed the Home Grown Cattle deduction and the following tax credits: Air Pollution, Industrial Waste, Work Education, Employee Training, and New Facilities</p> <p style="padding-left: 20px;">(b) Provide a credit for the amount spent on fixed capital investment and also a credit for the amount spend on human capital investments. Both credits are phased in as follows: 3% for the 1998 income year, 4% for 1999, and 5% for the 2000 income year.</p> <p style="padding-left: 20px;">(c) Provide a credit for up to \$1,000 per income year for construction trades apprenticeships.</p> <p style="padding-left: 20px;">(d) Extend the sunset on the Corporation Tax credits for vehicles powered by alternative fuels and related expenditures and for construction of or improvements to filling stations to provide natural gas, liquefied petroleum or natural gas by two years.</p> <p>(3) PA 97-283 allows S-Corporation to take credits on the same phase-out schedule of the Corporate Business Tax on S-Corporation net income. PA 96-175 prohibited S-Corporations from using Corporate Tax credits to offset their liability during the period of the phase-out. This change is effective with the 1997 income year.</p> <p>(4) PA 97-251 increases the limit from \$3 million to \$4 million for credits available under the Neighborhood Assistance Act effective with the 1998 income year.</p> <p>(5) PA 97-309 Nexus Investigation Project (DRS Program)</p> <p>(6) PA 97-4 (June 18, 1997 Special Session) provides a single factor apportionment formula for credit card income for certain eligible institutions.</p> <p>(7) PA 97-259 increases the maximum credit from \$10,000 to \$50,000 a a business can receive under the Neighborhood Assistance Act to plan, prepare, build or acquire, as well as any equipment used, to established a child day care facility for its employees. It also increases from \$20,000 to \$50,000 the annual tax credit it can receive for building, renovating, or equipping the day care facility for its employees.</p> <p>(8) PA 97-70 authorizes single-member limited liability companies.</p> <p>(9) PA 97-164 extends the pawnbroker laws to limited liability companies in addition to people, corporations, and partnerships.</p> <p>(10) PA 97-163 accelerates the reduction in the percentage of the previous year's tax liability that a business may use to calculate estimated tax payments for the present year (safe harbor).</p> <p>(11) PA 97-228 replaces the \$2,000 per year penalty on foreign (out of state) business for each year or portion of year they operate in CT without registering with the secretary of state with a \$165 per month penalty for each month they operate without registering in CT.</p>

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			<p>(12) PA 97-193 permits DRS commissioner to disallow any credit against the corporation business tax if the company claiming the credit is more than 30 days delinquent on any state taxes, including interest and penalties, fees, or other related charges. It also allows OPM to deny an exemption from the property tax for new manufacturing machinery and equipment if the owner is delinquent in its corporation business tax payments.</p> <p>(13) PA 97-292 limits to \$15 million the amount of any tax credit that funds can take on any single business investment in an insurance business for insurance reinvestment funds established to create new jobs pursuant to PA 94-214.</p> <p>(14) PA 97-119 prohibits recipients of real estate investment trust (REIT) dividends from deducting them from gross income for the purpose of determining state corporation tax liability unless the dividend meets certain conditions.</p>
1999	619.5	9.50, 8.50	<p>(1) PA 98-110 contained the following provisions effective for the 1999 income year:</p> <ul style="list-style-type: none"> <li>(a) Provide single apportionment formula for financial service companies and exclude financial service companies from the capital base.</li> <li>(b) Establishes an exemption for Passive Investment Companies (PICs).</li> <li>(c) Exempts domestic insurers from the tax.</li> <li>(d) Restricts deductibility of certain intangible expenses and certain interest expenses with a related member</li> <li>(e) Effective for the 2000 income year, extend the carry-forward for up to 15 years of the research and experiment credit to any corporation.</li> <li>(f) Effective for the 2000 income year, extend the 6% research and development credit to qualified small business, defined as firms with gross income of under \$100 million.</li> </ul> <p>(2) PA 98-244 contained the following provisions</p> <ul style="list-style-type: none"> <li>(a) Eliminates Corporate Income Tax payments for S-Corporations under the minimum and capital base effective with the 2000 income year.</li> <li>(b) Eliminate the minimum tax for foreign corporations whose sole activity in this state consists of trading stocks and securities for its own account.</li> <li>(c) Requires corporations eligible to claim more than one tax credit to take them in a specified order.</li> </ul> <p>(3) PA 98-28 restructures the electric industry to allow consumers to choose their electric suppliers beginning January 1, 2000 for select groups and July 1, 2000 for all other consumers. Until competition begins, rates are capped at their December 31, 1996 levels. This will be accomplished by requiring each electric company to unbundled its electricity generation and distribution components. The generation component will be subject to competition from other suppliers. Suppliers are entitled to a one-time \$1,500 corporation tax credit starting July 1, 1998 for each dislocated worker they employ for more than six months.</p>
2000	587.8	8.50, 7.50	<p>(1) PA 99-173 contained the following provisions:</p> <ul style="list-style-type: none"> <li>(a) Extends the net operating loss carry-forward and net capital loss carry over provisions from 5 years to 20 years.</li> </ul>

## CORPORATION TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>(b) Exempts capital gains realized from the sale of open space or land to the state, a municipality, or non-profit land conservation organization or a water company where the land is permanently preserved space or as Class I or Class II watershed land.</li> <li>(c) Increased the cap on Neighborhood Assistance Program tax credits from \$4 million to \$5 million.</li> <li>(d) Extended the sunset date from 1/1/2000 to 1/1/2002 for provisions regarding Alternative Fuels and vehicles powered by alternative fuels or electricity.</li> <li>(e) Modified the Research and Development Expenses at Aerospace Companies tax credit for companies with more than 2,500 employees over \$3 billion in revenue provided they are located in enterprise zones. (See item number 3)</li> <li>(f) Transferred the administration of Opportunity Certificates created by PA 97-295 from the Department of Social Services to the Department of Labor.</li> <li>(g) Establishes a credit for guarantee fees paid when obtaining financing from the Small Business Administration</li> <li>(h) Establishes a credit for the rehabilitation of historic homes. The credit applies to expenses over \$15,000 with a cap on the credit of \$30,000 for each home. The credit is capped at \$3 million per year and can be carried forward for up to four years</li> <li>(i) Permits companies with sale of less than \$70 million in gross sales to sell unused Research and Experiment Credits and Research and Development Credit tax credits back to the state at 65% of their value. PA 01-6 JSS allows payment as refunds.</li> <li>(j) Increased the cap on the Low and Moderate Income Housing Program and Rental Housing Assistance Trust Fund credits from \$1 million to \$5 million.</li> </ul>
			(2) PA 99-173 and PA 99-235 establish a credit equal to 50% of the land donated to the state, its subdivision, or non profit land conservation for opens space.
			(3) PA 99-1 June Special Session clarified the amount of R&D tax credit available to businesses that have revenues in excess of \$3 billion, employing more than 2,500 employees that are headquartered in an enterprise zone for expenses of more than \$200 million is either \$5.5 million plus 6% of the excess of such expenses over \$200 million, or 3.5% of the total expenses, whichever is greater.
			(4) PA 99-203 transferred the Opportunity Certificates Tax Credit from the Department of Social Services to the Labor Department.
			(5) PA 99-83 allows subchapter S-Corporations to claim 100% of the Neighborhood Assistance Act tax credits instead of 55% for income year 1999 and 30% for income year 2000.
			(6) PA 99-121 specifies that only employees whose earnings are paid in Connecticut count toward triggering the Machinery and Equipment Tax Credit (10% for 250 or fewer permanent full-time employees and 5% for 250 to 800 employees).
2001	550.5	7.50	<ul style="list-style-type: none"> <li>(1) PA 00-170 contained the following provisions: <ul style="list-style-type: none"> <li>(a) establishes a credit for the donation of new or used computers to local schools effective 1/1/00.</li> </ul> </li> </ul>

## CORPORATION TAX

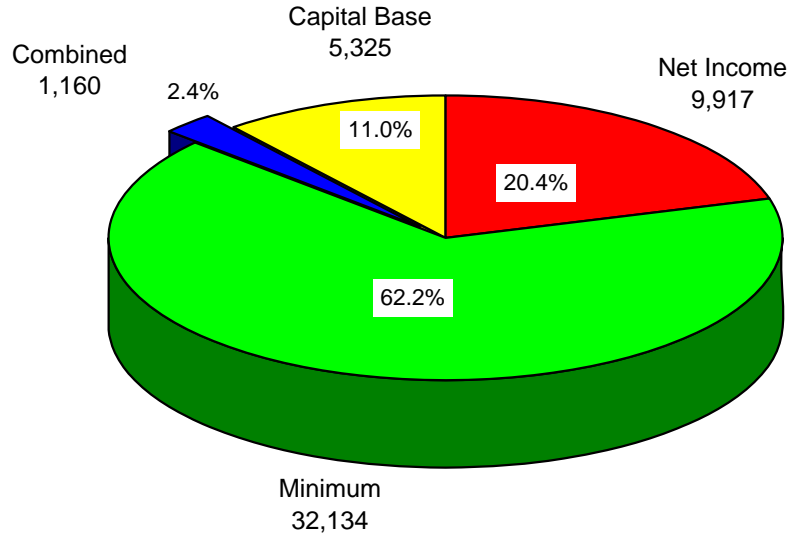
Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			<p>(b) Allows manufacturers and broadcasters to use a single factor formula to apportion their income for corporate income tax purposes. Manufacturers cannot apply the new formula to their first and second estimated payments in 2001. Effective 1/1/01 for manufacturers and 10/1/01 for broadcasters. PA 01-6 JSS requires such corporations to file in writing their intent to use receipts as single factor for tax purposes.</p> <p>(c) Allows S-Corporations to take the entire credit for low- and moderate-income housing in the 1999 and 2000 income years instead as PA 99-83 (see above) originally allowed.</p> <p>(d) established a site remediation tax credit for remediation of urban sites. The amount of credit cannot exceed the amount of state revenue the Department of Economic and Community Development determines will be generated by the investment--the revenue loss from the credit is expected to be offset by the tax revenue from the new development.</p> <p>(e) expands the Manufacturer Assistance Act tax benefits to include eligible financial institutions constructing new facilities and creating new jobs.</p> <p>(f) disallow tax credits for investments made to the Insurance Reinvestment Fund made after July 1, 2000.</p> <p>(2) PA 00-192 expands the Human Capital Credit to include donations to the Individual Development Account. The Individual Development Account was created to allow certain low-income and qualified disable taxpayers to open savings accounts and receive matching funds as an incentive for saving for specific purposes. Effective 1/1/2001.</p> <p>(3) PA 00-203 creates the Charter Oak Open Space Trust Account and extends the credit for land donated to the state to be carry forward 10 years. It also clarifies use value of the land as fair market value of land at its highest and best use as determined by a certified real estate appraiser.</p>
2002	381.0	7.50	<p>PA 01-8 JSS sets aside \$1 million of \$5 million of the credits available on Low and Moderate Housing Program and Rental Housing Assistance Trust Fund for supportive housing pilots initiative. The supportive housing pilots initiative is to provide up to 650 units of affordable housing and support services.</p> <p>PA 01-9 JSS modifies the Urban &amp; Industrial Site Investment Fund credit, and allows taxpayers investing any amount in eligible environmental remediation and urban site reinvestment projects through Community Economic Entities to qualify for state business tax credits.</p> <p>PA 01-6 JSS allows the exchange of unused R&amp;D credit to be an offset to revenue. It also requires corporations that engage in financial service activities to file in writing that they are going to use receipts as the single factor for tax purposes. It also gives municipalities an extra 15 days to submit to DRS its annual list of programs to which businesses can make donations under the Neighborhood Assistance Act.</p> <p>PA 01-6 JSS modifies the Insurance Reinvestment Act in a manner that the recapture of tax credits would only occur when there is a reduction in</p>

## CORPORATION TAX

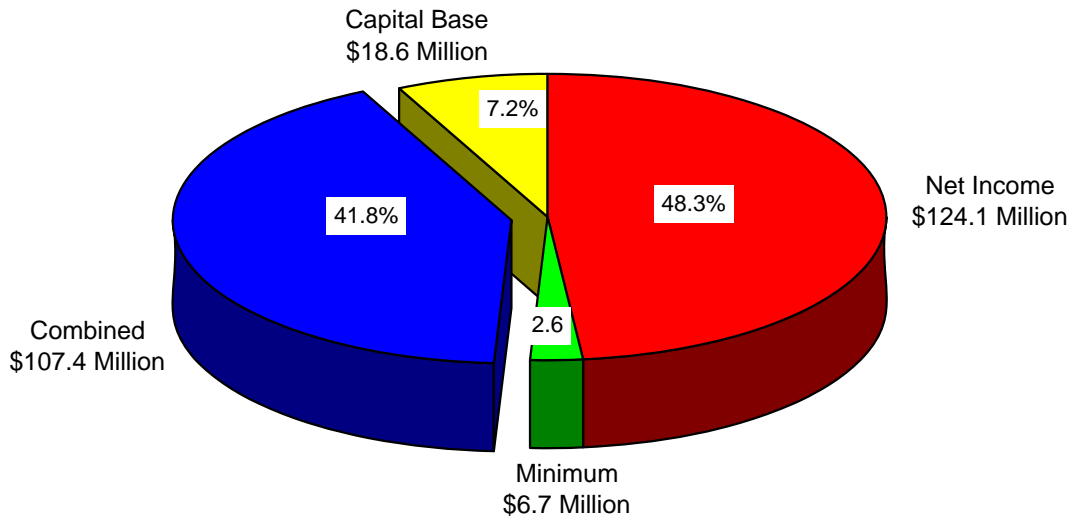
Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			<p>state employment levels and not when there is a decrease in the percentage of total workforce in this state due to an increase in out-of-state workforce. It also sunsets the tax credits for investments in insurance companies made after December 31, 2015.</p>
2003	508.0		<p>PA 02-1 MSS creates the Business Entity Tax. For taxable years beginning on or after 1/1/02, S-corporations, limited liability companies (LLCs), limited liability partnerships (LLPs), and limited partnerships (LPs) are subject to the Business Entity Tax (BET) if they are required to file an annual report with the Secretary of State. For 2002 income year the rate is \$250, for income year 2003, the rate is \$300, and for the 2004 income year and thereafter, the rate is \$250. LLCs which elected to be taxed as a corporation for federal tax purposes are exempt from the BET as well as any domestic LP not formed under Chapter 610 of the state statutes.</p> <p>PA 02-1 MSS also limits the total value of tax credits allowed for any income year to 70% of the company's pre-tax liability beginning 1/1/02. It also limits to 65% of the value of R&amp;D credits unused to be refunded.</p> <p>PA 02-4 MSS extends the credit for vehicles powered by clean alternative fuels through 2003 income year.</p>
2004	518.0 Unaudited		<p>PA 03-1 JSS enacts a 25% surcharge on any corporation with a liability greater than the \$250 minimum tax effective with income years 2004. The act also reinstated the R&amp;D Tax credit exchange for companies that pay the alternative capital base tax effective 2002 through 2004 income years.</p> <p>PA 03-6 JSS requires companies, in determining their net income for tax purposes, to add back otherwise deductible interest expenses and costs arising from transactions with one or more related members unless certain conditions are met. The Act also raises the maximum tax due from \$25,000 to \$250,000 for corporations that file a combined returns.</p>
2005	678.7 Unaudited		<p>PA 04-231 MSS extends the credit for vehicles powered by clean alternative fuels through 2007 income year.</p> <p>PA 04-235 makes permanent the sale of research and development tax credits by companies that pay the alternative capital base tax.</p>
2006	646.3 Budget Act		<p>PA 05-251 imposes a tax surcharge of 20% for the 2006 income year, and 15% for the 2007 income year that is applicable to all companies that pay the Corporate Income Tax if they owe more than \$250 min tax.</p>
2007	674.8 Budget Act		

# Corporate Tax Return Statistics 2001 Income Year

**Number of Returns by Type**  
**48,536**



**Total Tax Liability Paid by Type of Return**  
**\$256.8 Million**



## CORPORATION TAX CREDITS

Connecticut offers ten different tax credits to Corporation Business Tax payers. The table below indicates the number of returns claiming a particular tax credit and the total dollar amount claimed.

Type of Credit	Income Year			
	1987		1988	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	160	\$1,004,091	158	\$1,237,261
New Facilities	50	743,979	61	229,397
Industrial Waste	11	354,408	15	87,962
Apprenticeship	14	79,560	14	62,181
Enterprise Zones	19	158,645	13	107,867
Air Pollution Abatement	9	213,940	9	261,419
Work Education	11	27,871	8	6,885
Child Day Care	14	120,212	18	153,050
Rental Housing	<u>1</u>	<u>7,350</u>	<u>15</u>	<u>299,236</u>
<b>TOTAL</b>	<b>289</b>	<b>\$2,710,056</b>	<b>311</b>	<b>\$2,445,258</b>

Type of Credit	Income Year			
	1989		1990	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	132	\$1,124,215	105	\$679,225
New Facilities	66	402,964	46	119,958
Industrial Waste	10	91,380	7	61,634
Apprenticeship	11	45,253	14	38,070
Enterprise Zones	19	79,154	8	130,643
Air Pollution Abatement	8	108,542	No Credit Claimed for 1990	
Work Education	8	9,896	9	7,355
Child Day Care	14	34,242	25	272,762
Rental Housing	<u>25</u>	<u>392,490</u>	<u>8</u>	<u>161,647</u>
<b>TOTAL</b>	<b>293</b>	<b>\$2,288,136</b>	<b>222</b>	<b>\$1,471,294</b>

Type of Credit	Income Year			
	1991		1992	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	114	\$853,169	226	\$1,761,292
New Facilities	50	395,068	85	935,580
Industrial Waste	8	71,140	15	331,574
Apprenticeship	14	35,518	17	52,486
Enterprise Zones	17	150,911	30	188,703
Air Pollution Abatement	4	321,210	8	118,309
Work Education	6	3,749	6	3,189
Child Day Care	17	122,053	34	799,540
Rental Housing	16	308,035	20	405,252
Clean Alternative Fuels	0	0	3	15,448
Research & Experimentation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>246</b>	<b>\$2,260,853</b>	<b>444</b>	<b>\$4,611,373</b>



**CORPORATION TAX CREDITS**  
(Continued)

Type of Credit	Income Year			
	1993		1994	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Neighborhood Assistance	231	\$1,829,270	172	\$2,244,150
New Facilities	84	861,169	9	23,214
Manufacturing Facilities	0	0	72	913,360
Industrial Waste	9	6,972	9	491,787
Apprenticeship	19	55,568	24	109,410
Enterprise Zones	31	128,982	47	307,674
Air Pollution Abatement	11	83,271	75	208,911
Work Education	6	3,327	14	47,463
Employee Training	0	0	68	168,515
Child Day Care	29	431,027	33	389,568
Rental Housing	16	361,677	22	645,811
Employer Assisted Housing	0	0	17	696,085
Clean Alternative Fuels	5	17,725	18	1,023,475
Research Grants to Higher Ed	0	0	20	11,916
Research & Experimentation	<u>120</u>	<u>6,271,728</u>	<u>207</u>	<u>17,375,176</u>
<b>TOTAL</b>	<b>561</b>	<b>\$10,050,716</b>	<b>807</b>	<b>\$24,656,515</b>

Type of Credit	Income Year			
	1995		1996	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Electronic Data Processing	2,940	\$24,177,852	4,207	\$30,702,243
Neighborhood Assistance	250	1,579,428	239	1,929,244
Manufacturing Facilities	74	880,055	97	1,438,744
Industrial Waste	8	41,385	14	48,066
Apprenticeship	21	110,053	20	144,036
Enterprise Zones	48	497,738	46	588,785
Air Pollution Abatement	48	496,013	13	175,945
Work Education	9	16,226	29	11,172
Employee Training	116	386,854	199	1,152,161
Child Day Care	33	339,092	23	355,668
Rental Housing	22	971,338	23	784,756
Employer Assisted Housing	14	525,942	8	467,425
Clean Alternative Fuels	11	913,290	6	371,450
Financial Institutions	--	--	1	250
Research Grants to Higher Ed	1	250	2	4,450
Research & Experimentation	192	21,966,634	236	21,305,092
Research & Development	<u>152</u>	<u>5,437,646</u>	<u>177</u>	<u>9,182,729</u>
<b>TOTAL</b>	<b>3,939</b>	<b>\$58,339,796</b>	<b>5,340</b>	<b>\$68,662,216</b>

**CORPORATION TAX CREDITS  
(Continued)**

Type of Credit	1997		1998	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Electronic Data Processing	4,844	\$38,083,580	5,842	\$26,132,451
Fixed Capital	-	-	4,340	\$20,416,193
Human Capital	-	-	336	\$1,501,947
Machinery and Equipment	1,737	\$12,025,481	1,662	\$9,676,278
Neighborhood Assistance	226	2,035,945	263	2,265,651
Manufacturing Facilities	96	969,638	110	954,663
Industrial Waste	10	379,098	3	3,390
Apprenticeship	52	344,055	65	960,165
Enterprise Zones	35	398,206	39	293,618
Air Pollution Abatement	9	164,124	18	29,416
Work Education(1)	20	461,762	-	-
Employee Training(1)	170	1,859,704	-	-
Child Day Care	20	504,864	17	66,155
Housing Program Contribution	26	999,297	25	992,250
Employer Assisted Housing	11	533,958	4	167,060
Clean Alternative Fuels	19	862,174	9	173,585
Financial Institutions	0	0	0	0
Opportunity Certificate	8	29,621	11	104,906
Traffic Reduction	3	10,709	4	6,366
Research Grants to Higher Ed	15	45,843	10	87,076
Research & Experimentation	229	22,745,583	215	19,863,128
Research & Development	<u>180</u>	<u>55,439,160</u>	<u>217</u>	<u>30,062,084</u>
<b>TOTAL</b>	<b>7,710</b>	<b>\$137,892,802</b>	<b>13,190</b>	<b>\$113,756,382</b>

(1) Combined with Human Capital Credit.

**CORPORATION TAX CREDITS**  
(Continued)

Type of Credit	1999		2000	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Electronic Data Processing	6,329	\$29,296,541	6,777	\$26,488,367
Fixed Capital	6,055	37,374,387	7,114	50,790,548
Human Capital	388	2,868,128	387	2,538,751
Machinery and Equipment	1,431	7,262,009	1,040	6,538,797
Neighborhood Assistance	258	2,447,486	269	2,137,474
Mfg Facilites/Enterprise Zones	158	1,119,742	139	1,079,806
Apprenticeship	78	557,725	65	435,903
Enterprise Zones (2)	-	-	-	-
Air Pollution Abatement	11	23,649	6	4,333
Child Day Care	17	245,018	14	23,540
Housing Program Contribution	62	2,093,902	42	3,013,842
Employer Assisted Housing	15	454,850	9	156,273
Clean Alternative Fuels	12	267,772	9	122,454
Financial Institutions	-	-	-	-
Open Space Land Donation	3	86,033	9	665,663
Insurance Reinvestment	1	8,281	6	6,210
Opportunity Cert./Hiring Incent	21	72,694	25	40,492
Traffic Reduction	1	12,862	6	222,103
Industrial Waste Treatment	-	-	1	11,937
Small Business Guaranty Fee	1	7,684	21	20,128
Research Grants to Higher Ed	1	319,005	-	-
Research & Experimentation	192	13,577,729	161	15,797,584
Research & Development	<u>279</u>	<u>15,197,525</u>	<u>274</u>	<u>23,720,780</u>
<b>TOTAL</b>	<b>15,313</b>	<b>\$113,293,022</b>	<b>16,374</b>	<b>\$133,814,985</b>

(2) Combined with Manufacturing Facilities

**CORPORATION TAX CREDITS  
(Continued)**

Type of Credit	2001		2002	
	Number of Returns	Amount Claimed	Number of Returns	Amount Claimed
Electronic Data Processing	3,704	\$28,072,552	Data not available at time of printing.	
Fixed Capital	3,744	54,235,916		
Human Capital	206	2,964,233		
Machinery and Equipment	507	3,061,185		
Neighborhood Assistance	111	1,220,022		
Mfg Facilites/Enterprise Zones	76	674,564		
Apprenticeship	37	274,150		
Enterprise Zones (2)	-	-		
Air Pollution Abatement	2	304		
Child Day Care	5	9,208		
Housing Program Contribution	22	3,593,351		
Employer Assisted Housing	7	135,026		
Clean Alternative Fuels	5	5,225		
Financial Institutions	-	-		
Open Space Land Donation	4	557,257		
Insurance Reinvestment	3	128,403		
Opportunity Cert./Hiring Incentive	11	52,155		
Traffic Reduction	9	175,411		
Industrial Waste Treatment	-	-		
Small Business Guaranty Fee	2	2,942		
Research Grants to Higher Ed.	2	5,446		
Research & Experimentation	100	8,682,936		
Research & Development	183	34,702,296		
Computer Donation	<u>1</u>	<u>46,754</u>		
<b>TOTAL</b>	<b>8,741</b>	<b>\$138,599,336</b>		

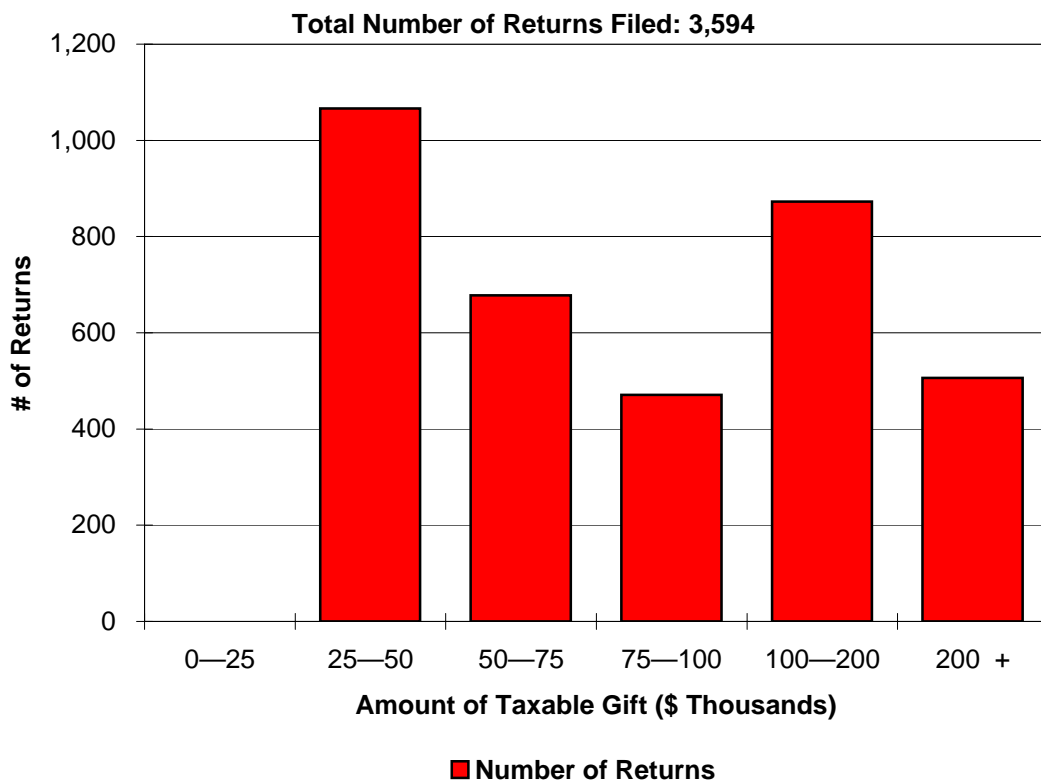
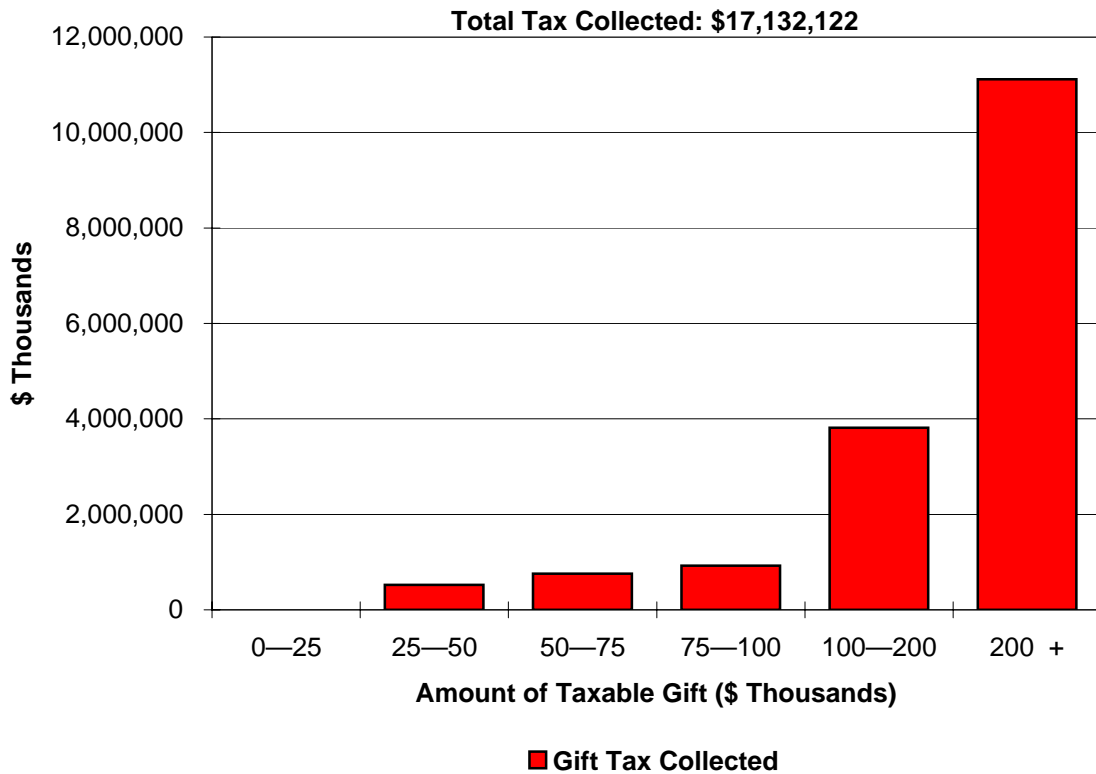
(2) Combined with Manufacturing Facilities

**CORPORATION TAX CREDITS  
(Continued)**

Type of Credit	2003	
	Number of Returns	Amount Claimed
Electronic Data Processing	2,454	\$19,890,918
Fixed Capital	3,793	48,901,832
Human Capital	180	1,323,076
Machinery and Equipment	265	1,529,415
Neighborhood Assistance	94	1,395,504
Mfg Facilites/Enterprise Zones(2)	50	400,137
Apprenticeship	9	1,198,667
Air Pollution Abatement	3	19,195
Child Day Care	1	7,865
Housing Program Contribution	26	3,761,032
Employer Assisted Housing	3	16,329
Clean Alternative Fuels	8	75,516
Financial Institutions	15	\$100,735
Open Space Land Donation	90	184,732
Insurance Reinvestment	4	333,950
Opportunity Cert./Hiring Incentive	6	3,940
Traffic Reduction	5	142,719
Industrial Waste Treatment	-	-
Small Business Guaranty Fee	6	3,100
Research Grants to Higher Ed.	1	2,041
Research & Experimentation	126	9,808,862
Research & Development	122	3,429,812
Computer Donation	0	0
Historic Home Rehabilitation	4	541,626
Displaced Electric Worker	<u>1</u>	<u>93</u>
<b>TOTAL</b>	<b>7,266</b>	<b>\$93,071,096</b>

(2) Combined with Manufacturing Facilities

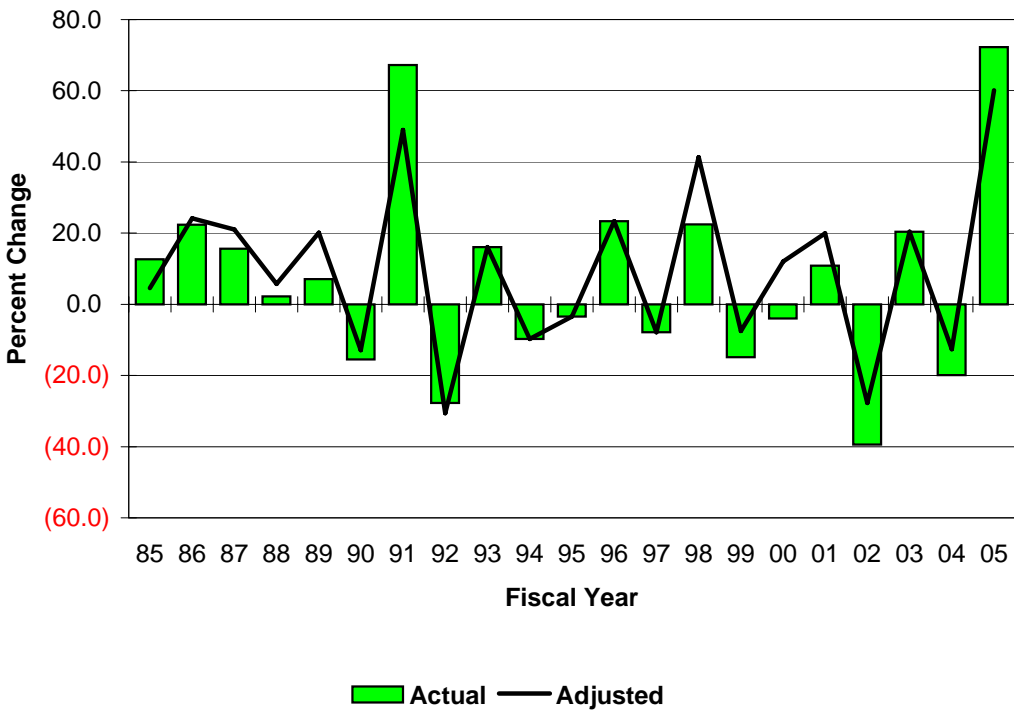
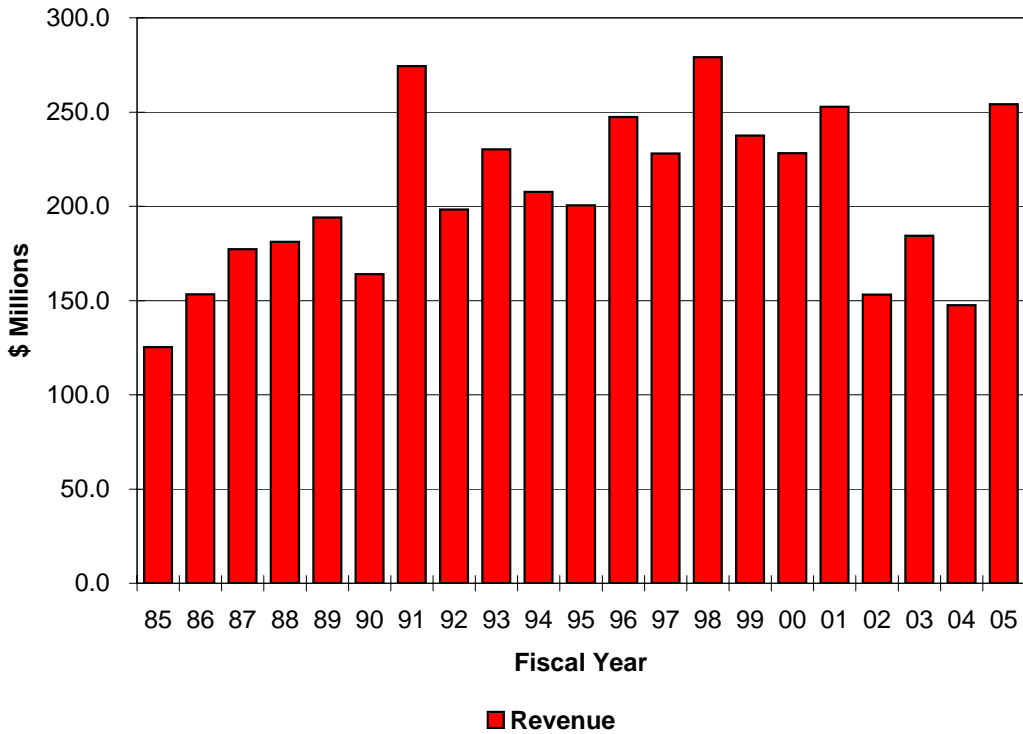
## Gift Tax 2004 Income Year



## GIFT TAX

Fiscal Year	Revenue (\$ Millions)	%	Base Changes
		Change	
1992	1.3		PA 91-3 (JSS) imposes a variable tax on gifts taxable under federal law (gifts worth over \$10,000)
1993	18.0	-	PA 92-5 (MSS) imposes a 10% penalty if the tax is not paid by the April 15 deadline.
1994	15.5	-13.5%	PA 93-261 Makes the amount of Gift Tax paid a credit against the Succession (Inheritance) Tax but includes the amount of such gifts in the gross taxable estate for Succession Tax purpose.
1995	12.4	-20.2%	PA 94-5 Changes the due date of the tax for the year in which the donor dies to 9 months after death, effective with the 1994 income year.  PA 94-4 (May S. S.) Requires that farm land given as a gift to the donor's lineal descendants or spouse be valued in accordance with its farm use and not at fair market value.
1996	17.4	40.7%	PA 95-27 Allows gift tax returns to be filed the day after Patriot's Day (celebrated in Massachusetts where the federal gift tax return is filed). It also limits the time period for recouping the tax differential to 10 years following the transfer of land should the land's use be changed from farm land or transferred to someone who is not a lineal descendant. The owner is liable for the difference between the tax paid and what the tax would have been paid under the fair market value.
1997	18.0	3.2%	
1998	20.3	12.7%	
1999	31.2	53.7%	
2000	32.8	5.1%	PA 00-170 Phases out the tax on gifts under \$1 million over a six-year period beginning with gifts given after 1/1/01.
2001	28.2	-13.9%	PA 02-1 MSS phases-out the tax on gifts under \$1 million over an eight year period. (See Tax Expenditure report for details).
2002	19.9	-29.4%	
2003	27.3	37.2%	PA 03-1 JSS delays the phase-out of the remaining steps of the tax on gifts between \$250,000 and \$1 million by two years.
2004	24.3	-11.0%	
2005	27.8	14.4%	PA 05-251 repealed the Gift Tax effective January 1, 2005. In its place it establishes a uniformed tax on transfers of CT taxable gifts and estates that exceed a combined lifetime total of \$2 million.

# Inheritance and Estate Taxes Collections and Growth Rates FY 85 - FY 05



**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**



<b>Inheritance</b>					
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
	49.7	0.0	0.0		
FY72	64.2	0.0	14.5	29.2	0.0
FY73	53.9	0.0	0.0	(16.0)	8.5
FY74	46.0	0.0	0.0	(14.7)	(14.7)
FY75	45.2	0.0	0.0	(1.7)	(1.7)
FY76	48.7	0.0	0.0	7.7	7.7
FY77	48.9	0.0	0.0	0.4	0.4
FY78	53.0	0.0	0.0	8.4	8.4
FY79	54.8	0.0	0.0	3.4	3.4
FY80	67.4	0.0	0.0	23.0	23.0
FY81	79.2	0.0	0.0	17.5	17.5
FY82	77.5	0.0	0.0	(2.1)	(2.1)
FY83	111.2	3.0	0.0	43.5	39.6
FY84	125.3	9.0	0.0	12.7	4.6
FY85	153.3	(2.3)	0.0	22.3	24.2
FY86	177.3	(8.2)	0.0	15.7	21.0
FY87	181.2	(6.2)	0.0	2.2	5.7
FY88	194.0	(23.6)	0.0	7.1	20.1
FY89	164.0	(5.0)	0.0	(15.5)	(12.9)
FY90	274.3	30.0	0.0	67.3	49.0
FY91	198.3	8.0	0.0	(27.7)	(30.6)
FY92	230.2	0.0	0.0	16.1	16.1
FY93	207.7	0.0	0.0	(9.8)	(9.8)
FY94	200.5	0.0	0.0	(3.5)	(3.5)
FY95	247.4	0.0	0.0	23.4	23.4
FY96	228.0	0.0	0.0	(7.8)	(7.8)
FY97	279.2	(43.1)	0.0	22.5	41.4
FY98	237.6	(20.7)	0.0	(14.9)	(7.5)
FY99	228.1	(38.0)	0.0	(4.0)	12.0
FY00	252.8	(20.7)	0.0	10.8	19.9
FY01	153.1	(29.7)	0.0	(39.4)	(27.7)
FY02	184.3	0.0	0.0	20.4	20.4
FY03	147.6	(13.4)	0.0	(19.9)	(12.6)
FY04	254.2	(37.1)	55.0	72.2	60.1
FY05					

## INHERITANCE TAX

Fiscal Year	Revenues (\$000)	Rate and Base Changes
1972	49.7	Inheritance - The time limit for filing succession tax returns goes to 9 months from 1 year after death. Estate - To 9 months from 18 months.
1973	64.2	
1974	53.9	
1975	46.0	
1976	45.2	
1977	48.7	
1978	48.9	
1979	53.0	Exemption levels double; Farm land valued at current use and not fair market; value of annuity exempt for servicemen
1980	54.8	
1981	67.4	
1982	79.3	An Estate Tax is established: 1) A tax of 10% is levied on net income of Estates (an exemption of \$20,000 plus all federal exemptions are allowed) 2) If estimated tax liability is in excess of \$200 an estimated payment of 50% is due in the sixth month of the Estate's income year. Final payment is due in the fourth month following end of income year (1/1/82).
1983	77.5	
1984	111.2	A surtax of 10% is added to the tax on estates established on or after 7/1/83. Transfers of farmland are exempt.
1985	125.3	(1) The transfer of land certified to be held as open space in perpetuity is exempt from Succession Tax. (2) Estate income tax: (a) Eliminates requirement that a fiduciary file an estimated tax return (b) The definition of fiduciary is expanded to include fiduciaries of non-resident estates
1986	153.3	(1) The exemption for surviving husband or wife (Class AA) is increased to \$300,000 from \$100,000 and the exemption for parents, grandparents and descendants (Class A) is increased to \$50,000 from \$20,000 (7/1/85). (2) The money which a surviving spouse initially receives from an estate when there is no will is raised to \$100,000 from \$50,000 (7/1/85). (3) Estates in which more than 35% of the value of the gross estate is comprised of interest for a closely held business may take up to ten years to pay the Succession Tax (7/1/85)

## INHERITANCE TAX

**Fiscal Revenues**  
**Year (\$000)**

**Rate and Base Changes**

1987	177.3	(1) The Inheritance Tax on Class AA (Surviving Spouse) is phased out over 3 years (7/1/86). (2) No tax is due if liability is less than \$10 (7/1/86).
1988	181.2	(1) PA 87-459 - Payments from pension plans of self-employed individuals are excluded from gross taxable estate (7/1/87). (2) PA 87-491 - Up to \$200,000 in artworks from a deceased Connecticut artist may be accepted annually as a tax credit (1/1/87).
1989	193.9	
1990	164.0	
1991	274.3	PA 92-148 - Tax payment is due with 6 months of date of death rather than 9 months (7/1/90).
1992	198.3	
1993	230.2	
1994	207.7	PA 93-261 - Gift Tax paid to the state is credited against the amount of Inheritance Tax due, applicable to gifts made on or after 7/1/93. The act also exempts gifts that are not taxable under the gift tax from the inheritance tax.
1995	200.5	PA 95-256 phases out the inheritance tax by increasing the exemption amount for each class of inheritors over a five year period. The phase out of Class A begins in 1997; Class B in 1999 and Class C in 2001. Each Class phase out is as follows:

<b>Class A</b>	<b>Date</b>
Property under \$50,000	Through 12/31/96
Property under \$250,000	1/1/97
Property under \$500,000	1/1/98
Property under \$800,000	1/1/99
Property under \$2,000,000	1/1/00
Eliminated	1/1/01

<b>Class B</b>	<b>Date</b>
Property under \$6,000	Through 12/31/98
Property under \$200,000	1/1/99
Property under \$400,000	1/1/00
Property under \$600,000	1/1/01
Property under \$1,500,000	1/1/02
Eliminated	1/1/03

## INHERITANCE TAX

**Fiscal Revenues**  
**Year (\$000)**

**Rate and Base Changes**

<b>Class C</b>	<b>Date</b>
Property under \$1,000	Through 12/31/00
Property under \$200,000	1/1/01
Property under \$400,000	1/1/02
Property under \$600,000	1/1/03
Property under \$1,500,000	1/1/04
Eliminated	1/1/05

PA 95-298 allows any person or entity to transfer any property of a decedent to his surviving spouse without getting the consent of the commissioner of DRS.

1996	247.4	
1997	228.0	
1998	279.2	PA 97-165 expands the Estate Tax to include non-resident estates and establishes a State generation-skipping transfer tax. The tax is the same as the credit allowed against federal generation-skipping transfer tax.
1999	237.6	PA 98-244 classifies farmland transferred by a decedent to a partnership, corporation or trust held by family members who are Class AA, A or B, inheritors, to be valued as farmland for Succession Tax purposes.
2000	228.1	PA 99-173 and PA 99-235 repeals the requirement that land donated to be classified as open space for Inheritance and Succession Tax purposes as an incentive to for donating or discount sale of land to be preserved as open space.
2001	252.8	
2002	153.1	PA 01-1 of the November 15, 2001 Special Session HB 7601 delays the phase-out schedule of the tax by postponing the increases in exemption amounts for Class B and Class C by one year. (The table below reflects the new schedule. The change is indicated by the asterisk*).

<b>Class A (No Change)</b>	<b>Date</b>
Property under \$50,000	Through 12/31/96
Property under \$250,000	1/1/97
Property under \$500,000	1/1/98
Property under \$800,000	1/1/99
Property under \$2,000,000	1/1/00
Eliminated	1/1/01

## INHERITANCE TAX

**Fiscal Revenues**  
**Year (\$000)**

**Rate and Base Changes**

<b>Class B</b>	<b>Date</b>
Property under \$6,000	Through 12/31/98
Property under \$200,000	1/1/99
Property under \$400,000	1/1/00
Property under \$600,000	1/1/01
Property under \$1,500,000	1/1/03*
Eliminated	1/1/04*

<b>Class C</b>	<b>Date</b>
Property under \$1,000	Through 12/31/00
Property under \$200,000	1/1/01
Property under \$400,000	1/1/03*
Property under \$600,000	1/1/04*
Property under \$1,500,000	1/1/05*
Eliminated	1/1/06*

2003    184.3    PA 03-1 JSS delays the phase-out schedule of the tax by postponing the increases in exemption amounts for Class B and Class C by two years. (The table below reflects the new schedule. The change is indicated by the asterisk\*).

<b>Class A (No Change)</b>	<b>Date</b>
Property under \$50,000	Through 12/31/96
Property under \$250,000	1/1/97
Property under \$500,000	1/1/98
Property under \$800,000	1/1/99
Property under \$2,000,000	1/1/00
Eliminated	1/1/01

<b>Class B</b>	<b>Date</b>
Property under \$6,000	Through 12/31/98
Property under \$200,000	1/1/99
Property under \$400,000	1/1/00
Property under \$600,000	1/1/01
Property under \$1,500,000	1/1/03
Eliminated	1/1/06*

<b>Class C</b>	<b>Date</b>
Property under \$1,000	Through 12/31/00
Property under \$200,000	1/1/01
Property under \$400,000	1/1/03
Property under \$600,000	1/1/06*
Property under \$1,500,000	1/1/07*
Eliminated	1/1/08*

PA 03-1 JSS imposes a contingent estate tax, payable in lieu of the regular estate tax, for estates valued over \$1 million for persons who die between 7/1/04 and 1/1/05. The tax is

## INHERITANCE TAX

**Fiscal Revenues**  
**Year (\$000)**

**Rate and Base Changes**

calculated at 1.3 times the full federal maximum estate tax credit, excluding the 75 % federal credit reduction applicable to 2004. The federal estate tax is eliminated beginning with 2005. The temporary tax is contingent on the state receiving \$110 million in additional federal aid for FY 05.

2004 147.6  
 Unaudited

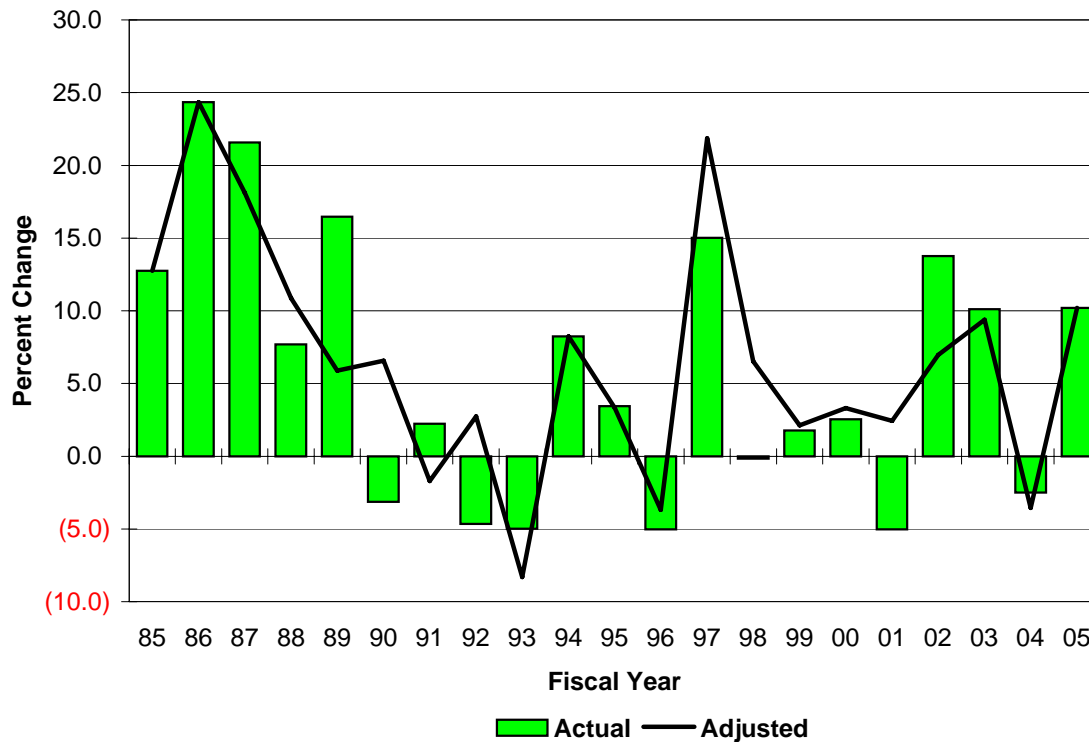
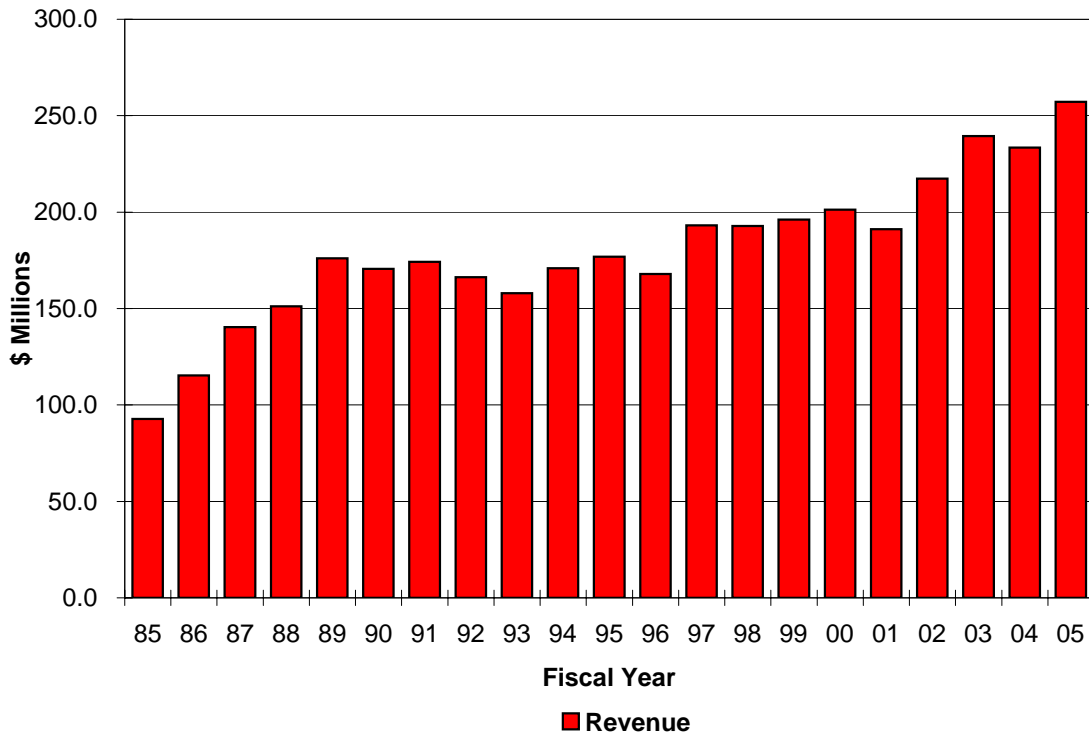
2005 254.2  
 Unaudited

2006 133.2 PA 05-251 eliminates the succession tax for Class B and  
 Budget Act Class C heirs with deaths on or after 2005.

PA 05-251 also establishes a uniform tax on transfers of Connecticut taxable gifts and estates that exceed a combined lifetime total of \$2 million. This tax replaces the Estate Tax which was rendered null by the repeal of the federal Estate Death Tax Credit.

2007 158.8  
 Budget Act

# Insurance Companies Collections and Growth Rates FY 85 - FY 05



**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

<b>Insurance</b>					
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	51.8	19.6	0.0		
FY73	56.7	(10.8)	0.0	9.5	30.3
FY74	44.1	(8.7)	0.0	(22.2)	(6.9)
FY75	34.0	0.0	0.0	(22.9)	(22.9)
FY76	44.2	0.0	6.0	30.0	12.4
FY77	49.0	0.0	6.0	10.9	12.6
FY78	51.7	0.0	4.0	5.5	10.9
FY79	56.3	0.0	0.0	8.9	18.0
FY80	62.0	0.0	0.0	10.1	10.1
FY81	67.0	0.0	0.0	8.1	8.1
FY82	72.4	0.0	0.0	8.1	8.1
FY83	77.8	0.0	0.0	7.5	7.5
FY84	82.3	0.0	0.0	5.8	5.8
FY85	92.8	0.0	0.0	12.8	12.8
FY86	115.4	0.0	0.0	24.4	24.4
FY87	140.3	0.0	4.0	21.6	18.1
FY88	151.1	0.0	0.0	7.7	10.9
FY89	176.0	0.0	16.0	16.5	5.9
FY90	170.5	0.0	0.0	(3.1)	6.6
FY91	174.3	0.0	6.7	2.2	(1.7)
FY92	166.2	0.0	(6.0)	(4.6)	2.7
FY93	157.9	0.0	0.0	(5.0)	(8.3)
FY94	170.9	0.0	0.0	8.2	8.2
FY95	176.8	5.2	(5.0)	3.5	3.3
FY96	167.9	(7.2)	0.0	(5.0)	(3.7)
FY97	193.1	(11.5)	0.0	15.0	21.9
FY98	192.8	(12.9)	0.0	(0.2)	6.5
FY99	196.2	(0.7)	0.0	1.8	2.1
FY00	201.2	(1.5)	0.0	2.5	3.3
FY01	191.1	(15.0)	0.0	(5.0)	2.4
FY02	217.4	13.0	0.0	13.8	7.0
FY03	239.4	1.6	0.0	10.1	9.4
FY04	233.4	2.5	0.0	(2.5)	(3.6)
FY05	257.2	0.0	0.0	10.2	10.2



**INSURANCE TAX**  
(Millions \$)

Fiscal Year	Total Insurance Revenues	Premiums Tax		Unauthorized Insurers	Hospitals & Medical Services	Health Care Centers (HMOs)[7]
		Domestic Companies	Foreign Companies			
1976 [1]	44.2	11.9	26.0		6	
1977 [1,2]	49.0	13.7	27.9		7	
1978 [1]	51.7	15.8	27.6	NC [3]	8	
1979	56.3	17.4	30.3	NC [3]	9	
1980	62.0	19.1	33.6	0.09	9	
1981	67.0	19.3	36.9	0.3	11	
1982	72.4	19.6	40.2	0.3	12	
1983	77.8	20.2	44.5	0.3	13	
1984	82.3	19.7	48.5	0.3	14	
1985 [4]	92.8	29.1	57.8	0.3	6	
1986	115.4	43.3	71.3	0.8	0.02	
1987	140.3	47.2	91.1	2.0	0.01	
1988	151.1	48.5	100.2	2.3	0.03	
1989 [5]	176.0	59.7	114.3	2.0	[6]	
1990	170.5	58.2	110.0	2.3		
1991	174.3	60.5	111.7	2.1		
1992	166.2	47.4	116.9	1.9		
1993	157.9	35.6	119.7	2.6		
1994	170.9	43.3	125.4	2.2		
1995	176.8	39.5	125.7	2.4		9.2
1996	167.9	29.5	117.3	2.2		18.9
1997	193.1	30.4	126.5	1.8		34.4
1998 [8]	189.3	34.7	121.9	2.0		30.7
1999	196.2	33.0	131.0	1.6		30.6
2000 [9]	201.2	26.9	135.3	1.9		37.2
2001	191.1	26.3	134.1	1.8		28.9
2002 [10]	217.4	31.1	142.1	2.9		41.3
2003 [11]	239.4	32.7	160.9	3.7		42.0
2004 [12]	222.5	33.9	140.3	5.9		42.4
2005 [12]	257.2	36.5	169.6	5.9		45.2

[1] Accelerated payments of \$6.0 million in 1976 and 1977 and \$4.0 million in 1978.

[2] In FY 1977 the Comptroller included \$705,000 of self-insurance employee funds in insurance. During prior years and in subsequent years self-insurance employee funds were included in miscellaneous funds. It has been subtracted from total.

[3] No collections.

[4] Foreign insurance companies are prevented from deducting their assessments to Workers' Compensation funds from their tax liability.

[5] Includes accelerated payments of \$15.0 million.

[6] As of 1986, there are no more insurance companies operating under hospital and medical services status.

[7] PA94-4(MSS) imposes the insurance premiums tax on HMOs effective 1/1/95.

[8] PA 98-122 exempts individual health insurance plans issued to self employed people from the small employer health care plan law, including the state's premium tax, on small employer plans. PA 98-11 (JSS) exempts insurance health policies written for State Employee Health Plans from the premiums tax.

[9] PA 00-170 established a credit for HMOs providing medical coverage through HUSKY A or HUSKY B. The credit is equal to \$73.50 times the average monthly enrollment in the programs per calendar year effective 1/1/00. PA 01-6 JSS increased the credit from \$55 to \$73.50. PA 02-3 eliminated the credit and replaces the credit with supplemental payments.

[10] PA 01-30 exempt new or renewal insurance health coverage for municipal employees and non-profit organizations written after July 1, 2001.

## INSURANCE PREMIUMS TAX RATES

Fiscal Year	Domestic		Foreign Premiums	Unauthorized Insurers	Hospital & Medical Services [1]	Health Care Centers (HMOs)[2]
	Life Premiums	Other Premiums				
1976	2.0%	2.0%	2.0%	3.5%	2.0%	
1977	2.0%	2.0%	2.0%	3.5%	2.0%	
1978	2.0%	2.0%	2.0%	3.5%	2.0%	
1979	2.0%	2.0%	2.0%	3.5%	2.0%	
1980	2.0%	2.0%	2.0%	4.0%	2.0%	
1981	2.0%	2.0%	2.0%	4.0%	2.0%	
1982	2.0%	2.0%	2.0%	4.0%	2.0%	
1983	2.0%	2.0%	2.0%	4.0%	2.0%	
1984	2.0%	2.0%	2.0%	4.0%	2.0%	
1985	2.0%	2.0%	2.0%	4.0%	2.0%	
1986	2.0%	2.0%	2.0%	4.0%	2.0%	
1987	2.0%	2.0%	2.0%	4.0%	2.0%	
1988	2.0%	2.0%	2.0%	4.0%	2.0%	
1989	2.0%	2.0%	2.0%	4.0%	2.0%	
1990	2.0%	2.0%	2.0%	4.0%	2.0%	
1991	2.0%	2.0%	2.0%	4.0%	2.0%	
1992	2.0%	2.0%	2.0%	4.0%	2.0%	
1993	2.0%	2.0%	2.0%	4.0%	2.0%	
1994	2.0%	2.0%	2.0%	4.0%	2.0%	
1995 [2]	2.0%/1.75%	2.0%/1.75%	2.0%/1.75%	2.0%/1.75%	2.0%/1.75%	1.75%
1996	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
1997	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
1998 [3,4]	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
1999	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2000	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2001	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2002	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2003	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2004	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2005	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

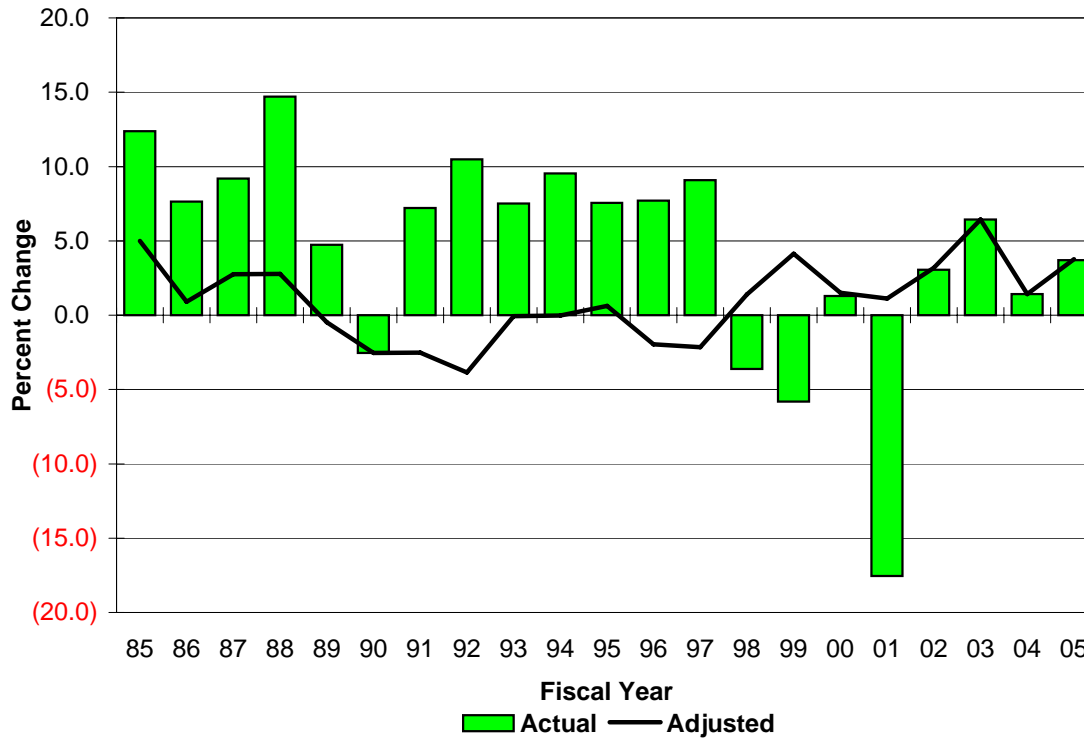
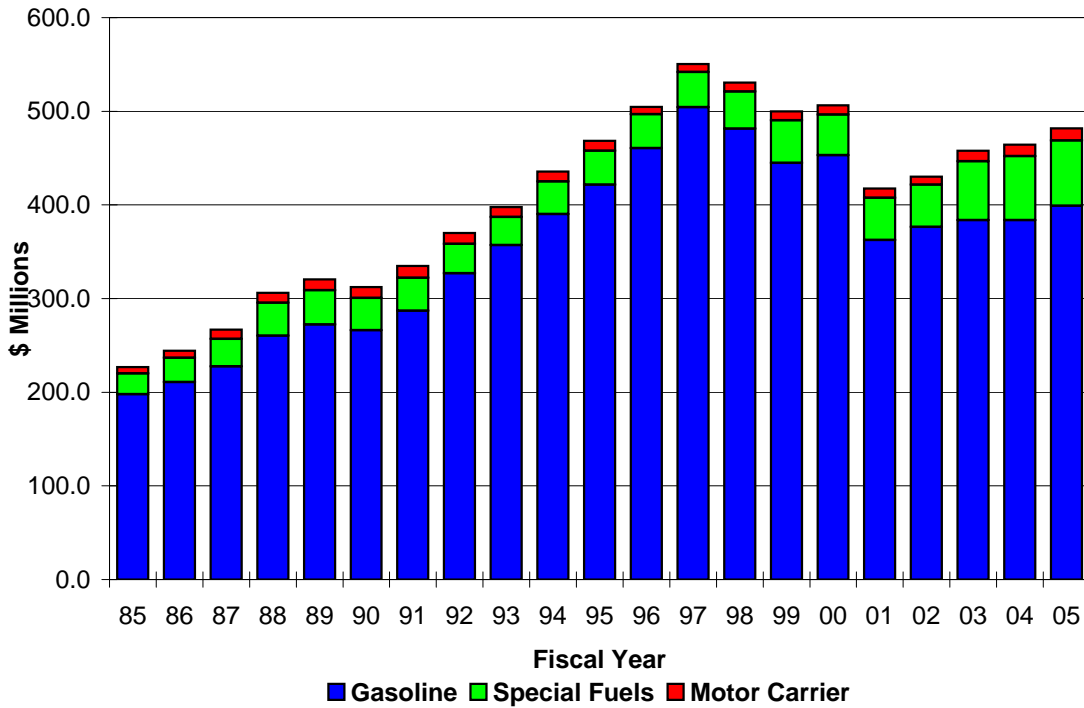
[1] As of 1986, there are no insurance companies operating under the hospital and medical service company status. Domestic insurance companies may credit corporation taxes against net premiums tax.

[2] Public Act 94-4, May Special Session, reduces the tax rate for premiums written within the state from 2.0% to 1.75% effective 1/1/95. Additionally, PA 94-4 MSS imposes the Insurance Premiums Tax at a rate of 1.75% on Health Maintenance Organizations (HMOs).

[3] Public Act 97-11, June 18, 1997 Special Session, exempts insurance health policies written for State Employee Health Plans and the federal government to cover Medicare recipients from the tax on subscriber charges.

[4] Public Act 98-110 eliminates the tax on Medicaid contracts, contracts entered to serve children enrolled in the HUSKY program, and future contracts to serve individuals on General Assistance effective 1/1/98.

## Motor Fuels Excise Taxes Collections and Growth Rates FY 85 - FY 05



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

<b>Motor Fuels</b>					
	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	132.1	22.3	0.0		
FY73	143.7	4.5	0.0	8.8	5.4
FY74	141.2	(1.0)	0.0	(1.8)	(1.1)
FY75	143.1	0.0	0.0	1.3	1.3
FY76	157.6	0.0	14.0	10.2	0.4
FY77	162.8	14.6	0.0	3.3	3.2
FY78	164.5	0.0	0.0	1.0	1.0
FY79	168.8	0.0	0.0	2.6	2.6
FY80	158.3	(0.1)	0.0	(6.2)	(6.2)
FY81	153.7	0.0	0.0	(2.9)	(2.9)
FY82	154.7	0.0	0.0	0.6	0.6
FY83	166.5	10.0	0.5	7.7	0.9
FY84	202.0	31.0	0.0	21.3	3.0
FY85	227.0	14.9	0.0	12.4	5.0
FY86	244.3	15.3	0.0	7.6	0.9
FY87	266.8	15.7	0.0	9.2	2.8
FY88	306.0	31.8	0.0	14.7	2.8
FY89	320.5	16.0	0.0	4.7	(0.5)
FY90	312.4	0.0	0.0	(2.5)	(2.5)
FY91	334.9	30.4	0.0	7.2	(2.5)
FY92	370.0	48.0	0.0	10.5	(3.9)
FY93	397.8	28.0	0.0	7.5	(0.1)
FY94	435.7	38.0	0.0	9.5	(0.0)
FY95	468.6	30.2	0.0	7.6	0.6
FY96	504.7	45.3	0.0	7.7	(2.0)
FY97	550.6	56.8	0.0	9.1	(2.2)
FY98	530.7	(27.6)	0.0	(3.6)	1.4
FY99	499.9	(52.7)	0.0	(5.8)	4.1
FY00	506.4	(1.0)	0.0	1.3	1.5
FY01	417.5	(94.6)	0.0	(17.6)	1.1
FY02	430.3	(0.5)	0.0	3.1	3.2
FY03	458.0	0.0	0.0	6.4	6.4
FY04	464.5	0.0	0.0	1.4	1.4
FY05	481.7	(0.3)	0.0	3.7	3.8

## MOTOR FUELS TAX

Fiscal Year	Revenue (Millions \$)	Gasoline Tax (cents per gallon)	Base Changes
1972	132.1	10 (eff. 9/1)	
1973	143.7	10	
1974	141.2	10	
1975	143.1	10	
1976	157.6	11 (eff. 6/1)	
1977	162.8	11	
1978	164.5	11	Refund of 50% of taxes paid by Connecticut taxi companies
1979	168.8	11	Gasoline tax refunds provided for vans, buses, taxicabs, livery services and buses
1980	158.3	11	Gasohol added to base (Rate: 10 cents/gallon)
1981	153.7	11	
1982	154.7	11	
1983	166.5	14 (eff. 4/1)	Tax rates increased: gasoline: from 11 to 14 cents gasohol: from 10 to 13 cents One cent per gallon is transferred to the Transportation Fund.
1984	202.0	14	
1985	227.0	15 (eff. 7/1)	1) All revenue from the motor fuels tax is transferred to the Transportation Fund from the General Fund. 2) Tax refund on fuel used in buses operated by Connecticut Motor Bus Companies is increased to 100% from 50%. 3) Fuel purchased exclusively for use in farming is exempt (a refund application was previously required).
1986	244.3	16	
1987	266.8	17	1) Motor carriers may register and pay a \$15 fee to DRS to purchase motor fuel at certain designated stations without paying motor fuel tax at the pump. The tax is due quarterly. 2) Motor carrier facilities may pay an annual \$50 fee to DRS and sell diesel fuel without immediate tax payment if the facility is located on I-84 or I-91 and is a full service facility. Effective: 10/1/87. Expires: 6/30/89.
1988	306.0	19	
1989	320.5	20	
1990	312.4	20	PA 89-251 - The sunset provision allowing certain facilities to sell diesel fuel without immediate tax payment is removed after 6/30/89.
1991	334.9	22 (eff. 7/1/90)	PA 90-140 - A refund is provided for fuel purchased in-state but consumed out-of-state (1/1/91).

## MOTOR FUELS TAX

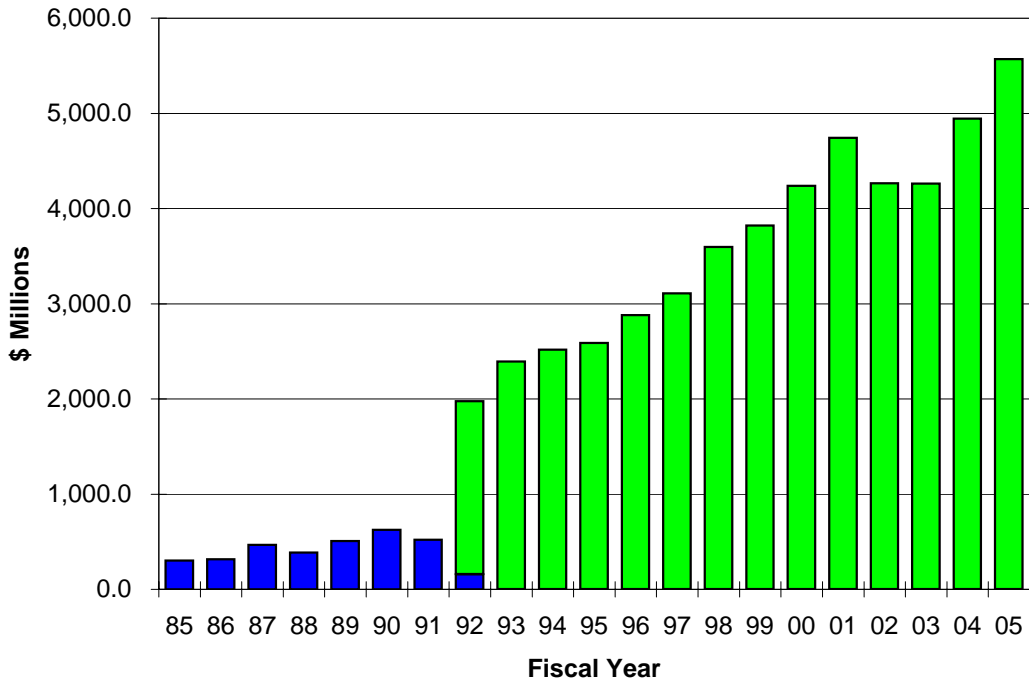
Fiscal Year	Revenue (Millions \$)	Gasoline Tax (cents per gallon)	Base Changes
1992	370.0	23 (eff. 7/1/91) 25 (eff. 9/1/91) 26 (eff. 1/1/92)	PA 91-3 (JSS) - Diesel fuel is taxed at 18 cents per gallon between 9/1/91 and 6/30/92.
1993	397.8	28 (eff. 1/1/93)	PA 92-177 (MSS) - The 6/30/92 sunset on the 18 cent per gallon rate for diesel fuel is removed.
1994	435.7	29 (eff. 7/1/93) 30 (eff. 1/1/94)	PA 93-93 - Places propane gas in the same category as diesel fuel, therefore reducing the tax to 18 cents per gallon, effective 10/1/93.  PA 93-74 - Increases the motor fuels tax by 5 cents per gallon, in 1 cent increments from October 1, 1995 through January 1, 1997. (See table Summary of Enacted Tax and Fee Increases found under the Transportation Fund section of this book).
1995	468.6	31 (eff. 7/1/93) 33 (eff. 1/1/95)	PA 94-170 - Sales from compressed natural gas, liquefied petroleum gas or liquefied natural gas are exempted from the Motor Fuels Excise Tax from 7/1/94 to 6/30/99 when they are sold to fleets converted under the Federal Clean Air Act's clean fuel vehicle requirement.  PA 94-4 (MSS) - Railroads are permitted to take their exemption from the Motor Fuels Tax at the pump rather than apply for a refund.
1996	504.7	34 (eff. 10/1/95) 35 (eff. 1/1/96) 36 (eff. 4/1/96)	PA 95-159 reduced the motor fuel tax rate on natural gas sold as motor vehicle fuel from 32 cents per gasoline gallon equivalent (gge) to 18 cents per gge. Effective retroactive from to 9/91.
1997	550.6	37 (eff. 7/1/96) 38 (eff. 10/1/96) 39 (eff. 1/1/97)	PA 96-183 broadens the exemption for alternative fuels by eliminating the restriction that the fuels were exempt only when sold to fleets converted under the Federal Clean Air Act's clean fuel vehicle requirement effective 7/1/96. The exemption sunsets on 7/1/99. (see PA 96-222)  PA 96-222 extends the exemption from the motor fuels tax for alternative fuels for two years, until 7/1/2001, and eliminates the limitation on the exemption thus making sales of such fuel for any motor vehicle tax exempt.
1998	530.7	36 (eff. 7/1/97) 33 (eff. 7/1/98)	PA 97-309 reduces the Gasoline Tax from \$0.39 per gallon to \$0.36 effective 7/1/97 and from \$0.36 to \$0.33 effective 7/1/98.

## MOTOR FUELS TAX

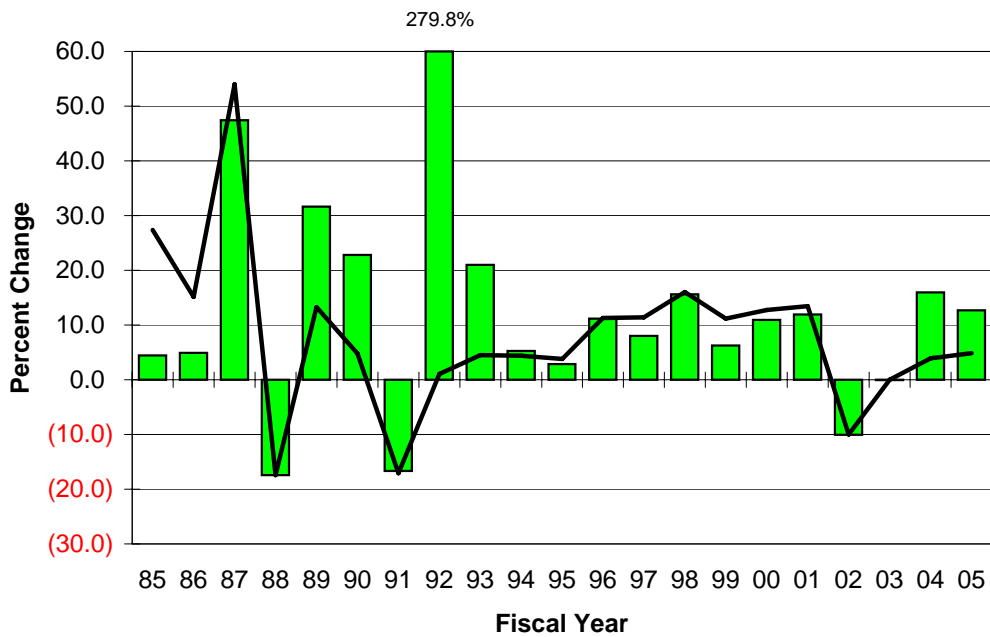
Fiscal Year	Revenue (Millions \$)	Gasoline Tax (cents per gallon)	Base Changes
			PA 97-232 exempts fuel used in vehicles to exclusively deliver meals to senior citizens associated with federally funded programs.
			PA 97-281 exempts diesel fuel that is intended for use in portable power generator systems larger than 150 kilowatts from the 18 cents per gallon fuel tax.
1999	499.9	32 (eff. 7/1/98)	PA 98-128 reduce the Gasoline Tax from \$0.33 per gallon to \$0.32 effective 7/1/98. This is in addition to the 3 cent reduction effective 7/1/98 per PA 97-309.
			PA 98-190 exempts fuel used in school busses used to transport school children to and from school from the tax.
2000	506.4	32	PA 99-232 provided the refund of fuel taxes paid by meal on wheels delivery services.
			PA 99-173 extends the sunset from 7/1/2000 to 7/1/2002 on the exemption of alternative fuels from the motor fuels tax.
2001	417.5	25 (eff. 7/1/00)	PA 00-170 reduced the Gasoline Tax from \$0.32 per gallon to \$0.25 per gallon effective 7/1/00.
2002	430.3	25	PA 02-1 May 9th Special Session increase the diesel fuel tax from 18 cents to 26 cents per gallon, effective 8/1/02.
2003	458.0	25	
2004	464.5 Unaudited	25	PA 04-2 Increases the tax on gasohol from 24 cents to 25 cents per gallon effective 1/1/04.
			PA 04-231 extends, from 7/1/04 to 7/1/08, the exemption of compressed natural gas, liquefied natural gas, and liquid petroleum gas from the tax.
2005	481.7 Unaudited	25	
2006	500.0 Budget Act	25	
2007	512.0 Budget Act	25	

Note: Motor fuels taxes are not adjusted for refunds. For your reference, a table listing Motor Fuels Tax increases is presented under the Transportation Fund section of this book.

# Personal Income Taxes Collections and Growth Rates FY 85 - FY 05



■ Capital Gains, Interest & Dividends Tax ■ Personal Income Tax



■ Actual — Adjusted

**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**



**Personal Income Tax & Capital Gains, Int. & Dividends\***

	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	60.9	54.0	0.0		
FY73	50.8	0.0	0.0	(16.6)	(16.6)
FY74	18.7	(29.4)	0.0	(63.2)	(5.3)
FY75	13.6	(1.0)	0.0	(27.3)	(21.9)
FY76	50.4	32.3	0.0	270.6	33.1
FY77	59.3	0.0	0.0	17.7	17.7
FY78	75.6	0.0	0.0	27.5	27.5
FY79	83.5	0.0	0.0	10.4	10.4
FY80	101.0	0.0	0.0	21.0	21.0
FY81	117.8	0.0	0.0	16.6	16.6
FY82	137.7	1.0	0.0	16.9	16.0
FY83	183.7	0.0	50.0	33.4	(2.9)
FY84	289.5	82.0	45.0	57.6	21.5
FY85	302.4	(9.0)	0.0	4.5	27.4
FY86	317.3	(30.9)	0.0	4.9	15.1
FY87	467.8	(20.8)	0.0	47.4	54.0
FY88	386.3	0.0	0.0	(17.4)	(17.4)
FY89	508.6	46.0	25.0	31.7	13.3
FY90	624.7	112.8	5.0	22.8	4.8
FY91	520.5	6.5	0.0	(16.7)	(17.1)
FY92	1,976.6	1,450.6	0.0	279.8	1.1
FY93	2,392.0	324.0	2.1	21.0	4.5
FY94	2,517.7	4.6	18.5	5.3	4.4
FY95	2,589.9	(3.0)	(0.8)	2.9	3.8
FY96	2,879.4	(11.5)	7.2	11.2	11.3
FY97	3,110.9	(88.5)	(1.1)	8.0	11.4
FY98	3,596.2	(18.7)	4.4	15.6	16.0
FY99	3,820.8	(182.1)	9.3	6.2	11.2
FY00	4,238.2	(73.6)	14.0	10.9	12.8
FY01	4,744.2	(54.9)	7.9	11.9	13.4
FY02	4,265.9	0.8	1.7	(10.1)	(10.0)
FY03	4,263.1	0.0	0.0	(0.1)	(0.0)
FY04	4,943.4	513.2	0.0	16.0	3.9
FY05	5,570.7	388.6	0.0	12.7	4.8

\*Capital Gains, Interes and Dividends Tax was repealed as of 1/1/92 and replaced by the Personal Income Tax, effective 10/1/91.

## PERSONAL INCOME TAXES

### Capital Gains, Interest & Dividends Tax

Fiscal Year	Revenues (Millions \$)	Rate		Base Changes
		Div/Int.	CG	
1970	4.9	NA	6%	Capital gains only. There was no Capital Gains Tax prior to 1970.
1971	10.4	NA	6%	
1972	60.9	6%	6%	Dividends included (PA 8. Aug. Special Session).
1973	50.8	6%	6%	Eliminated \$5.00 minimum tax. DISC dividends excluded (1/1/73).
1974	18.7	NA	6%	Dividends tax repealed.
1975	13.6	6%	6%	
1976	50.4	7%	7%	Dividends taxed at 7% if AGI greater than \$20,000, 1/1/75.
1977	59.3	7%	7%	
1978	75.6	1-9%	7%	1-9% on dividends if AGI greater than \$20,000.
1979	83.5	1-9%	7%	
1980	101.0	1-9%	7%	
1981	117.8	1-9%	7%	Liability for CG&D Tax eliminated when amount owed is less than \$10.00.
1982	137.7	1-9%	7%	(1) Capital gains taxes paid to another state may be claimed as a credit (credit may be claimed only out-of-state property was a principal place of residence for 6 of the 12 months immediately preceding date of sale) Effective 1/1/81. (2) Income subject to Estate Income Tax is exempt from the Capital Gains & Dividends Tax.
1983	183.7	1-9%	7%	Beginning 1/1/83 individuals with estimated tax liability in excess of \$200 must make an estimated payment in the 6 month of their income year equal to 50% of their estimated tax liability.
1984	289.5	6-13%	7%	(1) 6%-13% on dividends & interest if AGI is at least \$50,000 (1/1/83). (2) Beginning 1/1/84 individuals whose estimated dividends & interest tax liability is in excess of \$200 must make an estimated payment in the sixth month of their income year equal to 50% of their estimated tax liability.
1985	302.4	6-13%	7%	(1) Shareholders in an electing small business corporation can deduct from interest income tax, the amount of interest income which was also included in the firm's net income (1/1/85).

## PERSONAL INCOME TAXES

### Capital Gains, Interest & Dividends Tax

Fiscal Year	Revenues (Millions \$)	Rate		Base Changes
		Div/Int.	CG	
1986	317.3	6-13%	7%	(1) Social security and railroad retirement income is excluded from AGI (1/1/85). (2) Tax rates on interest and dividends revised to 1%-13% (1/1/85). (3) Taxpayers 65 or over and having AGI less than \$10,000 (exclusive of capital gains) are exempt from capital gains tax (1/1/85). (4) A deduction for interest forfeited because of early withdrawal is allowed from interest income subject to tax. Effective 1/1/85. (5) Exempts individuals from the Capital Gains Tax if AGI is below the level necessary for filing a federal return.
1987	467.8	1-12%	7%	Tax Rate of 1%-12% on interest & dividends if AGI is at least \$54,000 (1/1/86).  (Note: Revenue increase includes revenues from the initial behavioral response of taxpayers to the reduction in Federal tax rates.)
1988	386.3	1-12%	7%	(1) \$50 minimum late payment penalty eliminated (1/1/87). (2) 60% of long-term gains are excluded from the tax to offset its inclusion as a result of federal tax reform (1/1/87).
1989	508.7	1-12%	7%	
1990	624.7	1-14%	7%	(1) PA 89-16 - Estimated payment of 100% of tax due on gains in first five months of year must be paid in sixth month (1/1/89). (2) PA 89-251 (a) Long-term exclusion for gains realized on or after 2/9/89 is repealed. The maximum tax on capital gains income is limited to 5% of AGI. (b) Interest and dividends tax rates are changed from 1-12% to 1-14%.  ('3) PA 89-304 - Capital gains resulting from trading or holding dealer equity options are exempt.
1991	520.5	1-14%	7%	PA 90-148 - The tax is applied to capital gains from the sale of real property by nonresidents. (1/1/90)

## PERSONAL INCOME TAXES

### Capital Gains, Interest & Dividends Tax

Fiscal Year	Revenues (Millions \$)	Rate		Base Changes
		Div/Int.	CG	
1992	159.0	.75-9.5%	4.75%	PA 91-3 (JSS) Makes the following changes: (1) Rates for 1991 income years are lowered. Tax is eliminated for income years beginning on or after 1/1/92 and capital gains, interest or dividend income will be taxable under the Personal Income Tax. (2) Married couples eligible to file jointly for federal tax purposes must file jointly for this tax.

### Personal Income Tax

1992	1,817.6 (Does not include \$159 million from CGD&I)	1.5%, 4.5%	PA 91-3 (JSS) An income tax is imposed on Connecticut adjusted gross income (AGI) at the rate of 1.5% for the 1991 income year and 4.5% thereafter. The tax provides a low income credit and phases out the standard deduction. Effective October 1, 1991. (See the next section for more information.)
1993	2,392.0	4.5%	PA 92-17 (MSS) Inter Vivos trusts are taxed on the basis of the number of beneficiaries living in state rather than the location of the trust or trustees, effective 1/1/93. The act also changes estimated payment schedule and penalties for failure to file a return.  PA 92-5 (MSS) Expenses connected with income which is exempt from federal taxation but taxable in Connecticut may be deducted from income. Expenses connected with income that is exempt from taxation in Connecticut may not be deducted. Effective 1/1/92.
1994	2,517.7	4.5%	SA 93-74 Taxpayers are not subject to penalties or interest resulting from underpayment of estimated tax due for the 1992 income year.  PA 93-74 and PA 93-332 Creates the Alternative Minimum Tax. Taxpayers are required to pay higher of their liability under the state Personal Income Tax or 23% of their federal Alternative Minimum Tax liability, effective 1/1/93.  PA 93-74 Conforms estimated payments to the federal IRS Code and permits taxpayers to round estimates less than \$1 to the closest whole number when computing their final tax liability. Effective 1/1/93.
1995	2,589.9	4.5%	PA 94-4 (MSS) Makes the following changes: (1) Changes the structure of the low income credit, effective 1/1/95. (2) The percentage of Social Security benefits which is included in state adjusted gross income is limited to the percentage that was taxable under the 1993 federal income tax rules, effective 1994 income year.

## PERSONAL INCOME TAXES

### Personal Income Tax

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			<p>(3) A credit for the amount of Property Tax paid on privately-owned motor vehicles is phased in beginning in the 1997 income year. The credit is subject to a formula the net assessed value of the motor vehicle.</p> <p>(4) The current Alternative Minimum Tax is replaced with The Connecticut Minimum Tax. Tax liability under the new tax is the lesser of: (a) 19% of Adjusted Federal Tentative Minimum Tax or (b) 5% of adjusted federal alternative minimum taxable income. The change is effective with the 1993 income year.</p> <p>(5) The deduction of moving expenses from federal adjusted gross income is eliminated, effective 1/1/94.</p> <p>PA 94-214 creates a credit equal to the following percentage of monies invested through a fund manager in a qualified insurance business:</p> <p>(1) 10% of the investment for tax year beginning 3 years after the date of investment to no later than 7 years after the date of investment,</p> <p>(2) 20% of the investment for tax years beginning seven years and ending 10 years from the date of investment.</p> <p>The credit is applicable against the corporate income tax, insurance premiums tax, and the personal income tax.</p>
1996	2,879.4	3.0% and 4.5%	<p>PA 95-160 contained the following changes to the Personal Income tax:</p> <p>(1) The rate for the levels of taxable income, is reduced from 4.5% to 3.0% on the first \$4,500 on taxable income for a single filer; \$7,500 for Head of Household and \$9,000 for Joint filers. The new rate structure is effective 7/1/96.</p> <p>(2) A credit of up to \$100 is provided for personal and real property taxes paid on the filer's primary residence in state or a motor vehicle. The amount of credit claimed cannot exceed the filer's tax liability and may not be taken into account when calculating the amount of withholding or estimated payments due. The credit is effective for tax paid on the 10/1/95 grand list.</p> <p>PA 95-263 contained the following provisions:</p> <p>(1) Professional athletic teams are permitted to file composite returns for team members who are not state residents. The teams are also permitted to make estimated payments in lieu of withholding. Effective 1/1/96.</p> <p>(2) In lieu of quarterly estimated payments, farmers and fisherman are permitted to make two installment payments per income year. Payments are due 6/15 of the income year and 1/15 of the following income year. Effective 1/1/96.</p>

## PERSONAL INCOME TAXES

### Personal Income Tax

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
1997	3,110.9	3.0% and 4.5%	<p>PA 96-206 gives unemployment compensation benefit recipients the option to have federal and state taxes withheld from their weekly benefit checks.</p> <p>PA 96-253 exempts income derived from foreign residents in connection with a company located within the designated Insurance, and Financial Services Export Zone established under this Act in Hartford.</p> <p>PA 96-139 specifies that the credit of up to \$100 per year for taxes paid on a primary residence or motor vehicle by a married couple filing jointly may not exceed \$100 of the aggregate property taxes they paid. The act also defines taxpayer filing categories are the same as those under federal income tax for state income tax purposes.</p> <p>PA 96-221 contained the following provisions:</p> <ol style="list-style-type: none"><li>(1) establishes the following order when a taxpayer can claim more than one credit against the income tax.<ol style="list-style-type: none"><li>(1) the credit based on adjusted gross income</li><li>(2) credits for income taxes paid to other states</li><li>(3) credits for income tax imposed by other jurisdiction for people subject to the federal alternative minimum tax</li><li>(4) any other credit that cannot be carried forward, in the order that maximizes their value to the taxpayer</li><li>(5) other credits that can be carried forward, in order that maximizes their value to the taxpayer</li></ol>No credit can be claimed more than once.</li><li>(2) requires income tax liability, as it applies to trusts and estates, be adjusted to reflect any refunds or credit for overpayment of Connecticut income tax to the extent that is included in gross income for federal income tax purposes, and is deductible in determining federal income tax for the proceeding taxable year. Applies to all tax years starting on or after January 1, 1992.</li><li>(3) expands the scope of the law that waives income tax deadlines for people serving in combat zones. It also extends these provisions to zones and times designated by Congress, if it provides that service are to be treated the same as service in presidentially designated zones and times effective beginning with the 1995 income year.</li></ol>

**PERSONAL INCOME TAXES**

**Personal Income Tax**

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
			PA 96-94 permits taxpayers to file amended 1991 personal income tax returns when the final liability for income tax paid to another state is different from the credit claimed on the taxpayer's CT return. The taxpayer must file the amended return within 30 days after the act's effective date (by June 7, 1996). This was done because PA 92-5 MSS applied only to the 1992 and subsequent income years in regards to the amended return.
1998	3,596.2	3.0% and 4.5%	PA 97-309 and PA 97-322 combined did the following: (1) Increase the levels of CT Taxable Income levels subject to the 3% tax rate as follows:

Filing Status	Prior Law PA 965-160	Effective 1/1/97	Effective 1/1/98	Effective 1/1/99
Joint	\$9,000	\$12,500	\$15,000	\$20,000
Head of House	7,000	10,000	12,000	16,000
Singles & MFS	4,500	6,250	7,500	10,000

(2) Repeal the credit for property taxes paid on privately owned motor vehicles (PA 94-4 May Special Session).

(3) Increases the Property Tax Credit from the maximum \$100 to a maximum of \$215 effective for income year 1997 and to a maximum of \$285 effective for income year 1998 and thereafter below certain income levels.

(4) Exempts 1/2 of the 50% of Social Security Benefits subject to CT Personal Income Tax effective with the 1998 income year.

PA 97-81 raises the underpayment limit from \$200 to \$500 for the amount of estimated income tax payment before charging interest effective with the 1997 income year.

PA 97-286 changes the requirement for farmers and fishermen to make estimated income tax payments from two payments to one payment due January 15th. The change is effective with the 1997 income year. The act also allows for tax credits against CT Income Tax for certain individuals residing in another state but that keep a permanent residence in the state and is in CT more than 183 days in a taxable year. It also makes technical changes to the alternative minimum tax provisions and defines partnership and partner for state income tax purposes to conform to federal law.

## PERSONAL INCOME TAXES

### Personal Income Tax

Fiscal Year	Revenues (\$Millions)	Rate	Base Changes
			<p>PA 97-292 limits to \$15 million the amount of any tax credit that funds can take on any single business investment in an insurance business for insurance reinvestment funds established to create new jobs pursuant to PA 94-214.</p>
1999	3,820.8	3.0% and 4.5%	<p>PA 98-110 increase the Property Tax Credit from the maximum \$285 to a maximum of \$350 effective for income year 1998 and thereafter below certain income levels.</p> <p>PA 98-244 extends, from 30 days to 90 days the amount of time a resident who claims an income tax credit for tax paid to another jurisdiction has to report the filing of an amended return with the other jurisdiction or changes made by that jurisdiction.</p> <p>PA 98-262 contained the following provisions:</p> <ul style="list-style-type: none"> <li>(1) Clarifies the income tax treatment of nonresident shareholder Subchapter S-Corporations.</li> <li>(2) In regards to the Property Tax Credit, the act excludes any interest fees and charges and specifies that the taxpayer's property tax first becomes due on the date the town designates or, if payable in two installments, on the earlier installment date if the taxpayer so chooses.</li> </ul>
2000	4,238.2	3.0% and 4.5%	<p>PA 99-173 made the following changes:</p> <ul style="list-style-type: none"> <li>(1) Increased the standard deduction for Single Filers from \$12,000 to <ul style="list-style-type: none"> <li>\$12,250 for income year 2000</li> <li>\$12,500 " 2001</li> <li>\$12,750 " 2002</li> <li>\$13,000 " 2003</li> <li>\$13,500 " 2004</li> <li>\$14,000 " 2005</li> <li>\$14,500 " 2006</li> <li>\$15,000 " 2007 and thereafter.</li> </ul> <p>(Note: PA 00-174 made drafting corrections)</p> </li> <li>(2) Increased the Property Tax Credit from the maximum \$350 to a maximum of \$425 effective for income year 1999 and to \$500 effective for income year 2000 and thereafter.</li> <li>(3) Beginning with the 1999 income year, the act exempted the remaining 25% of Social Security Benefits from the State Income Tax for Joint Filers with an adjusted gross income (AGI) under \$60,000 and Single Filers with an AGI under \$50,000.</li> </ul>



## PERSONAL INCOME TAXES

### Personal Income Tax

Fiscal Year	Revenues (\$Millions)	Rate	Base Changes
2001	4,744.2	3.0% and 4.5%	<p>PA 00-82 exempts restitution payments to survivors of various human rights abuses during World War II.</p> <p>PA 00-174 corrected the standard deduction for Single Filer changes made by PA 99-173 for typographical drafting errors. It also clarifies the definition of residency for income tax purposes.</p> <p>PA 00-170 waived interest and penalties on income tax payments where an individual took into account the payment of New York non-resident commuter tax in making payments of the CT income tax.</p> <p>PA 00-192 interest earned on funds deposited in the Individual Development Account are exempted from the tax. The Individual Development Account was created by PA 00-192 to allow certain low-income and qualified disable taxpayers to open savings accounts and receive matching funds as an incentive for saving for specific purposes. Effective 1/1/2001.</p>
2002	4,269.9	3.0% and 4.5%	<p>PA 01-06 (JSS) imposes the income tax on a nonresident that wins the CT Lottery and allows a resident that wins an out-of-state Lottery to credit any taxes paid to other jurisdictions against their CT Income Tax final liability. It also defines that the starting point for CT AGI is Federal Adjusted Gross Income.</p>
2003	4,263.1		<p>PA 02-1 MSS delayed by two years the increases to the single filer's phase-out of personal exemptions. For 2004 the standard phase-out for single filers is 12,750.</p>
2004	4,943.4 Unaudited		<p>PA 03-2 increased the second tax rate, 4.5%, to 5.0% effective with income years 2003 and thereafter.</p> <p>PA 03-1 JSS eliminated the residual \$100 credit for property taxes paid and reduced the maximum credit from \$500 to \$350 effective with the 2003 income year and thereafter. The Act also delays the scheduled income tax reductions for single filers by one year effective with 1/1/04.</p>
2005	5,570.7 Unaudited		<p>PA 04-216 increases the maximum property tax credit from \$350 to \$500 effective with the 2005 income year. The act increases filing requirements for non-residents shareholders who receive income from pass-through entities that do business in Connecticut.</p>

**PERSONAL INCOME TAXES**

**Personal Income Tax**

<b>Fiscal Year</b>	<b>Revenues (\$Millions)</b>	<b>Rate</b>	<b>Base Changes</b>
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PA 05-251 makes the following changes:  
(1) Delay the scheduled income tax reductions for single filers  
(2) Exempt 50% of federally taxable military retirement payments beginning with the 2008 income year.  
(3) Maintain property tax credit at \$350 for 2005, and increases it to \$400 for 2006 and thereafter.

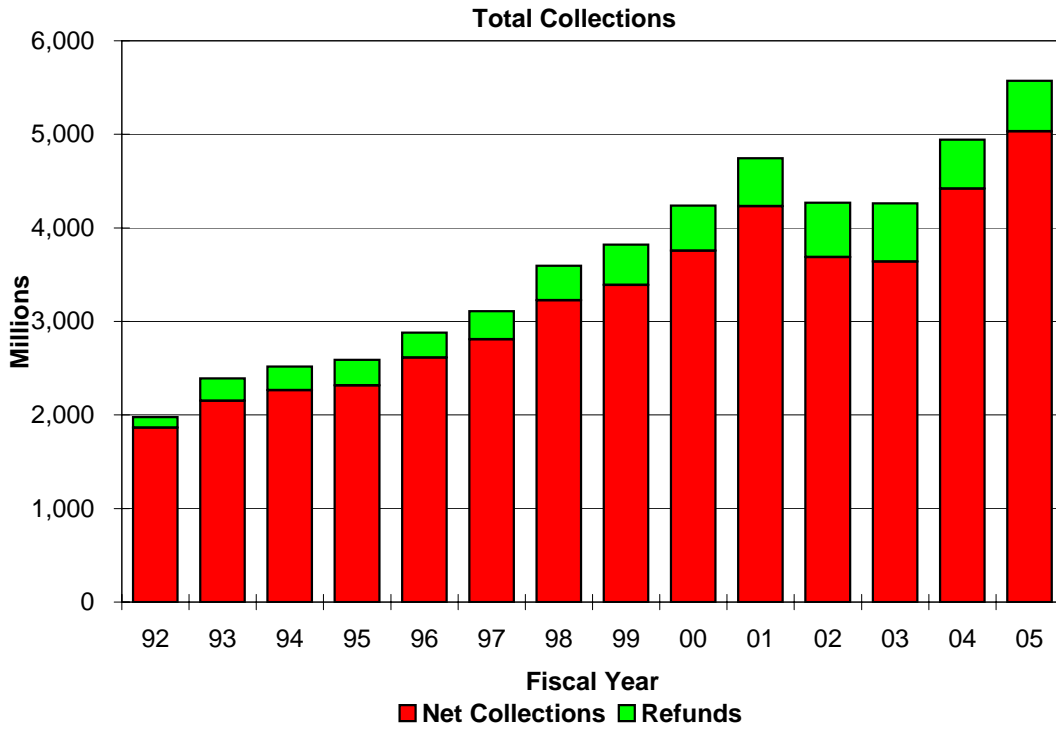
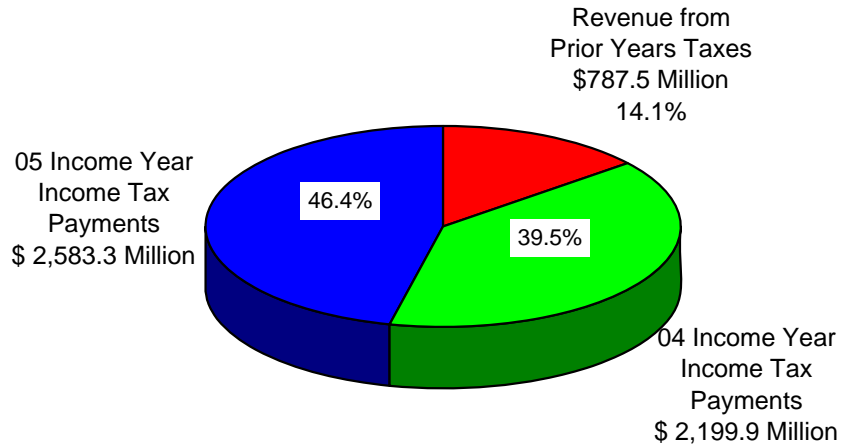
2006	5,786.0 Budget Act		
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2007	6,065.0 Budget Act		
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# Personal Income Tax Revenues

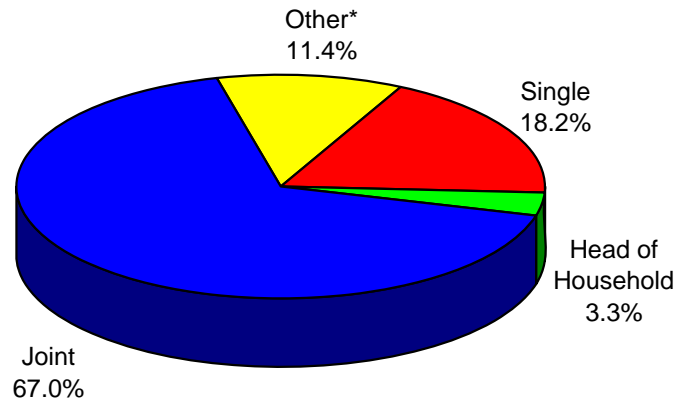
## \$5570.7 Million

### FY 2005

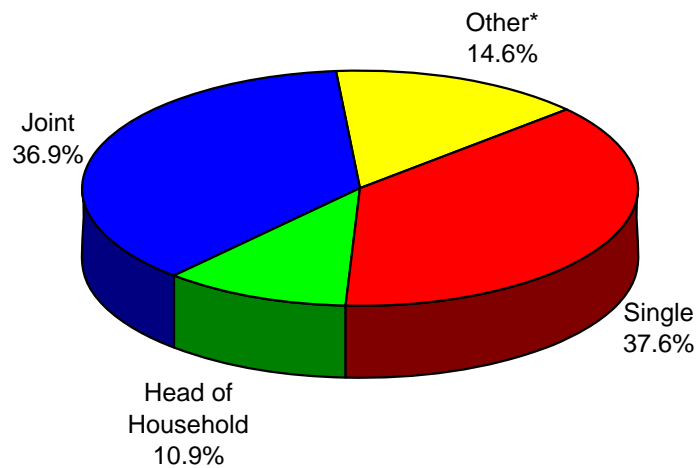


# Full Year Resident Taxpayers and Other Taxpayers 2003 Income Year

**Total Income Tax Paid by Type of Return**  
**\$3,597.3 Million**



**Percent of Returns by Type of Return**  
**1.64 Million Returns Filed**

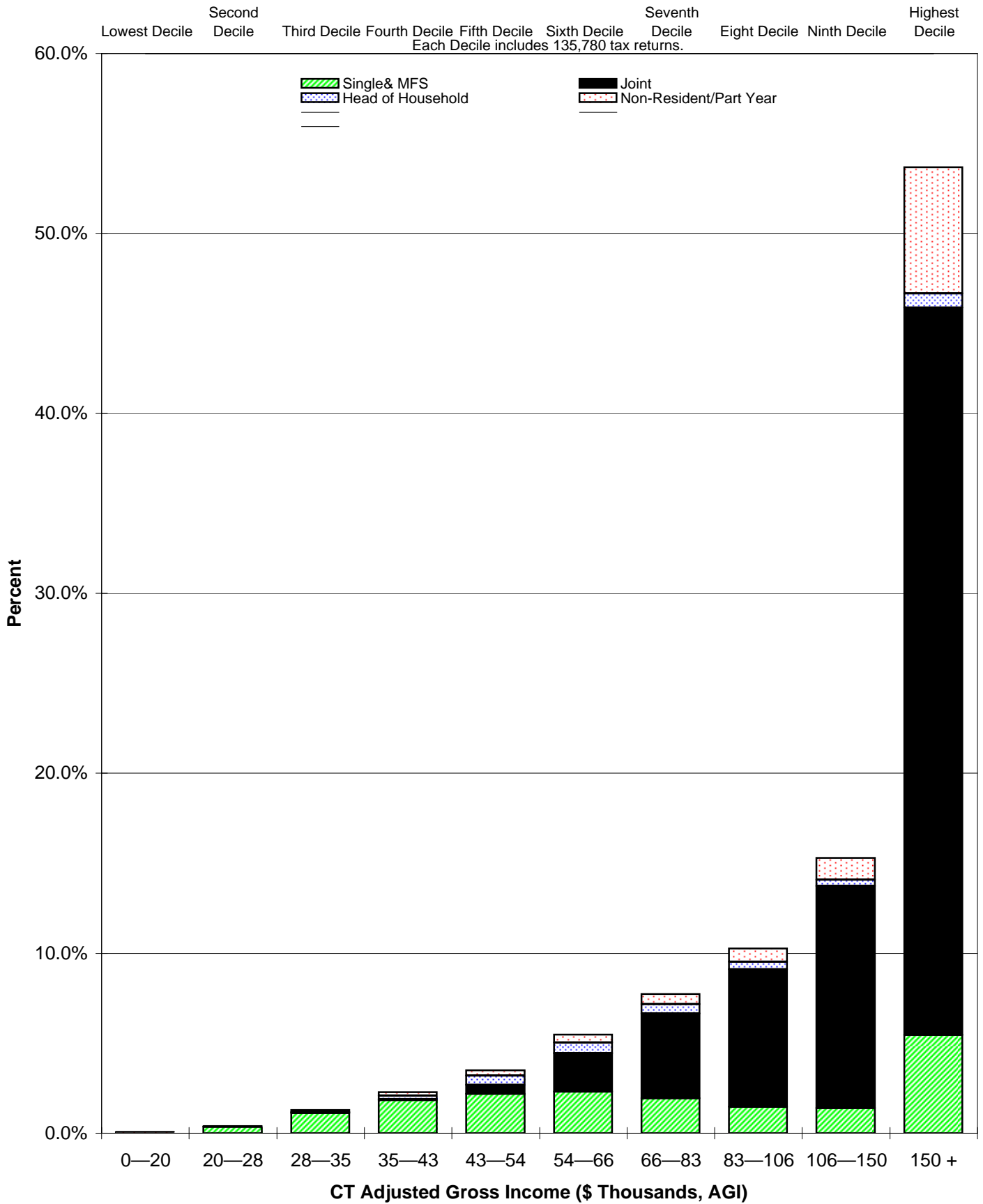


**\*Includes Non-Resident/Part Year Resident, Trust & Estates, S-Corporation and Group returns filed.**

# All Tax Payers\*

## Percent of Tax Paid

### 2004 Income Year

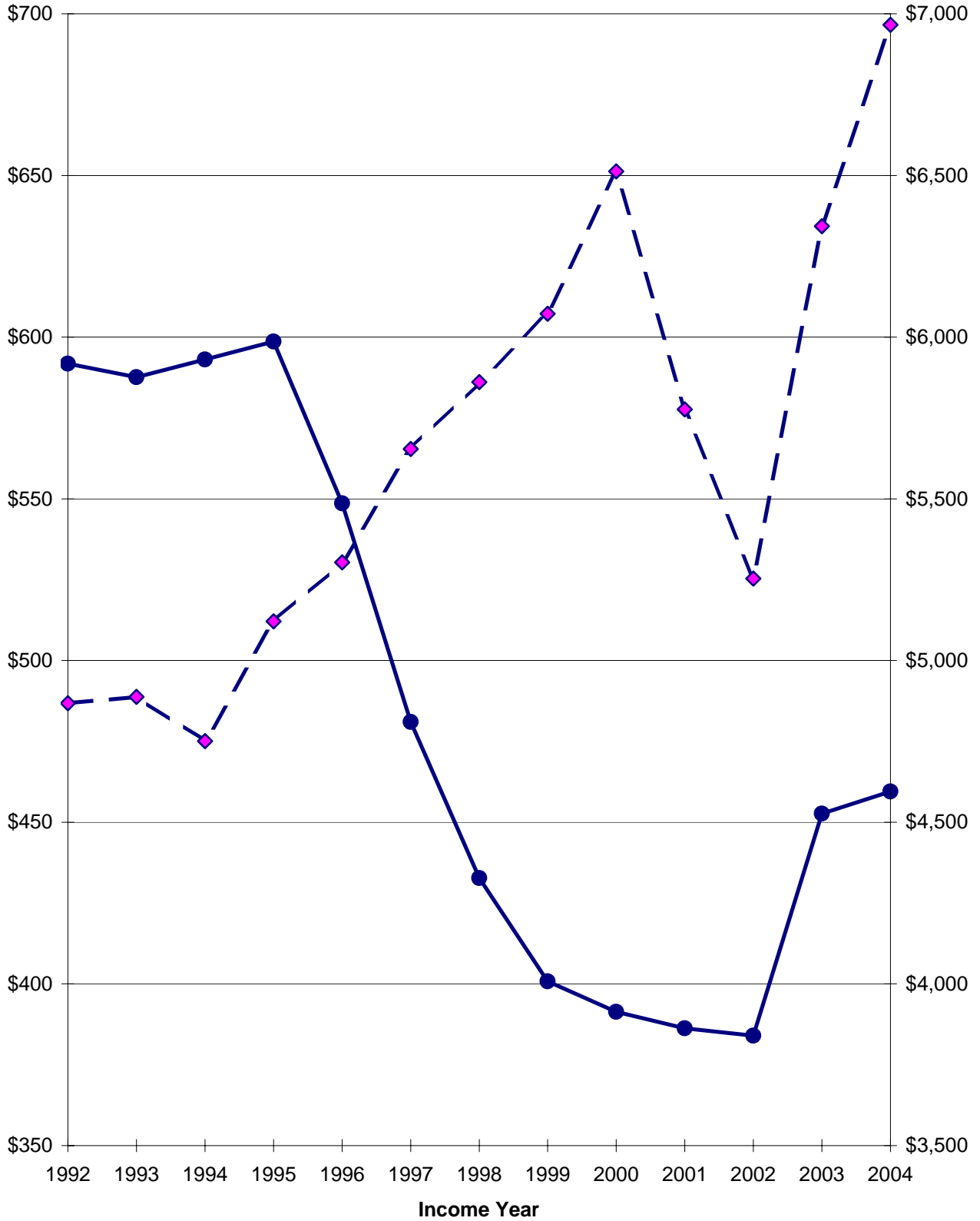


\*There were 1,601,315 returns filed for 2004 income year of which 1,357,800 were taxpayers with a CT tax liability.

# Average Tax Liability Resident Tax Returns 1992-2004

Under \$60,000 CTAGI

Over \$60,000 CTAGI



● Under \$60,000    ◆ Over \$60,000

**PERSONAL INCOME TAX  
COMPARISON OF 1992 THROUGH 2004 INCOME YEARS  
NUMBER OF RETURNS**

Resident Tax Payer CT AGI		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
0	5,000	49,722	51,715	54,843	54,176	54,555	55,414	59,467	63,189	65,039	67,358	66,395	68,327	71,085
5,000	10,000	60,735	63,629	65,602	63,981	64,524	67,226	73,102	75,647	77,749	77,582	78,685	78,808	78,437
10,000	15,000	90,338	91,299	90,573	88,137	86,146	86,668	89,533	88,768	87,667	87,616	87,708	88,246	86,503
15,000	20,000	105,477	104,615	102,650	101,529	99,319	98,504	99,548	97,880	96,883	96,937	94,826	94,848	93,213
20,000	25,000	106,836	104,970	102,691	101,072	97,801	95,710	97,836	98,134	96,953	97,514	96,723	95,494	93,871
25,000	30,000	98,230	95,844	94,666	93,996	93,018	92,786	93,735	94,587	94,607	95,687	93,676	91,614	88,826
30,000	35,000	86,141	84,408	83,611	83,691	83,017	83,082	85,509	85,976	87,046	88,264	86,544	84,566	82,648
35,000	40,000	78,452	76,242	75,832	75,321	74,805	75,240	76,219	77,059	77,296	78,789	77,510	75,563	74,102
40,000	45,000	70,284	68,823	68,009	67,810	67,472	67,888	68,585	67,962	68,707	69,582	69,094	68,070	67,145
45,000	50,000	64,294	62,927	61,739	61,631	61,630	61,606	61,950	59,603	59,737	59,996	59,741	58,257	57,785
50,000	60,000	105,463	104,248	104,863	104,709	106,163	107,107	106,217	105,774	106,957	107,455	106,576	105,163	104,300
60,000	75,000	104,818	105,281	108,502	111,630	114,509	119,259	120,707	122,667	125,450	126,551	126,068	124,538	125,291
75,000	100,000	85,441	88,703	93,938	99,219	106,580	115,693	123,232	128,359	136,366	139,275	140,358	141,867	144,951
100,000	150,000	48,932	52,258	56,709	62,354	69,893	80,111	90,240	98,551	110,155	114,581	114,865	119,634	128,448
150,000	200,000	16,026	17,353	18,327	20,195	22,501	26,064	29,275	33,049	36,957	37,952	38,087	40,473	43,727
200,000	and Over	25,202	26,457	27,964	33,080	38,060	44,928	50,655	56,948	63,796	60,981	57,880	61,235	69,991
<b>Total Resident</b>		1,196,391	1,198,772	1,210,519	1,222,531	1,239,993	1,277,286	1,325,810	1,354,153	1,391,365	1,406,120	1,394,736	1,396,703	1,410,323
<b>Non-Res./Part-Year</b>		116,084	122,792	130,934	135,910	148,924	161,245	170,249	174,892	182,075	181,843	177,864	182,562	190,992
<b>Total Individual</b>		1,312,475	1,321,564	1,341,453	1,358,441	1,388,917	1,438,531	1,496,059	1,529,045	1,573,440	1,587,963	1,572,600	1,579,265	1,601,315
<b>S Corporations</b>		24,486	24,481	25,290	25,902	26,261	27,421	26,880	23,425	21,875	27,960	24,985	27,750	28,000 e
<b>Trust &amp; Estates</b>		42,784	33,022	32,220	33,931	34,498	36,321	36,422	35,792	40,266	32,997	29,084	28,680	32,603
<b>Group Filers</b>		139	117	113	104	121	116	127	102	107	161	205	214	518
<b>Total</b>		1,379,884	1,379,184	1,399,076	1,418,378	1,449,797	1,502,389	1,559,488	1,588,364	1,635,688	1,649,081	1,626,874	1,635,909	1,662,436 e

e = Estimate. Income Year 2004 actuals not available at time of printing.

**PERSONAL INCOME TAX  
COMPARISON OF 1992 THROUGH 2004 INCOME YEARS  
TOTAL TAX LIABILITY  
(Millions \$)**

<b>Resident Tax Payer CT AGI</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
0 5,000	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
5,000 10,000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10,000 15,000	0.8	0.8	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
15,000 20,000	11.4	11.1	10.8	8.9	5.3	3.4	3.1	3.1	2.9	2.4	2.3	2.2	2.3
20,000 25,000	26.8	26.2	25.6	24.5	19.1	13.5	11.3	9.7	8.9	7.9	7.5	7.4	7.5
25,000 30,000	45.6	44.5	44.5	44.2	38.2	32.4	29.3	26.0	23.3	21.0	20.0	23.1	22.1
30,000 35,000	61.2	59.9	60.1	59.8	53.2	46.7	44.5	41.4	39.8	38.1	36.6	41.1	40.4
35,000 40,000	68.0	66.6	67.4	68.4	62.4	54.6	50.4	48.4	47.7	47.8	46.1	52.6	52.1
40,000 45,000	73.6	72.6	73.1	73.6	67.2	59.3	53.9	49.4	49.3	50.4	50.1	60.0	60.6
45,000 50,000	77.7	76.6	76.4	76.9	71.1	62.9	57.6	52.5	52.1	53.3	53.3	63.5	64.9
50,000 60,000	177.0	175.7	178.1	179.2	170.6	155.7	144.1	135.4	135.2	136.8	136.2	161.3	162.5
60,000 75,000	257.8	258.9	267.6	276.6	270.0	260.4	248.8	240.5	241.9	244.4	243.7	283.4	288.5
75,000 100,000	283.7	294.6	312.1	329.7	341.6	350.1	357.4	359.1	375.3	383.6	386.0	452.1	464.9
100,000 150,000	231.9	248.3	269.2	299.4	329.0	366.4	405.5	435.2	486.0	504.4	504.5	597.2	643.9
150,000 200,000	103.5	112.4	117.1	130.8	144.3	167.1	187.7	211.7	237.6	242.3	242.0	288.1	314.6
200,000 and Over	488.1	503.5	485.0	635.4	779.4	1,038.7	1,227.8	1,422.6	1,738.0	1,394.1	1,131.0	1,472.9	1,857.5
<b>Total Resident</b>	<b>\$1,907.1</b>	<b>\$1,951.6</b>	<b>\$1,987.8</b>	<b>\$2,208.3</b>	<b>\$2,351.8</b>	<b>\$2,611.4</b>	<b>\$2,821.7</b>	<b>\$3,035.7</b>	<b>\$3,438.3</b>	<b>\$3,126.8</b>	<b>\$2,859.5</b>	<b>\$3,505.2</b>	<b>\$3,981.9</b>
<b>Non-Res./Part-Year</b>	<b>\$130.5</b>	<b>\$136.8</b>	<b>\$147.6</b>	<b>\$165.9</b>	<b>\$198.6</b>	<b>\$234.9</b>	<b>\$271.0</b>	<b>\$310.5</b>	<b>\$333.3</b>	<b>\$342.3</b>	<b>\$314.4</b>	<b>\$399.2</b>	<b>\$474.5</b>
<b>Total Individual</b>	<b>\$2,037.6</b>	<b>\$2,088.4</b>	<b>\$2,135.4</b>	<b>\$2,374.2</b>	<b>\$2,550.4</b>	<b>\$2,846.3</b>	<b>\$3,092.8</b>	<b>\$3,346.2</b>	<b>\$3,771.6</b>	<b>\$3,469.1</b>	<b>\$3,173.9</b>	<b>\$3,904.4</b>	<b>\$4,456.4</b>
<b>S Corporations</b>	<b>\$0.6</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$0.7</b>	<b>\$0.9</b>	<b>\$2.2</b>	<b>\$3.1</b>	<b>\$3.0</b>	<b>\$3.4</b>	<b>\$4.6</b>	<b>\$5.5</b>	<b>\$6.2</b>	<b>\$6.6 e</b>
<b>Trust &amp; Estates</b>	<b>\$16.3</b>	<b>\$14.0</b>	<b>\$14.7</b>	<b>\$20.2</b>	<b>\$25.9</b>	<b>\$65.1</b>	<b>\$50.0</b>	<b>\$55.1</b>	<b>\$67.6</b>	<b>\$43.1</b>	<b>\$27.6</b>	<b>\$36.3</b>	<b>\$29.0 e</b>
<b>Group Filers</b>	<b>\$3.0</b>	<b>\$4.3</b>	<b>\$4.2</b>	<b>\$4.6</b>	<b>\$5.3</b>	<b>\$6.3</b>	<b>\$6.5</b>	<b>\$5.3</b>	<b>\$6.6</b>	<b>\$11.9</b>	<b>\$9.5</b>	<b>\$10.4</b>	<b>\$10.0 e</b>
<b>Total</b>	<b>\$2,057.5</b>	<b>\$2,107.2</b>	<b>\$2,154.8</b>	<b>\$2,399.7</b>	<b>\$2,582.5</b>	<b>\$2,919.9</b>	<b>\$3,152.4</b>	<b>\$3,409.7</b>	<b>\$3,849.2</b>	<b>\$3,528.7</b>	<b>\$3,216.5</b>	<b>\$3,957.3</b>	<b>\$4,502.0 e</b>

e = Estimate. Income Year 2004 actuals not available at time of printing.



**PERSONAL INCOME TAX PAID BY MUNICIPALITY**  
**INCOME YEARS 1995 TO 2004**  
**(Amounts in Millions)**

<b>Municipality(1)</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Andover	1.8	2.0	2.0	2.2	2.2	2.4	2.4	2.4	2.9	3.2
Ansonia	6.5	6.5	6.3	6.5	6.5	7.3	7.5	7.5	8.7	9.4
Ashford	1.8	1.9	2.0	2.1	2.1	2.4	2.7	2.5	3.1	3.4
Avon	23.8	25.2	29.4	34.3	37.1	45.1	36.9	33.0	44.0	59.8
Barkhamsted	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6
Beacon Falls	2.6	2.6	2.7	2.8	2.9	3.2	3.5	3.6	4.3	4.6
Berlin	11.9	12.6	13.6	13.9	15.1	16.4	16.3	16.3	19.8	21.1
Bethany	3.4	4.2	4.1	5.1	6.3	6.2	6.0	5.8	7.3	8.0
Bethel	11.1	11.4	12.2	12.8	13.6	15.0	14.3	13.6	16.1	17.0
Bethlehem	2.3	2.5	2.5	3.9	2.9	3.3	2.9	2.9	3.5	3.9
Bloomfield	14.1	14.2	15.3	15.8	15.9	17.8	15.5	15.1	18.4	20.2
Bolton	3.8	4.0	4.1	4.4	4.6	5.2	5.3	5.1	6.0	6.9
Bozrah	1.5	1.4	1.9	1.6	1.7	1.8	1.8	1.7	2.2	2.2
Branford	21.1	21.4	22.4	25.2	26.1	28.0	27.3	25.5	30.2	33.2
Bridgeport	28.9	28.5	28.1	28.4	28.5	31.0	30.8	30.9	35.7	38.1
Bridgewater	2.0	2.1	2.7	2.7	2.7	2.8	2.7	3.1	3.4	4.1
Bristol	27.6	27.6	29.0	29.5	29.5	34.1	32.3	32.2	38.4	42.7
Brookfield	12.0	12.6	14.7	14.2	16.6	16.9	16.8	24.2	18.1	19.3
Brooklyn	2.8	2.2	2.4	2.5	2.6	2.9	2.9	2.8	3.5	3.8
Burlington	6.9	7.2	7.9	8.1	9.1	10.3	10.3	10.1	11.8	13.2
Canaan	0.6	0.7	0.9	0.8	2.8	2.4	2.6	1.9	2.3	2.8
Canterbury	2.1	2.1	2.1	2.1	2.3	2.4	2.5	2.5	3.2	3.3
Canton	8.6	8.6	9.3	9.7	10.2	10.7	12.0	10.1	12.1	14.2
Chaplin	0.7	0.6	0.5	0.5	0.6	1.0	1.1	1.2	1.4	1.6
Cheshire	24.5	25.7	27.9	29.4	30.3	36.6	32.4	31.8	39.0	41.0
Chester	2.5	2.7	2.8	3.0	3.4	3.8	3.7	3.6	4.1	4.9
Clinton	7.2	7.5	7.8	8.5	8.8	9.6	9.9	9.5	11.3	12.8
Colchester	8.0	8.3	8.8	9.4	9.5	10.4	11.8	11.5	14.0	15.6
Colebrook	0.4	0.4	0.7	1.4	0.6	0.6	0.7	0.6	0.6	0.7
Columbia	3.4	3.5	3.8	3.9	3.9	4.3	4.4	4.5	5.4	7.6
Cornwall	0.6	0.9	0.8	1.1	1.0	0.9	0.9	1.0	0.9	1.1
Coventry	6.3	6.5	6.7	7.0	7.2	7.8	8.6	8.5	10.2	10.9
Cromwell	8.5	9.0	9.1	10.1	10.4	11.6	12.1	11.8	14.6	15.8
Danbury	32.5	33.1	36.7	36.9	38.7	38.0	37.0	35.6	40.6	44.6
Darien	37.1	42.2	56.4	61.6	65.1	76.3	70.5	49.0	64.0	84.8
Deep River	2.7	2.7	3.5	3.2	3.3	3.6	3.6	3.5	4.2	5.5
Derby	5.2	5.1	5.1	5.2	5.3	5.8	5.7	5.9	6.9	7.4
Durham	5.3	5.7	6.5	6.7	6.4	7.8	7.6	8.1	9.8	10.5
Eastford	0.6	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.0	1.2
East Granby	3.6	3.7	3.8	4.2	4.0	4.7	4.6	4.5	5.2	5.8
East Haddam	4.2	4.3	4.6	4.9	6.1	5.7	5.9	5.9	7.2	8.0
East Hampton	7.3	7.3	7.7	8.2	8.4	9.7	10.3	9.9	11.9	13.3
East Hartford	17.5	17.3	16.9	17.1	17.3	19.2	18.5	18.0	21.3	23.2
East Haven	11.9	11.5	12.0	11.9	12.3	13.2	13.7	14.5	17.0	16.6
East Lyme	11.0	11.4	12.3	13.5	15.1	16.1	16.2	15.3	17.6	19.7
Easton	10.4	11.7	13.6	16.7	17.5	18.7	15.8	14.6	17.8	19.0
East Windsor	4.6	4.7	4.8	4.9	5.3	5.7	6.0	6.1	7.1	7.9
Ellington	7.0	7.3	8.2	8.7	10.1	10.8	11.1	11.4	13.5	15.8
Enfield	18.4	18.3	18.8	18.6	19.2	21.2	21.1	20.9	24.5	26.2

**PERSONAL INCOME TAX PAID BY MUNICIPALITY**  
**INCOME YEARS 1995 TO 2004**  
**(Amounts in Millions)**

<b>Municipality(1)</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Essex	6.9	7.1	7.2	8.4	10.4	12.0	10.3	9.1	10.1	11.6
Fairfield	60.0	67.6	81.4	90.6	101.5	119.6	101.7	81.5	97.2	112.8
Farmington	23.8	25.3	29.4	31.8	33.8	37.8	35.6	32.7	38.9	45.8
Franklin	1.1	1.1	1.1	1.1	1.1	1.2	1.3	1.3	1.6	1.8
Glastonbury	33.9	35.7	40.9	42.8	48.3	56.9	51.9	48.8	57.6	63.6
Goshen	1.8	2.0	2.2	2.5	2.5	2.8	2.5	2.5	2.9	3.2
Granby	8.6	9.3	9.9	10.3	10.6	12.4	12.1	11.7	13.1	14.5
Greenwich	139.4	166.4	223.6	241.4	257.1	333.4	291.3	185.2	290.6	378.1
Griswold	2.7	2.7	2.7	2.8	2.8	3.1	4.3	4.6	6.1	6.5
Groton	10.7	10.9	11.0	12.1	12.0	14.2	12.8	12.6	15.4	18.0
Guilford	20.9	22.4	24.0	26.2	27.9	33.3	31.4	29.1	33.3	39.3
Haddam	5.3	5.4	5.6	6.2	6.6	6.9	6.9	6.7	8.0	8.7
Hamden	32.3	32.7	33.2	34.7	43.9	39.3	41.3	38.7	45.2	48.7
Hampton	1.0	1.0	1.1	1.1	1.2	1.5	1.3	1.3	1.6	1.8
Hartford	21.7	20.5	22.2	21.3	22.2	26.1	24.5	24.3	26.3	30.3
Hartland	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.5	1.6
Harwinton	3.7	3.9	4.3	4.7	4.6	5.9	4.9	4.8	5.7	6.3
Hebron	5.7	6.0	6.4	7.1	8.6	12.4	8.9	8.9	10.9	11.9
Kent	1.9	1.8	2.0	2.7	2.7	4.3	2.7	2.4	2.7	3.1
Killingly	5.0	4.9	4.8	4.8	4.8	5.4	5.7	5.5	6.8	7.5
Killingworth	4.5	4.9	5.0	5.9	6.6	7.2	7.6	7.0	8.1	8.1
Lebanon	3.3	3.4	3.5	4.0	4.0	4.5	4.6	4.5	5.5	6.3
Ledyard	9.2	9.1	9.7	10.0	10.8	11.9	11.3	11.4	13.3	14.8
Lisbon	1.3	1.4	1.3	1.4	1.4	1.6	1.7	1.9	2.3	2.7
Litchfield	6.9	7.5	8.5	8.7	9.5	10.3	9.6	8.9	9.4	10.5
Lyme	1.7	1.5	2.6	4.6	5.4	6.0	5.7	4.0	3.3	5.0
Madison	18.8	20.2	23.1	25.7	27.7	31.5	26.7	26.0	31.5	35.3
Manchester	27.6	27.3	28.9	30.0	30.9	33.9	34.6	32.9	38.7	43.5
Mansfield	7.8	8.2	8.5	8.9	9.3	10.1	9.8	9.7	11.1	12.2
Marlborough	4.9	5.6	5.3	5.4	6.0	7.0	6.4	6.4	7.7	9.4
Meriden	22.8	22.8	22.9	22.9	23.3	24.9	25.0	25.6	30.2	33.7
Middlebury	6.8	8.1	8.6	8.4	10.2	10.4	9.0	9.1	10.5	12.9
Middlefield	2.6	2.7	2.8	3.1	3.4	3.6	3.6	3.6	4.2	5.0
Middletown	20.3	20.6	21.9	23.1	23.3	25.9	26.6	26.4	31.2	33.2
Milford	30.6	31.8	33.1	35.5	37.5	44.8	47.0	46.4	47.1	59.9
Monroe	15.0	16.1	17.5	18.8	20.3	22.1	20.6	20.6	24.1	26.0
Montville	7.6	7.4	7.5	7.7	8.0	8.7	9.6	9.8	11.9	13.1
Morris	1.1	1.1	1.7	1.6	1.5	2.1	1.7	1.7	2.6	2.9
Naugatuck	12.8	12.9	12.8	12.9	13.1	14.5	14.9	14.9	17.8	19.3
New Britain	19.2	18.8	19.1	18.9	18.4	19.7	19.8	19.6	22.6	24.6
New Canaan	51.3	57.4	69.6	79.1	110.7	106.5	80.6	65.5	83.4	113.2
New Fairfield	8.6	9.5	9.5	10.5	10.5	11.6	10.9	10.2	11.7	12.5
New Hartford	4.5	4.7	5.1	5.2	6.0	8.5	8.3	8.4	10.0	11.2
New Haven	30.6	30.1	31.0	32.1	32.8	36.8	35.3	35.6	41.7	49.0
Newington	17.7	17.8	18.0	18.3	18.7	20.1	20.1	19.8	23.4	25.2
New London	6.9	6.9	6.7	7.0	6.9	7.9	7.7	8.0	9.2	10.5
New Milford	14.2	14.5	15.5	16.1	17.7	18.7	19.1	18.7	21.3	23.6
Newtown	20.4	22.0	24.9	27.3	31.3	36.0	32.1	29.7	35.1	39.5
Norfolk	1.1	1.2	1.3	1.3	1.3	1.6	1.7	1.3	1.5	2.8

**PERSONAL INCOME TAX PAID BY MUNICIPALITY**  
**INCOME YEARS 1995 TO 2004**  
**(Amounts in Millions)**

<b>Municipality(1)</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
North Branford	9.0	9.4	9.6	10.0	10.1	10.9	10.8	10.7	12.5	14.2
North Canaan	1.2	1.2	1.4	1.5	0.4	0.4	0.3	0.4	0.3	0.3
North Haven	17.1	17.3	18.5	19.9	20.3	21.6	20.7	19.9	23.3	25.7
North Stonington	2.6	3.0	2.8	3.4	3.6	3.9	3.4	3.6	4.3	4.7
Norwalk	49.3	52.8	59.2	60.8	69.5	75.4	67.8	63.7	73.1	83.2
Norwich	14.2	14.3	14.9	14.5	14.5	15.7	15.1	15.5	17.6	19.2
Old Lyme	7.9	9.5	10.2	12.1	12.1	12.9	12.9	12.1	15.0	14.7
Old Saybrook	7.2	8.1	8.9	9.8	9.7	10.4	10.1	10.0	11.5	13.3
Orange	13.6	13.5	14.5	15.8	17.0	19.1	17.6	16.9	20.0	22.2
Oxford	5.6	7.0	6.1	7.2	7.6	8.9	8.9	9.2	11.5	12.9
Plainfield	4.0	3.9	3.9	3.9	4.2	4.4	4.7	4.9	6.0	6.5
Plainville	8.4	8.3	8.4	8.8	10.3	9.5	9.7	9.8	11.4	12.2
Plymouth	5.0	5.1	5.1	5.2	5.3	5.8	6.0	6.2	7.5	8.2
Pomfret	2.1	2.1	2.5	2.4	2.8	2.9	3.3	2.9	3.4	3.7
Portland	5.6	5.8	6.2	6.4	7.2	7.1	7.3	7.4	8.9	9.9
Preston	2.2	2.3	2.1	2.5	2.4	2.6	2.6	2.9	3.5	3.8
Prospect	5.3	5.3	5.5	5.9	6.3	6.9	6.9	6.8	8.1	8.8
Putnam	2.4	2.2	2.3	2.5	2.4	2.6	2.7	2.6	3.2	3.4
Redding	11.4	12.0	14.4	16.1	16.7	18.9	18.1	16.7	19.8	23.0
Ridgefield	27.4	31.7	40.7	40.6	47.5	63.1	47.7	40.2	53.2	56.0
Rocky Hill	11.6	11.8	12.6	15.4	14.6	15.7	16.4	16.2	18.4	20.6
Roxbury	2.1	2.3	2.7	2.7	3.1	3.7	3.8	3.0	4.1	4.4
Salem	2.4	2.4	2.4	2.8	3.0	3.1	3.6	3.5	4.2	4.7
Salisbury	2.7	3.0	3.8	3.7	3.8	5.1	3.8	4.1	3.5	4.8
Scotland	0.4	0.4	0.4	0.4	0.4	0.6	0.4	0.4	0.6	0.6
Seymour	8.1	7.9	8.4	8.1	8.4	9.2	9.3	9.7	11.5	12.5
Sharon	2.0	2.3	2.7	3.2	3.6	4.7	3.1	2.3	2.5	3.5
Shelton	25.3	26.3	27.3	28.6	30.8	34.1	34.3	33.8	38.5	41.9
Sherman	3.1	2.6	3.2	2.9	3.9	3.8	3.4	3.4	3.7	4.3
Simsbury	27.1	28.4	33.8	33.8	37.2	43.0	37.9	34.2	38.7	43.3
Somers	5.4	5.6	6.1	6.4	6.6	7.2	7.0	7.0	8.2	9.6
Southbury	13.7	14.8	16.6	17.3	18.5	21.3	19.9	19.1	22.7	24.7
Southington	25.0	26.2	28.1	29.4	30.1	32.5	32.9	35.4	38.7	42.6
South Windsor	18.8	19.2	20.4	21.9	22.7	25.1	25.4	24.7	28.7	31.6
Sprague	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.7	1.9
Stafford	4.1	4.2	4.3	4.4	4.5	4.9	5.1	5.1	6.2	6.6
Stamford	83.4	88.8	97.9	109.2	115.0	132.5	117.7	110.6	129.8	160.1
Sterling	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.9	1.2	1.3
Stonington	15.7	16.4	17.5	19.9	22.6	26.9	22.9	22.6	25.7	30.2
Stratford	27.1	27.1	26.6	1.1	29.1	31.6	31.1	31.0	35.7	38.8
Suffield	8.4	8.8	9.6	10.5	11.0	12.7	13.4	12.8	15.5	16.9
Thomaston	3.5	3.7	3.6	3.7	3.8	4.5	4.4	4.3	5.3	5.8
Thompson	1.9	2.2	2.2	2.3	2.3	2.5	2.6	2.4	3.0	4.2
Tolland	9.2	9.6	10.7	11.4	12.0	13.3	13.5	13.8	16.2	18.6
Torrington	14.2	14.3	14.2	14.4	15.3	16.3	16.4	16.0	19.2	20.9
Trumbull	30.1	31.3	32.4	35.9	38.4	45.2	39.5	38.5	44.2	49.7
Union	0.4	0.5	0.8	0.6	0.6	0.7	0.8	0.7	0.8	1.2
Vernon	15.0	15.0	15.3	15.8	15.9	17.5	17.9	17.3	20.1	22.0
Voluntown	1.4	1.5	1.6	1.5	1.6	1.7	1.3	1.3	1.6	1.8

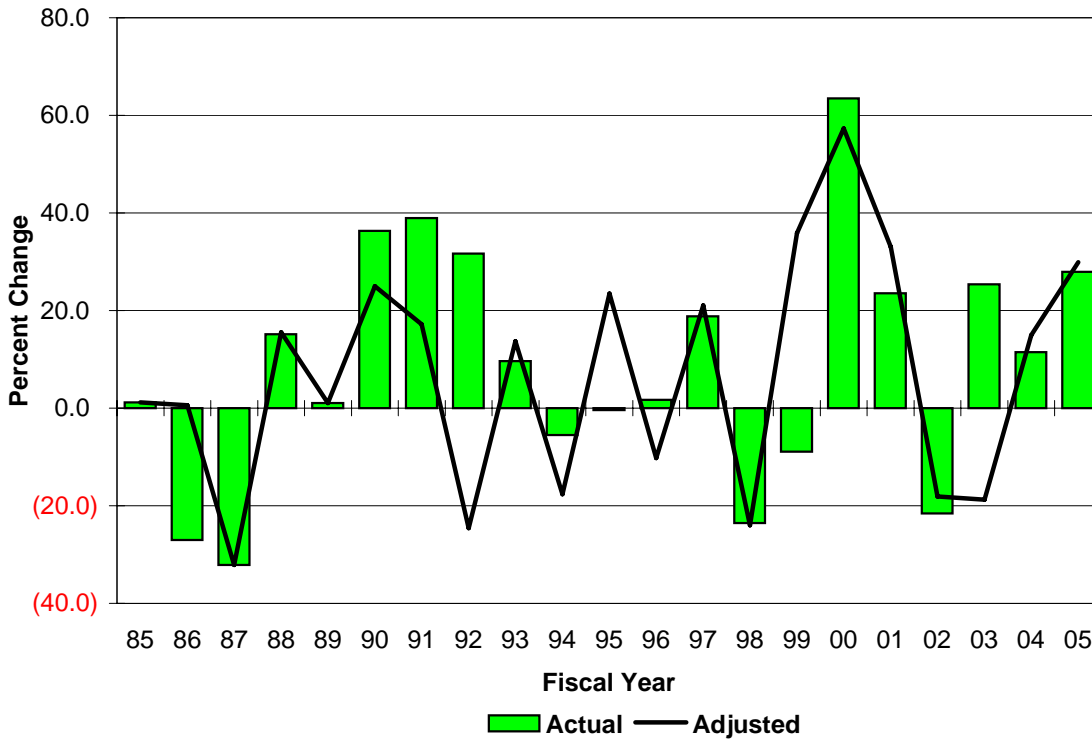
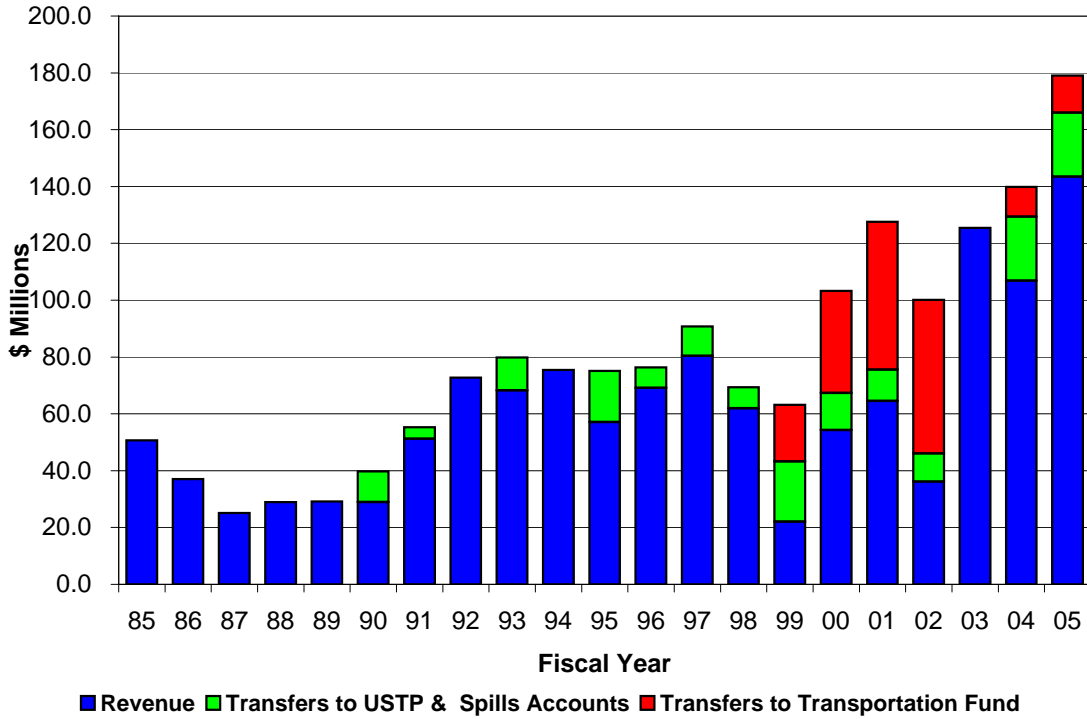
**PERSONAL INCOME TAX PAID BY MUNICIPALITY**  
**INCOME YEARS 1995 TO 2004**  
**(Amounts in Millions)**

<b>Municipality(1)</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Wallingford	24.6	25.5	26.5	27.9	29.5	33.5	32.5	32.4	38.6	41.9
Warren	1.0	1.2	1.3	1.1	1.4	1.6	1.3	1.0	1.3	1.7
Washington	4.1	4.8	5.9	9.2	6.6	6.5	5.7	5.5	6.0	7.5
Waterbury	30.8	30.4	30.1	29.7	29.7	31.7	30.6	30.8	35.9	38.9
Waterford	11.8	12.3	12.7	13.6	14.3	15.2	15.4	15.1	17.5	20.1
Watertown	12.1	12.6	13.4	13.4	14.1	15.1	15.2	15.3	17.7	19.4
Westbrook	3.2	3.3	3.4	4.0	4.5	5.0	5.4	5.4	6.4	6.6
West Hartford	62.3	66.4	70.7	73.3	76.0	90.5	79.3	74.6	88.7	97.1
West Haven	18.3	18.1	18.3	20.1	19.0	21.2	21.6	21.7	24.9	27.1
Weston	20.1	23.4	26.9	31.3	35.7	44.2	34.8	30.2	37.4	41.6
Westport	48.3	55.9	66.2	77.3	90.0	90.8	83.2	73.1	84.2	101.3
Wethersfield	19.4	19.7	20.8	21.3	21.6	23.9	23.0	21.9	25.5	26.2
Willington	3.1	3.2	3.3	3.4	3.6	3.9	4.1	3.7	4.6	4.9
Wilton	27.6	33.1	38.3	45.5	51.9	77.5	44.4	46.6	45.7	54.2
Winchester	5.7	5.8	5.9	6.1	6.1	5.4	5.3	5.3	6.4	7.0
Windham	6.6	6.4	6.6	6.4	6.4	6.8	6.7	6.6	7.8	8.2
Windsor	17.2	17.8	18.1	18.8	19.1	20.8	20.7	20.4	23.4	24.9
Windsor Locks	5.4	5.9	5.6	5.7	5.7	6.2	6.5	6.2	7.5	8.1
Wolcott	8.0	8.2	8.7	8.8	10.0	9.8	10.0	10.2	12.8	13.9
Woodbridge	16.7	16.4	19.3	22.6	20.6	23.2	20.9	21.2	24.7	27.6
Woodbury	8.0	8.7	10.2	10.8	11.7	12.8	11.3	10.6	13.1	14.7
Woodstock	2.9	3.0	3.2	3.4	3.6	4.1	4.0	4.2	4.9	5.9
Unknown Zip Code(2)	1.1	2.3	3.3	29.3	0.5	0.5	0.5	2.5	3.6	2.1
<b>Total</b>	<b>2,130.9</b>	<b>2,254.9</b>	<b>2,498.8</b>	<b>2,675.6</b>	<b>2,875.5</b>	<b>3,265.2</b>	<b>3,003.4</b>	<b>2,764.9</b>	<b>3,315.7</b>	<b>3,813.2</b>
No Longer in CT(3)	77.4	96.9	112.6	146.1	160.2	173.1	123.5	94.6	189.5	168.7
<b>Total Resident</b>	<b>2,208.3</b>	<b>2,351.8</b>	<b>2,611.4</b>	<b>2,821.7</b>	<b>3,035.7</b>	<b>3,438.3</b>	<b>3,126.8</b>	<b>2,859.5</b>	<b>3,505.2</b>	<b>3,981.9</b>

Notes:

- (1) Tax returns filed with a valid postal zip code for CT municipalities.
- (2) Resident tax returns filed with an incorrect postal zip code. Therefore it cannot be determined in which municipality such taxpayers reside.
- (3) No longer a CT address but taxpayer filed a resident tax return and indicated CT residency. However current address the Department of Revenue Services has is an out of state address and therefore cannot be attributed to any one of the 169 municipalities.

# Petroleum Companies Tax Collections and Growth Rates FY 85 - FY 05



**Adjusted for Legislative Base and Rate changes.  
Net of transfers to the Underground Storage Taxes Petroleum Clean-Up Account**

**Petroleum Companies**

	Revenue* (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72					
FY73					
FY74					
FY75					
FY76					
FY77					
FY78					
FY79					
FY80					
FY81	49.7	49.7	0.0		
FY82	37.7	1.0	0.0	(24.1)	(26.2)
FY83	49.7	8.0	0.0	31.8	10.6
FY84	50.1	0.0	0.0	0.8	0.8
FY85	50.7	0.0	0.0	1.2	1.2
FY86	37.0	(14.0)	0.0	(27.0)	0.6
FY87	25.1	0.0	0.0	(32.2)	(32.2)
FY88	28.9	(0.1)	0.0	15.1	15.5
FY89	29.2	0.0	0.0	1.0	1.0
FY90	39.8*	14.2	(10.9)	36.3	25.0
FY91	55.3*	0.0	(4.1)	38.9	17.2
FY92	72.8	28.0	0.0	31.6	(24.6)
FY93	79.8*	9.0	(12.0)	9.6	13.7
FY94	75.4	(0.2)	0.0	(5.5)	(17.6)
FY95	75.1*	0.0	(18.0)	(0.4)	23.5
FY96	76.4*	0.0	(7.2)	1.7	(10.2)
FY97	90.8*	0.0	(10.4)	18.8	21.1
FY98	69.4*	0.0	(7.5)	(23.6)	(24.0)
FY99	63.2*	(20.2)	(21.1)	(8.9)	35.9
FY00	103.3*	(16.2)	(13.1)	63.4	57.3
FY01	127.6*	(10.2)	(17.1)	23.5	33.1
FY02	100.1*	(0.2)	(18.2)	(21.6)	(18.1)
FY03	125.5*	25.6	3.8	25.4	(18.8)
FY04	139.9*	0.0	0.0	11.5	15.0
FY05	179.0*	(0.2)	(2.5)	27.9	29.9

\*Gross before transfers to USTP & Spill, and Transportation Fund.

**PETROLEUM COMPANIES TAX**

<b>Fiscal Year</b>	<b>Gross Revenues (Millions \$)</b>	<b>Rate</b>	<b>Base Changes</b>
1981	49.7	2%	Levied on gross earnings of petroleum companies engaged in refining and distributing petroleum products to whole-sale and retail dealers for distribution in state.
1982	37.7	2%	Firm is subject to tax when product is first sold in state (tax credit provided if and when product is subsequently sold out of state). Eff 5/1/82.
1983	49.7	2%	
1984	50.1	2%	
1985	50.7	2%	
1986	37.0	2%	1) Gross receipts from sales of home heating fuel are exempt from the tax (7/1/85). 2) The Emergency Spill Response Fund received \$1.5 million from FY 1986 tax receipts.
1987	25.1	2%	
1988	28.9	2%	Sales of propane gas used for residential heating purposes is exempt.
1989	29.2	2%	PA 89-313 - Rate raised from 2 to 3% to fund the Underground Storage Tank Petroleum Clean-up Acct[1].
1990	39.8	3%	
1991	55.3	5%	PA 91-3 (JSS) - The rate is increased 10/1/91.
1992	72.8	5%	PA 92-17 - Bunker fuel oil, intermediate marine diesel fuel oil, and marine gas used in vessels displacing 4,000 deadweight tons is exempted from Petroleum Tax.
1993	79.8	5%	PA 93-74 - Exempts Kerosene used for home heating.
1994	75.4	5%	PA 94-4 (MSS) - Changes the definition of gross receipts for service stations along state highways pursuant to a contract with DOT to base it on the wholesale price of fuel, effective 1/1/88.
1995	75.1	5%	PA 95-172 - Earnings from sales of propane used as motor vehicle are exempt from the tax, effective 7/1/95. Sales of propane for heating purposes is extended to all sales, not just limited to residential heating as prior law did.
1996	76.4	5%	

**PETROLEUM COMPANIES TAX**

<b>Fiscal Year</b>	<b>Gross Revenues (Millions \$)</b>	<b>Rate</b>	<b>Base Changes</b>
1997	90.8	5%	PA 96-183 - Number 2 Oil sold to be used in commercial fishing vessels is exempt from the petroleum gross earnings tax.
1998	69.4	5%	PA 97-309 - Transfer revenue generated from tax on petroleum products to the Transportation Fund. (\$20 Million in FY99 and \$36 Million in FY 00 and on.)  PA 97-281 - Phases out the 5% tax on gross earnings by 1% per year over five years on fuel used in vessels primarily engaged in interstate commerce and on #6 fuel used by industrial customers (SIC 2000-3000) effective 7/1/98.
1999	63.2	5%	
2000	103.3	5%	
2001	127.6	5%	PA 00-170 increased the transfer to the Transportation Fund by \$10 million to \$46 million in FY 01 (see PA 97-309).  PA 00-174 exempted paraffin and microcrystalline waxes from the tax.
2002	100.1	5%	PA 01-1 JSS transfers \$6 million in FY 01 and \$8 million in FY 02 and FY 03 to the USTF.  PA 01-6 JSS makes the following changes: 1) transfer \$1 million in FY 03 to the Conservation Fund Fisheries Account (one time). 2) extends the sunset for the exemption of propane and natural gas when sold as a motor fuel to June 30, 2002. 3) changes the threshold for when a company must pay the tax from \$100,000 to \$3,000 worth of products per quarter.  PA 02-1 May 9th Special Session reduced the transfer of the tax to the Transportation Fund, Conservation Fund and the Underground Storage Tank Fund.  PA 02-4 MSS exempts the sale of propane used as motor vehicle fuel and also petroleum products used as a fuel in fuel cells until 7/1/04.
2003	125.5	5%	PA 03-1 JSS reduces transfer to the Transportation Fund to \$10.5 million in FY 04 and \$13.0 million in FY 05. It also transfers \$10.5 million to the USTP clean up fund in FY 04 and FY 05.



2004	139.9	5%	PA 04-231 extends, from 7/1/04 to 7/1/08, the exemption of petroleum products used as fuel in fuel cells and propane used as fuel in motor vehicles from the tax.
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2005	179.0	5%	PA 05-4 JSS increases the tax rate accordingly:
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Estimate

From:	5.0%	prior to 7/1/05
To:	5.8%	effective 7/1/05
	6.3%	effective 7/1/06
	7.0%	effective 7/1/07
	7.5%	effective 7/1/08
	8.1%	effective 7/1/13

PA 05-4 JSS increases transfers to the Transportation Fund accordingly.

Annual Transfers GF to TF

	Millions	
From:	21.0	FY 05
To:	43.5	FY 06
	61.0	FY 07
	84.0	FY 08
	101.0	FY 09 - FY 13
	119.4	FY 14 & after

PA 05-251 transfers \$12 million in FY 06 and FY 07 to the Emergency Spill Response Account

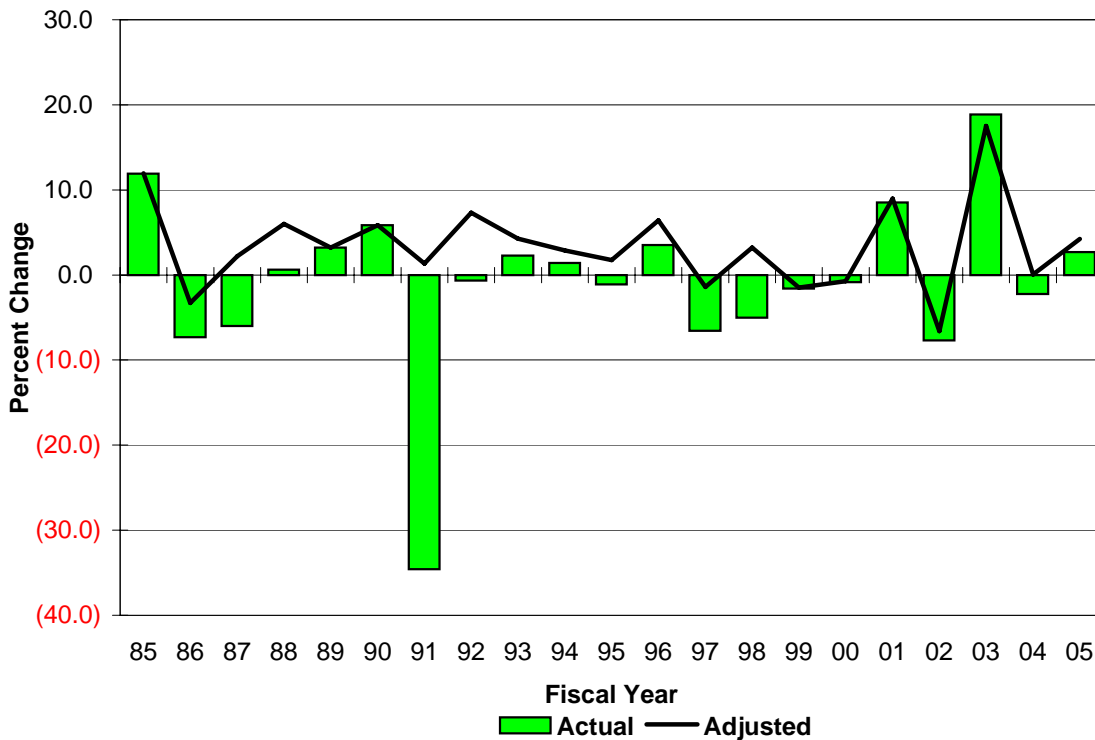
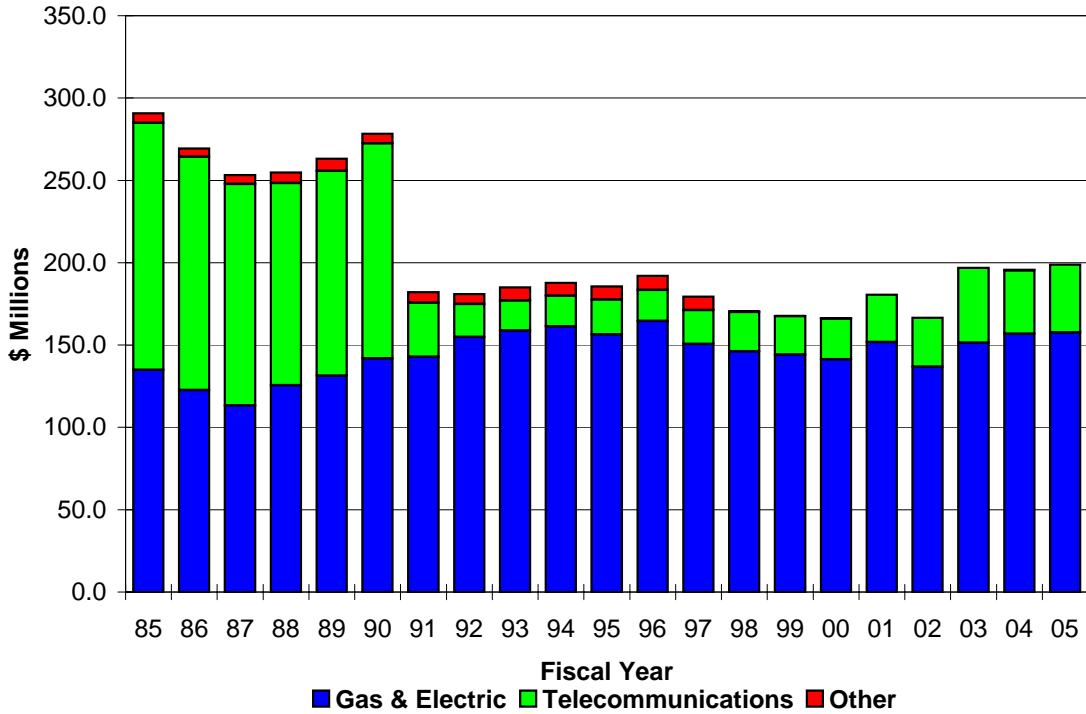
## PETROLEUM COMPANIES TAX

### Calculation of General Fund Petroleum Companies Tax Revenue (Amounts in thousands)

	Gross Revenues	Transfers to USTP Clean-Up Account[1,5]	Emergency Spill Response Fund[6]	Transfers Transportation and Other Funds[2,3,6]	General Fund Revenues
FY 90	39,766	10,926			28,840
FY 91	55,290	4,074			51,216
FY 92	72,803	0			72,803
FY 93	79,846	11,555			68,291
FY 94	75,446	0			75,446
FY 95	75,056	18,027			57,029
FY 96	76,359	7,182			69,177
FY 97	90,809	10,447			80,362
FY 98	69,393	7,535			61,858
FY 99	63,234	21,085		20,000	22,149
FY 00	103,338	13,054		36,000	54,284
FY 01	127,568	11,070		52,000	64,497
FY 02	100,114	10,000		54,000	36,114
FY 03[4]	125,451	0		0	125,451
FY 04	139,895	12,000	10,500	10,500	106,895
FY 05	179,047	12,000	10,500	13,000	143,547

- [1] The Underground Storage Tank Petroleum Clean-Up Account within the Environmental Quality Fund reimburses responsible parties for costs incurred due to leaking petroleum underground storage tank systems. The fund balance is maintained between \$5 and 15 million through transfers from tax receipts.
- [2] PA 97-309 Transfers \$20 million in FY 99 and \$36 in FY 00 and thereafter to the Transportation Fund. PA 00-170 increased the transfer by \$10 million to \$46 million in FY 01 and thereafter.
- [3] PA 01-1 JSS Transfers \$6 million in FY 01 and \$8 in FY 02 and FY 03 to the Environmental Quality Fund spill account. PA 01-6 JSS transfers \$1 million FY 03 to Conservation Fund Fisheries Account (one-time).  
Source: Department of Revenue Services Annual Report, various years and
- [4] PA 02-1 MSS suspended transfers to the USTF for FY 03. It also reduced transfer to the TF by \$26 million in FY 03 and \$25 million there after.
- [5] PA 02-80 sets transfers at \$3 million per quarter or \$12 million per year.
- [6] PA 03-1 JSS reduces the transfer to the Transportation Fund to \$10.5 in FY 04 and \$13.0 m in FY 05. It also transfer \$10.5 m in FY 04 and FY 05 to the Emergency Spill Response clean up account .

# Public Service Corporations Collections and Growth Rates FY 85 - FY 05



Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.

**Public Service Corporations**

	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72	52.9	15.0	0.0		
FY73	61.7	0.0	0.0	16.6	16.6
FY74	68.7	0.0	0.0	11.3	11.3
FY75	82.8	0.0	0.0	20.5	20.5
FY76	92.7	0.0	0.0	12.0	12.0
FY77	131.2	0.0	30.6	41.5	8.5
FY78	108.3	0.0	0.0	(17.5)	7.7
FY79	122.6	(0.1)	0.0	13.2	13.3
FY80	146.3	0.0	0.0	19.3	19.3
FY81	175.3	0.0	0.0	19.8	19.8
FY82	218.2	11.4	0.0	24.5	18.0
FY83	233.9	0.0	0.0	7.2	7.2
FY84	259.8	0.0	0.0	11.1	11.1
FY85	290.7	(0.1)	0.0	11.9	11.9
FY86	269.4	(11.7)	0.0	(7.3)	(3.3)
FY87	253.2	(22.1)	0.0	(6.0)	2.2
FY88	254.8	(13.6)	0.0	0.6	6.0
FY89	263.0	0.0	0.0	3.2	3.2
FY90	278.4	0.0	0.0	5.9	5.9
FY91	182.1	(100.0)	0.0	(34.6)	1.3
FY92	180.9	(18.0)	3.5	(0.7)	7.3
FY93	185.0	0.0	0.0	2.3	4.3
FY94	187.6	(2.7)	0.0	1.4	2.9
FY95	185.5	(5.4)	0.0	(1.1)	1.8
FY96	192.0	(5.4)	0.0	3.5	6.4
FY97	179.4	(9.9)	0.0	(6.6)	(1.4)
FY98	170.4	(14.8)	0.0	(5.0)	3.2
FY99	167.7	(0.2)	0.0	(1.6)	(1.5)
FY00	166.3	(0.2)	0.0	(0.8)	(0.7)
FY01	180.5	(0.7)	0.0	8.5	9.0
FY02	166.6	0.0	(2.0)	(7.7)	(6.6)
FY03	198.0	(0.1)	0.0	18.8	17.5
FY04	193.6	(4.5)	0.0	(2.2)	0.1
FY05	198.8	(3.0)	0.0	2.7	4.2

## PUBLIC SERVICE CORPORATION TAX

Fiscal Year	Revenue (Millions \$)	Base and Rate Changes
1972	52.9	
1973	61.7	
1974	68.7	
1975 [1]	82.8	
1976	92.8	
1977	131.7	(accelerated payments)
1978	108.3	
1979 [2]	122.6	
1980	146.3	
1981	175.3	
1982	218.2	
1983	233.9	(1) Electric & gas companies may deduct revenues derived from energy conservation loan programs from gross earnings. (2) Various tax credits are provided to firms engaging in community service activities (see corporation tax).
1984	259.8	(1) The Department of Revenue Services rules that the tax on cable companies (CATV) applies to premium services as well as basic services. (2) In response to the Federal break-up of the American Telephone and Telegraph Corporation (AT&T), the definition of telecommunication services subject to the is revised.
1985	290.7	
1986	269.4	(1) The sales of gas or electricity to residential consumers is reduced to 4% from 5 (10/1/85). (2) The 3% gross earnings tax on Railroad Car companies is repealed (1/1/85). (3) The 9% tax on the gross receipts from sales of interstate telecommunications services is extended to 12/31/85 (1/1/85). (4) Railroad Companies are allowed an alternative method for determining gross receipt in Connecticut. Investments in additional areas are eligible as offsetting tax credits (10/1/85).
1987	253.2	(1) (a) Telecommunication services which are not rate regulated by the DPUC are subject to a 6.5% gross receipts tax. The tax is applied to revenues from services: (1) Rendered entirely within Connecticut (2) Which originate or terminate in Connecticut and are billed to Connecticut (7/1/86). (b) Companies providing rate regulated service will pay two-ninths of their annual tax as a grant to towns. The payments is in proportion to the number of access lines in each town to the total number of access lines statewide (4/1/87).
1988	254.8	(1) (a) Telecommunications companies subject to both the 6.5% tax and the 9% tax (i.e., companies providing competitive and regulated services) may pay their entire annual tax by April 1 (1/1/87) (b) Competition in the provision of certain telecommunications services - resale, private lines and coin operated telephones is allowed (7/1/87)

**PUBLIC SERVICE CORPORATION TAX**

<b>Fiscal Year</b>	<b>Revenue (Millions \$)</b>	<b>Base and Rate Changes</b>
		(c) One-third of the tax from regulated non-competitive telecommunications services will be paid to a special fund for payment of a grant to towns (the grant is increased from two-ninths to one-third).
1989	263.0	
1990	278.4	(1) PA 89-251 (a) Tax rate on community antenna television companies reduced from 9% to 5% (b) Tax on regulated and nonregulated telecommunications allowed to expire 1/1/90
1991	182.1	
1992	180.9	
1993	185.0	
1994	187.6	PA's 93-74 and 93-322 phases out the 5% tax on electricity and natural gas to manufactures (SIC 2000-3999) by 1% each year beginning 1/1/94.
1995	185.5	PA 94-4 (MSS) makes the following changes: (1) Exempts private water companies from the tax effective 7/1/96. (2) Provides a credit for 100% of the Property Tax paid on data processing equipment, effective with Property Tax paid on the 10/1/94 grand list. PA 94-101 exempts natural gas sold as motor vehicle fuel from the Public Service Taxes, effective 7/1/94
1996	192.0	PA 95-160 delays the effective date of: (1) The credit provided in PA 94-4 (MSS) for 100% of the property tax paid on data processing equipment from the 10/1/94 grand list to the 10/1/96 grand list. (2) The repeal of the tax on water companies from 7/1/96 to 7/1/97.  PA 95-172 - Earnings from the sale of propane used as motor vehicle fuel are exempt from the tax. Effective 7/1/95.  PA 95-114 - Extends the utility companies tax on natural gas marketers. Marketers do not include gas companies, municipal gas utilities, gas pipeline companies or gas transmission companies. The act makes natural gas marketers eligible for the same exemptions allowed for gas and other utility companies subject to the tax.  PA 95-359 - Specifies that natural gas marketers are subject to the tax only with regard to their sales of natural gas, bases their tax liability on the proportion of sales to retail customers that occur in the state, and exempts sales for resale from marketers from the tax
1997	179.4	PA 96-144 - Reinstates the credit provided by PA 94-4 (MSS) for 100% of the Property Tax paid on data processing equipment. The credit was delayed by PA 95-160 from the 10/1/94 grand list to the 10/1/96 grand list.

**PUBLIC SERVICE CORPORATION TAX**

Fiscal Year	Revenue (Millions \$)	Base and Rate Changes
		PA 96-205 - The 5% tax on Steam Companies is phased out as follows:
		Effective Date                      Phased Out
		7/1/96                                      4%
		7/1/97                                      3%
		7/1/98                                      2%
		7/1/99                                      1%
		7/1/00                                      Eliminated
1998	170.4	
1999	167.7	PA 98-28 restructures the electric industry to allow consumers to choose their electric suppliers beginning January 1, 2000 for select groups and July 1, 2000 for all other consumers. Until competition begins, rates are capped at their December 31, 1996 levels. This will be accomplished by requiring each electric company to unbundle its electricity generation and distribution components. The generation component will be subject to competition from other suppliers. The Act eliminates the gross earnings tax on the generation services as of July 1, 2000.
2000	166.3	PA 99-173 provides a tax credit for expenses related to rehabilitating historic homes effective 1/1/00. The credit applies to expenses over \$15,000 with a cap on the credit of \$30,000 for each home. The credit is capped at \$3 million per year and can be carried forward for up to four years. The credit is available under the Corporate Business Tax, Insurance Premiums Tax and other taxes.
2001	180.5	
2002	166.6	PA 01-6 JSS extends the sunset for the exemption of propane and natural gas when sold as a motor fuel to June 30, 2002.
2003	198.0	PA 02-4 MSS extends the sunset for the exemption of sales of propane and natural gas sold as a motor fuel to 7/1/04.
2004	193.6 Unaudited	PA 03-1 JSS imposes a 5% gross earning tax on satellite TV companies providing services to CT subscribers, effective 9/1/03. It also earmarks \$2 million from the tax revenue to the Connecticut Television Network.
2005	198.8 Unaudited	PA 04-180 makes the following changes: (1) extends the exemption for natural gas sold for use as fuel in the operation of a cogeneration facility providing electricity or steam to a company engaged in the manufacturing process but operated by a third party. (2) exempts the sales of natural gas to an energy plant comprised of three gas turbines with the combined capacity of 775MW eff 5/1/03. (3) exempts all earnings used to pay debt service on energy securitization by an certain electric company to finance debt service for bonds for the Energy Conservation and Load Management Fund.

## PUBLIC SERVICE CORPORATION TAX

**Fiscal Year**    **Revenue  
(Millions \$)**

### Base and Rate Changes

PA 04-231 extends, from 7/1/04 to 7/1/08, the exemption of sales of natural gas and propane used as fuel in motor vehicles from the tax.

2006      197.1  
            Budget Act

2007      197.1  
            Budget Act

[1] Beginning with FY 1965 20% of all Public Service tax receipts went to the Public Service Tax Sinking Fund. The Fund was abolished in FY 75 and all revenues went to the General Fund.

[2] An exemption is provided for Railroads whose net operating income is less than 12% of their gross earnings.

Note: see following chart "Public Services Corporation Taxes" for the individual components of total revenue.



## PUBLIC SERVICE CORPORATION TAX RATES

Fiscal Year	Community TV & Ant.	Water[7], Gas, Steam			Telegraph & Cable	Railroad Car Co's.	Steam Railroad Co's.	Express Co's.
		Telephone	Telecomm.	Electric Power				
1972	NA	8.00%		5.00%	4.50%	3.00%	2%-3.5%	2.00%
1973	8.00%	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1974	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1975	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1976	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1977	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1978	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1979	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1980	8.00	8.00		5.00	4.50	3.00	2 - 3.5	2.00
1981	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1982	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1983	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1984 [1]	9.00	9.00		5.00	4.50	3.00	2 - 3.5	2.00
1985	9.00	9.00		5.00	4.50	Repealed	2 - 3.5	2.00
1986 [2]	9.00	9.00		5.00	4.50		2 - 3.5	2.00
1987 [3]	9.00	9.00	6.50%	5.00	4.50		2 - 3.5	2.00
1988	9.00	9.00	6.50	5.00	4.50		2 - 3.5	2.00
1989	9.00	9.00	6.50	5.00	4.50		2 - 3.5	2.00
1990	5.00	Eliminated [4]		5.00	4.50		2 - 3.5	2.00
1991	5.00			5.00	4.50		2 - 3.5	2.00
1992	5.00			5.00	4.50		2 - 3.5	2.00
1993	5.00			5.00	4.50		2 - 3.5	2.00
1994 [5]	5.00			5.00	4.50		2 - 3.5	2.00
1995	5.00			5.00	4.50		2 - 3.5	2.00
1996	5.00			5.00	4.50		2 - 3.5	2.00
1997 [6]	5.00			5.00	4.50		2 - 3.5	2.00
1998 [7]	5.00			5.00	4.50		2 - 3.5	2.00
1999	5.00			5.00	4.50		2 - 3.5	2.00
2000	5.00			5.00	4.50		3 - 3.5	2.00
2001	5.00			5.00	4.50		3 - 3.5	2.00
2002	5.00			5.00	4.50		4 - 3.5	2.00
2003	5.00			5.00	4.50		5 - 3.5	2.00
2004	5.00			5.00	4.50		6 - 3.5	2.00
2005	5.00			5.00	4.50		7 - 3.5	2.00

[1] The 5% tax on water companies is only levied on water companies as defined under DPUC regulations issued 7/1/84.

[2] The tax on sales of gas or electricity to residential customers is reduced from 5% to 4%.

[3] The tax rate on interstate firms is reduced to 6.5% and applies to revenues from services: (1) rendered entirely in Connecticut and; (2) which originated or terminate in Connecticut and are billed to Connecticut. Intrastate firms must pay one-third of their annual tax as a grant to towns.

The grant amount is based upon the number of access lines in each town to the total number statewide.

[4] The tax on regulated and nonregulated telecommunications service was repealed 1/1/90.

[5] The 5% tax on electricity and natural gas to manufacturers is phased out by 1% each year beginning 1/1/94.

[6] The tax on steam companies is phased out by 1% each year beginning 7/1/96

[7] The tax on private water companies was repealed 7/1/97.

**PUBLIC SERVICE CORPORATION TAXES BY SOURCE**  
(\$000)

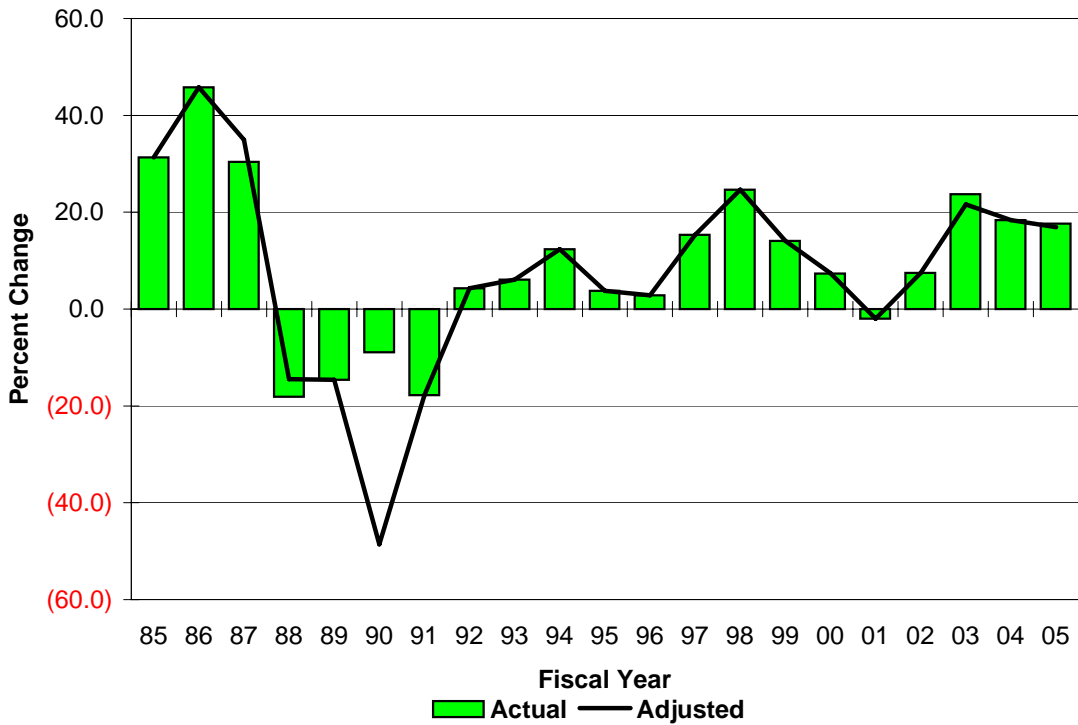
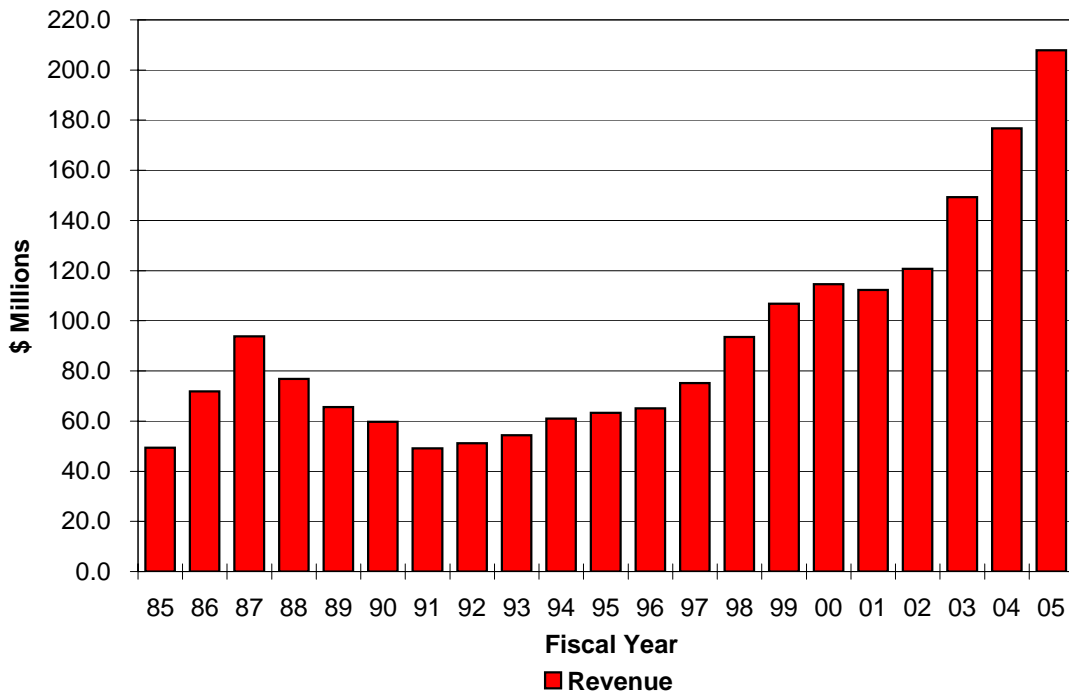
Fiscal Year	Community TV & Ant.	Telephone (repealed)	Telecomm. (repealed)	Electric & Power Cos.	Gas	Gas, Electric & Steam	Water (repealed)	Telegraph & Cable (repealed)	Railroad Car Co's.	Steam Railroad Co's.	Express Co's.
1972	0	26,645		4,553	3,451	16,222	1,965	28.8	12	37	2.1
1973	9	30,810		5,838	3,838	18,997	2,135	30.5	14	45	2.0
1974	91	34,903		6,466	3,858	20,679	2,227	472.0	15	26	2.0
1975	119	37,119		9,603	4,804	28,403	2,378	249.8	10	61	0
1976	553	40,996		10,535	5,556	32,268	2,592	154.4	6	47	0
1977	971	45,131		17,547	10,981	52,049	4,323	155.3	8	71	0
1978	1,468	46,734		12,526	8,667	35,363	3,217	157.5	11	122	0
1979	2,028	57,185		13,877	6,989	38,873	3,347	174.5	11	92	0
1980	2,748	62,395		18,699	10,186	48,228	3,755	204.0	12	31	0
1981	3,490	70,962		23,692	12,574	61,640	2,675	216.9	11	9	0
1982	5,634	95,620		25,716	16,619	70,828	3,542	232.9	10	0.10	0
1983	6,947	114,467		24,632	17,624	76,037	3,969	223.4	8	0.08	0
1984	13,502	114,141		28,476	17,362	82,554	3,605	178.2	6	0.14	0
1985	14,409	135,318		30,118	17,450	87,345	5,857	171.8	5	0.15	0
1986	16,743	124,701		27,604	15,964	79,076	5,184	157.2	1	0.12	0
1987	16,613	97,845	19,818	25,725	13,926	73,684	5,483	126.9	0	0.18	0
1988	21,611	73,514	27,690	27,035	15,001	83,439	6,378	115.1	0	0.14	0
1989	24,123	71,781	28,395	27,594	15,203	88,500	7,345	94.6	0	0.08	0
1990	29,927	74,966	25,603	29,495	27,113	85,191	5,975	104.0	0	0.50	0
1991[1]	16,230	0	16,605	32,122	26,752	83,892	6,460	65.5	0	0.10	0
1992	16,479	3,467	17	31,180	30,264	93,414	6,049	9.9	0	0.20	0
1993	18,389	0	0	32,683	33,432	92,704	7,948	0	0	0.20	0
1994	18,316	0	177	32,695	35,171	93,511	7,770	0	0	0.10	0
1995	21,116	0	10	31,388	32,912	92,119	7,699	0	0	298	0
1996	18,743	0	5	31,553	35,899	97,173	8,355	0	0	239	0
1997	20,515	0	0	28,849	33,523	88,289	8,090	0	0	101	0
1998[2]	23,897	0	0	26,775	29,591	89,769	278	0	0	109	0
1999	23,260	0	0	27,907	29,375	87,007	4	0	0	152	0
2000	24,699	0	0	28,376	32,858	80,114	0	0	0	216	0
2001	28,640	0	0	27,865	50,592	73,394	0	0	0	56	0
2002	29,668	0	0	30,883	31,181	74,762	0	0	0	103	0
2003	45,516	0	0	31,408	43,258	77,700	0	0	0	78	0
2004	38,493	0	0	28,427	48,064	80,389	0	0	0	272	0
2005	41,174	0	0	47,352	40,766	69,426	0	0.0	0	102	0

[1] The tax on regulated and nonregulated telecommunications service was repealed 1/1/90.

[2] The tax on private water companies was repealed 7/1/97.

Source: Comparative Statement of State Tax Revenue in Connecticut, Department of Revenue Services, various years.

## Real Estate Conveyance Tax Collections and Growth Rates FY 85 - FY 05



**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

**Real Estate Conveyance Tax**

	Revenue (000,000)	Tax Changes	Non- recurring	Actual %	Adjusted %
FY72					
FY73					
FY74					
FY75					
FY76					
FY77					
FY78					
FY79					
FY80					
FY81					
FY82					
FY83					
FY84	37.6	37.7	0.0		
FY85	49.3	0.0	0.0	31.3	31.3
FY86	71.9	0.0	0.0	45.8	45.8
FY87	93.7	(3.3)	0.0	30.4	35.0
FY88	76.8	(3.4)	0.0	(18.1)	(14.5)
FY89	65.6	0.0	0.0	(14.6)	(14.6)
FY90	59.7	26.0	0.0	(8.9)	(48.6)
FY91	49.1	0.0	0.0	(17.8)	(17.8)
FY92	51.2	0.0	0.0	4.3	4.3
FY93	54.3	0.0	0.0	6.1	6.1
FY94	61.0	0.0	0.0	12.3	12.3
FY95	63.3	0.0	0.0	3.8	3.8
FY96	65.1	0.0	0.0	2.8	2.8
FY97	75.1	0.0	0.0	15.4	15.4
FY98	93.6	0.0	0.0	24.6	24.6
FY99	106.8	0.0	0.0	14.1	14.1
FY00	114.6	(0.1)	0.0	7.3	7.4
FY01	112.3	0.0	0.0	(2.0)	(2.0)
FY02	120.7	0.0	0.0	7.5	7.5
FY03	149.3	2.5	0.0	23.7	21.6
FY04	176.7	0.0	0.0	18.4	18.4
FY05	207.9	1.3	0.0	17.7	16.9

## REAL ESTATE CONVEYANCE AND STOCK TRANSFERS TAX

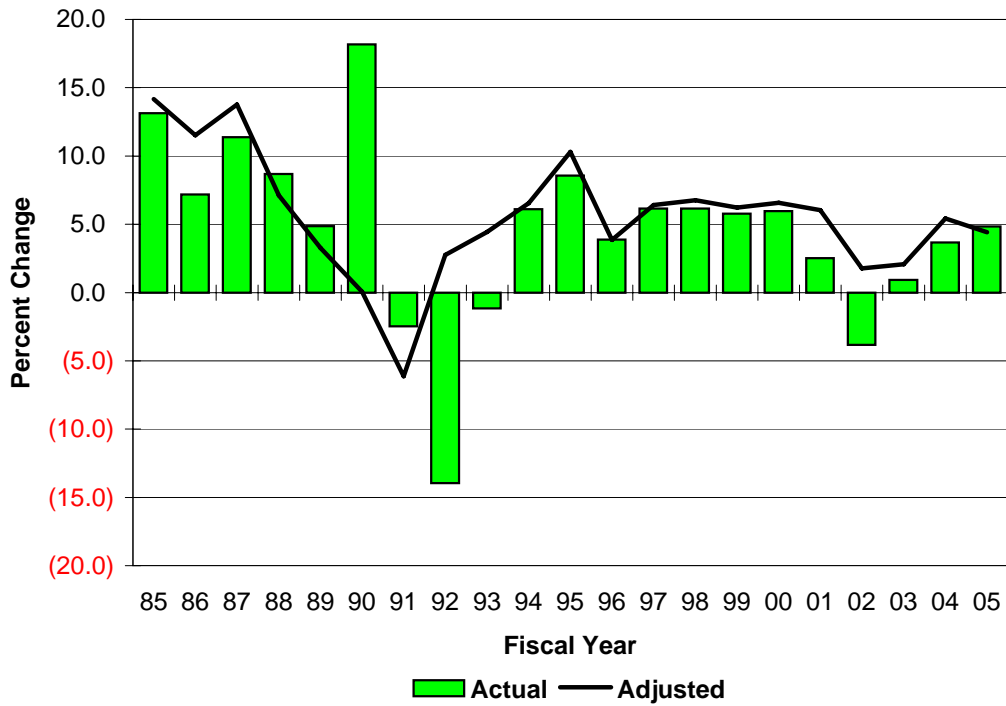
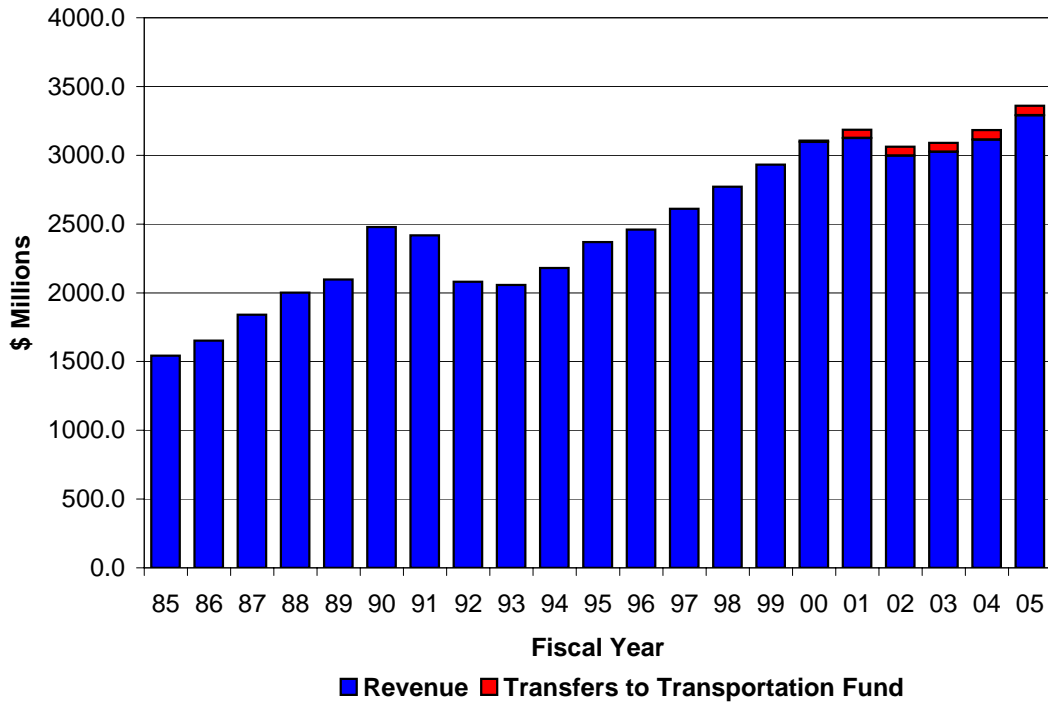
Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
1984	\$37.6	0.5%	The tax became effective on 7/1/83. The tax rate is one-half of one percent (or \$5 per \$1,000) and is levied on the selling price of real estate. The tax is payable by the seller. Exemptions: Real estate conveyances within Enterprise zones.
1985	\$49.3	0.5	Exemptions: (a) Conveyances by recipients of elderly tax relief for homeowners (7/1/85) (b) Conveyances which occur as a result of a superior court decree and transfers in which no consideration is offered. Base Increase: Resale of mobile homes from 10/1/85 to 6/30/86.
1986	\$71.9	0.5	
1987	\$93.7	0.45	The resale of mobile manufactured homes located in mobile home parks or single-family lots are subject to tax (7/1/86).  Rate Decrease: PA 86-397 reduced the rate from .5% to .045% effective 1/1/87.
1988	\$76.8	0.45	Base Decrease: Tax is eliminated for conveyances valued at less than \$2,000 (7/1/87).
1989	\$65.6	0.45	Rate Increase: Residential and vacant land sales: .5% on portion of purchase price below \$800,000 and 1.0% for portion above \$800,000. Nonresidential land sales: 1.0% Base Increase: Controlling Interest Transfer Tax - 1.0% tax on the value of real property when controlling interest is transferred through the sale of stock
1990	\$59.7	.5-1.0	
1991	\$49.1	.5-1.0	Base Decrease: PA 90-315 - Real property transfers between affiliated federally tax-exempt corporations are exempt if one corporation owns the other or a third entity owns both (7/1/90)
1992	\$51.2	.5-1.0	PA 91-356 - Rate reduced from 1% to 0.5% on transfers to regulated lending institutions of property worth more than \$800,000 when mortgage is at least 6 months delinquent. (effective 7/1/91)  PA 91-403 - Transfers between certain tax-exempt corporations are exempt. Transfers to nonprofit organizations which hold land in trust for conservation and recreational purposes is also exempt. (eff 7/1/91).

## REAL ESTATE CONVEYANCE AND STOCK TRANSFERS TAX

Fiscal Year	Revenues (Millions \$)	Rate	Base Changes
1993	\$54.3	.5-1.0	PA 92-57 - The 0.5% rate on transfers to regulated lending institutions for property at least 6 months delinquent is extended to subsidiaries of these institutions. (effective 7/1/92)
1994	\$61.0	.5-1.0	
1995	\$63.3	.5-1.0	
1996	\$65.1	.5-1.0	PA 95-62 - This act exempts conveyance of burial rights in cemeteries from the real estate conveyance tax.
1997	\$75.1	.5-1.0	
1998	\$93.6	.5-1.0	
1999	\$106.8	.5-1.0	PA 98-244 - This act eliminates the ownership or control requirement in regards to transfers between certain tax-exempt affiliated corporations.
2000	\$114.6	.5-1.0	PA 99-173 - Farm land development rights sold to the State under farmland preservation program are exempted.
2001	\$112.3	.5-1.0	PA 00-140 - Exempt deeds of property for the Adrian's Landing site or the stadium facility site.
2002	\$120.7	.5-1.0	
2003	\$149.3	.5-1.0	
2004	\$176.7 Unaudited	.5-1.0	PA 03-1 JSS expressly applies the controlling interest transfer tax to: (1) the sale or transfer of interest in an entity that interest in real property is worth \$2,000 or more, and (2) a property transfer whether it occurs in one transaction or a series, and whether it involves one seller or a group.
2005	\$208.0 Unaudited	.5-1.0	PA 04-154 - Exempts real estate transactions executed under an employee relocation plans as a single transaction for real estate tax purposes.
2006	\$175.5 Budget Act	.5-1.0	
2007	\$166.7 Budget Act	.5-1.0	

Note: The tax is collected by towns and remitted to the state monthly.

## Sales and Use Taxes Collections and Growth Rates FY 85 - FY 05



**Adjusted for Legislative Base and Rate changes.  
Estimates made at time legislation was adopted.**

	Sales			Actual	Adjusted
	Revenue (000,000)	Tax Changes	Non- recurring	%	%
FY72	358.4	64.0	0.0		
FY73	465.9	64.9	0.0	30.0	11.9
FY74	451.4	(55.2)	0.0	(3.1)	8.7
FY75	425.5	(27.4)	0.0	(5.7)	0.3
FY76	542.9	97.4	1.3	27.6	4.4
FY77	583.7	(28.5)	0.0	7.5	13.0
FY78	654.2	(4.1)	0.0	12.1	12.8
FY79	742.8	(8.7)	0.0	13.5	14.9
FY80	808.9	(0.3)	0.0	8.9	8.9
FY81	932.7	79.2	0.0	15.3	5.5
FY82	1,014.6	(0.1)	0.0	8.8	8.8
FY83	1,123.1	4.1	0.0	10.7	10.3
FY84	1,362.9	44.0	0.0	21.4	17.4
FY85	1,542.0	(14.0)	0.0	13.1	14.2
FY86	1,652.6	(67.1)	0.0	7.2	11.5
FY87	1,840.6	(39.6)	0.0	11.4	13.8
FY88	2,000.3	28.8	0.0	8.7	7.1
FY89	2,097.6	19.7	12.0	4.9	3.3
FY90	2,479.0	392.0	0.0	18.2	0.1
FY91	2,417.8	90.5	0.0	(2.5)	(6.1)
FY92	2,080.2	(381.0)	(23.3)	(14.0)	2.8
FY93	2,056.2	(138.5)	(2.3)	(1.2)	4.4
FY94	2,181.5	(22.8)	11.1	6.1	6.5
FY95	2,368.1	(13.8)	(12.2)	8.6	10.3
FY96	2,460.1	(6.7)	(5.5)	3.9	3.9
FY97	2,611.5	(5.6)	(6.5)	6.2	6.4
FY98	2,772.1	(18.8)	(4.1)	6.1	6.8
FY99	2,932.2	(14.2)	(2.5)	5.8	6.2
FY00	3,106.8*	(37.4)	16.6	6.0	6.6
FY01	3,185.2*	(87.0)	(4.2)	2.5	6.0
FY02	3,063.0*	(180.7)	(2.3)	(3.8)	1.8
FY03	3,091.2*	(37.6)	0.0	0.9	2.1
FY04	3,204.3*	(74.3)	20.0	3.7	5.4
FY05	3,359.7*	15.6	19.2	4.8	4.4

\*Gross before transfers to Transportation Fund.



## SALES AND USE TAX

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
1972	358.4	6.5%	Sales tax on utilities services (first \$20 exempt) (\$6.9 million revenue gain). Exempt: Needles and syringes and flyable aircraft manufactured in the state.
1973	465.9	7.0%	Sales tax exemption on utility services lowered to \$10 (\$20.6m)
1974	451.4	6.5%	
1975	425.5	6.0%	Repealed: Sales Tax on utility services
1976	542.9	7.0%	Renting or leasing business tangible personal property and services added to base
1977	583.7	7.0%	Tax rate on business services and manufacturing machinery reduced to 3.5 from 7.0%
1978	654.2	7.0%	1) Tax rate on manufacturing machinery reduced to 2.5% from 3.5% 2) Tax rate on farm machinery reduced to 2.5% from 7.0%. 3) Exempt: sales of solar collectors (until 9/30/82).
1979	742.8	7.0%	1) The 2.5% tax on manufacturing or farm machinery is repealed. 2) Qualifying municipalities may retain 4.5% of the 7% state sales tax collected on hotel or lodging house receipts. Under prior law, one-half of the amusement tax receipts collected on the sale of admission tickets was retained by municipalities. The addition of the sales tax provision allows the municipality the option of retaining amusement tax receipts or sales tax receipts. 3) Exemption for newspapers circulated without charge.
1980	808.9	7.0%	<b>Exemptions:</b> a) Sale of walkers for use by invalids or handicapped. b) Sales of tangible personal property and services to senior citizen centers. c) Motor vehicles driving service related to driving outside the state. d) Solar energy systems. e) Computer programming, sign construction, photofinishing, duplicating and photocopying (tax is applied to ultimate product of such services). f) Motor fuel for van pool vehicles and high-occupancy commuter vehicles.
1981	932.7	7.5%	1) Cigarettes added to tax base. 2) Exempt: Special equipment used by deaf or blind in communicating by telephone.
1982	1,015.0	7.5%	1) Municipalities may form a district of at least 85,000 in population, establish a convention and visitors commission, and receive a portion of sales tax collections on lodging (approximately 4.5%) \$50,000 (A description of these commissions is included in this section). <b>2) Exemptions:</b> a) Replacement parts for machinery for firms located in enterprise zones. b) Sale of boats and ancillary equipment used for commercial fishing. c) Sales of services for testing health consequences of consuming a product. d) Purchase of aircraft held for resale and used for other than retention, demonstration or display. (Gross receipts from air taxi and flight instruction are subject to tax)
1983	1,123.1	7.5%	1) A municipal district's share of sales tax receipts from hotels and lodging is reduced from 4.5% to 1.5% <b>2) Exemptions:</b> a) An exemption is provided for materials and equipment sold to radio or television stations when used directly in the productions and transmission of programs to the public (10/1/82)

**SALES AND USE TAX**

<b>Fiscal Year</b>	<b>Gross Revenue (\$Millions)</b>	<b>Rate</b>	<b>Base Changes</b>
			<ul style="list-style-type: none"> <li>b) Any vessel transferred to the owner of a business from that business is exempt from tax if last sale was subject to tax.</li> </ul> <p><b>3) Exemptions Repealed:</b></p> <ul style="list-style-type: none"> <li>a) Seed and fertilizer not used in agricultural production (4/1/83)</li> <li>b) Definition for meals under \$1.00 (4/1/83)</li> <li>4) Definition of a retailer liable for collection and payment of tax is clarified.</li> <li>5) Any corporate officer responsible for filing and paying taxes due is personally liable for willful nonpayment of taxes</li> </ul>
1984	1,362.9	7.5%	<ul style="list-style-type: none"> <li>1) Tax rate on business services increased to 7.5 from 3.5 (8/1/83)</li> <li>2) Retailers are entitled to a credit on items when a partial return is given</li> </ul> <p><b>3) Exemptions:</b></p> <ul style="list-style-type: none"> <li>a) Gold or silver bullion or the legal tender of any nation are exempt if total purchases exceeds \$1,000</li> <li>b) Vessels brought into state between October 1 and April 30 exclusively for storage, maintenance or repair</li> </ul>
1985	1,542.0	7.5%	<p><b>Exemptions:</b></p> <ul style="list-style-type: none"> <li>a) Exemption for renewable energy systems is extended to FY 1986 (7/1/84)</li> <li>b) Companies which voluntarily contract with a firm to clean up hazardous waste site are exempt from services tax (7/1/84)</li> <li>c) Home delivered meals to elderly, disabled and homebound individuals (7/1/84)</li> <li>d) Clothing less than \$50 enacted during the 1985 session but effective 4/1/85</li> </ul>
1986	1,652.6	7.5%	<p><b>1) Exemptions:</b></p> <ul style="list-style-type: none"> <li>a) Clothing less than \$50 (4/1/85)</li> <li>b) Clothing less than \$75 (10/1/85)</li> <li>c) Sales of non-prescription drugs (7/1/85)</li> <li>d) Sales of seeds and fertilizer (4/1/86)</li> <li>e) The value of construction equipment or machinery used in trade-ins is allowed as a deduction for purposes of determining the price subject to tax (10/1/85)</li> <li>f) The leasing or rental of motion pictures for display at a theater (7/1/85)</li> <li>g) Sales of renewable energy source systems is extended from 7/1/86 to 7/1/91.</li> <li>h) From 10/1/85 to 6/30/86 the resale of mobile manufactured homes will be subject to real estate conveyance tax instead of sales tax</li> <li>i) The price of items exempt from the tax is increased from \$2 to \$5, when sold by schools or charitable organizations to support youth activities (7/1/85)</li> </ul> <ul style="list-style-type: none"> <li>2) Rate reduction: Aviation fuel is reduced from 7.5% to 2% for sales occurring between 7/1/85 and 6/30/87</li> <li>3) Base Increase: Sale of new mobile manufactured homes 12 or more feet wide (10/1/85 to 6/30/86)</li> </ul>
1987	1,840.6	7.5%	<p><b>1) Exemptions and base reductions:</b></p> <ul style="list-style-type: none"> <li>a) Meals under \$2 are exempt (7/1/86)</li> <li>b) Cloth and fabric for non-commercial sewing and used in making clothing are exempt (7/1/86)</li> <li>c) Disposable pads (adult diapers) are exempt (7/1/86)</li> <li>d) Diabetic required testing equipment (test strips, lancets, and glucose monitoring equipment) are exempt (7/1/86)</li> <li>e) First \$2,500 of funeral expenses are exempt (7/1/86)</li> <li>f) Sales under \$15 by non-profit nursing or convalescent home gift shops are exempt (7/1/86)</li> </ul>

**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>g) Services provided by corporations participating in a joint venture, and related to the production or development of new or experimental products or systems are exempt. The exemption is permitted for up to 10 years. (7/1/86)</li> <li>h) Refund for repair and replacement parts which are used directly in a manufacturing or agricultural production process. The total refund per year per firm may not exceed \$7,500 (1/1/86)</li> <li>i) Items purchased with federal food stamps are exempt (10/1/86)</li> <li>j) Sales taxes collected at Bradley from sale of aviation fuel is transferred to the Bradley Airport Revenue Fund from the General Fund (7/1/86)</li> </ul>
			<ul style="list-style-type: none"> <li>2) The rate for repair or replacement parts for machinery used directly in a manufacturing or agricultural production process is reduced from 7.5% to 5%.</li> <li>3) The taxable basis for new mobile manufactured homes is reduced from 100% to 70% of the manufacturer's sales price. (7/1/86)</li> </ul>
1988	2,000.4	7.5%	<p><b>Exemptions and base reductions:</b></p> <ul style="list-style-type: none"> <li>a) Aviation Fuel used in experimental testing of any product is exempt (7/1/87)</li> <li>b) Non-alcoholic beverages are included within the definition of meals for purposes of the exemption for meals costing less than \$2.00 (7/1/87)</li> <li>c) Sales of eye medications are exempt (7/1/86)</li> <li>d) The exemption for sales at non-profit nursing homes, convalescent homes or adult day care centers is increased from items costing less than \$15 to items costing less than \$100 (7/1/87)</li> <li>e) Sales of ambulances operating under a certificate or license issued by the Office of Emergency Medical Services are exempt (4/1/87).</li> <li>f) An exemption is provided for business services to a company that is 100% owned or between companies that are both 100% owned by another company. The exemption covers transactions during the period 7/1/82 through 6/30/88. Companies having paid the tax will be allowed to file for a refund (Passage).</li> <li>g) The tax on the services of collection agencies is eliminated (7/1/87).</li> </ul>
1989	2,097.6	7.5%	<ul style="list-style-type: none"> <li>1) The state may collect revenue from out-of-state mail order houses, in the event that Federal legislation over turns the Bellas-Hess decision.</li> <li>2) The sunset provision for the exemption for business services provided between affiliated companies is eliminated.</li> </ul>
1990	2,479.0	8.0%	<ul style="list-style-type: none"> <li>1) The exemption for meals under \$2 is eliminated</li> <li><b>2) Base Increases:</b> <ul style="list-style-type: none"> <li>a) The tax is imposed on natural gas, electricity and oil provided to businesses. Utilities used in manufacturing and agriculture are excluded. An exemption is provided for the first \$150 per month of electrical usage.</li> <li>b) The enumerated services base was expanded.</li> <li>c) The tax was imposed on telecommunications services.</li> <li>d) The tax was imposed on community antenna. (1/1/90)</li> </ul> </li> </ul>
1991	2,417.8	8.0%	<p><b>1) Exemptions and base decreases: (effective 7/1/90)</b></p> <ul style="list-style-type: none"> <li>a) Consignment fees on sales of art works or clothing are exempt.</li> <li>b) Lodging at facilities operated by nonprofit charities are exempt.</li> <li>c) Environmental-maintenance equipment used in computer disk production are exempt.</li> <li>d) The price of items exempt from the tax is increased from \$5 to \$20, when sold by schools or charitable organizations to support youth activities.</li> <li>e) Materials and equipment used for medical or surgical training program production and transmission are exempt.</li> </ul>

**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>f) Molds, dies, patterns and sand-handling equipment used in metal casting sold after 4/1/85 are exempt.</li> <li>g) The definition of consulting services is narrowed.</li> <li>h) Cash-basis taxpayers may claim a credit for sales occurring after 7/1/89 if the account receivable is deemed worthless. (effective upon passage)</li> <li>2) Out-of-state retailers owned or controlled by a firm owning an in-state business in a similar type of business are required to collect the tax (7/1/90)</li> </ul>
1992	2,080.2	6.0%	<p><b>1) Exemptions and base decreases: (effective 10/1/91)</b></p> <p>(eff. 10/1/91)</p> <ul style="list-style-type: none"> <li>a) Architectural, building engineering, planning or design services, including landscape architecture</li> <li>b) Interior decorating and design services</li> <li>c) Direct mail advertising services</li> <li>d) Commercial trucks with over 26,000 lbs gross vehicle weight or used exclusively for interstate freight transport</li> <li>e) Component parts used in manufacturing processes</li> <li>f) Materials and equipment used in a printing process</li> <li>g) Equipment associated with operating natural gas-powered vehicles purchased between 10/1/91 and 1/1/93</li> <li>h) Property management services: 95% of the amount charged for separately-stated compensation, fringe benefits, workers' compensation, and payroll taxes and assessments paid on behalf of employees is excluded from the definition of sales price, applicable to sales made on or after 1/1/86</li> </ul> <p><b>2) Base Increase: (effective 10/1/91)</b></p> <ul style="list-style-type: none"> <li>a) Amusement &amp; recreation services</li> <li>b) Boat slip rentals for noncommercial vessels</li> <li>c) Extended warranties</li> <li>d) International phone calls</li> <li>e) 900 phone calls</li> <li>f) House painting &amp; wallpapering services</li> <li>g) Miscellaneous personal services</li> <li>h) Motor vehicle repairs to consumers</li> <li>i) Motor vehicle parking except seasonal lots</li> <li>j) Paving services to consumers</li> <li>k) Roofing, siding &amp; sheet metal working services</li> <li>l) Tax preparation services</li> <li>m) Transportation services except taxis</li> <li>n) Used vehicles taxed at book value</li> </ul> <p><b>3) Rate Change: (effective 10/1/91)</b></p> <ul style="list-style-type: none"> <li>a) Hotel rooms taxed at 12%</li> <li>b) Boats taxed at the lesser of Connecticut or destination state</li> <li>4) Other: Taxpayers may use cash basis accounting if they use it for federal purposes (effective 10/1/91)</li> </ul>
1993	2,056.2	6.0%	<p><b>1) Exemptions and base reductions: (effective 7/1/92 unless noted)</b></p> <ul style="list-style-type: none"> <li>a) Amusement &amp; recreation services subject to Admissions or Dues Taxes are exempt</li> <li>b) Receipts from parking lots owned or leased by employers for sole use by their employees are exempt</li> <li>c) Dance lesson services are exempt</li> <li>d) Land surveyor services are exempt</li> <li>e) Receipts from commercial passenger vehicles carrying more than 16 people are exempt</li> </ul>

**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>f) Special equipment installed in autos for physically disable persons are exempt</li> <li>g) Returnable containers used for dairy products are exempt</li> <li>h) Bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil used in vessels displacing more than 4,000 tons of dead weight are exempt</li> <li>i) Licensed massage therapist services are exempt (license program begins 7/1/93)</li> <li>j) Aviation fuel is exempt from the tax at 2.5%</li> <li>k) Aviation repair parts and service are exempt (effective 7/1/93)</li> <li>l) The property management service exemption for employee salaries, fringe benefits, etc. is changed from 95% to 100%</li> <li>m) Exemption for commercial fishing vessels and equipment is broadened to cover vessels with coastwise fishing certificates from US Coast Guard (eff 10/1/92)</li> <li>n) Computer and data processing services rendered by retailer who acquired the data processing facility after 7/1/91 from customer receiving services are exempt. (eff 7/1/93)</li> <li>o) The manufacturing exemption is broadened.</li> <li>p) Out-of-state boat purchasers are required to sign an affidavit regarding residency to be able to pay the lower of the CT or the destination state's rate</li> </ul> <p><b>2) Base Increase: (effective 7/1/92 unless otherwise noted)</b></p> <ul style="list-style-type: none"> <li>a) Tax on recreation &amp; amusement services is expanded to include participative sports, except swimming, provided to persons over age 19 by government, nonprofit hospitals and charitable or religious organizations</li> <li>b) Golf services at municipally-owned golf courses are taxable after 1/1/93</li> <li>c) Use Tax is imposed on raw materials used in building components assembled out of state but used in state.</li> <li>d) The 12% Room Occupancy Tax is applied to campgrounds (effective 7/1/93)</li> </ul>
1994	2,181.5	6.0%	<p><b>1) Exemptions and base reductions: (effective 1/1/94 unless noted)</b></p> <ul style="list-style-type: none"> <li>a) Amusement and recreation services are exempt</li> <li>b) Apnea monitors are exempt</li> <li>c) Repairs to hearing aids are exempt</li> <li>d) Car wash services are exempt</li> <li>e) Wigs or hairpieces for permanent hair loss due to disease are exempt</li> <li>f) Winter boat storage from 11/1 to 4/30 is exempt</li> <li>g) Sales under \$100 by long-term care facilities are exempt</li> <li>h) Auction services for wholesale auto auctions are exempt</li> <li>i) Airport valet parking services are exempt</li> <li>j) Sales of commercial motor vehicles which derive 75% of their revenue from out-of-state trips are exempt</li> <li>k) Sales to UConn Educational Properties, Inc for use at the technology park are exempt</li> <li>l) Landscaping and horticultural services, window cleaning and maintenance services provided to disabled persons are exempt</li> <li>m) Equipment used to transmit films or tapes of accredited medical or surgical training are exempt</li> <li>n) Tax preparation services to businesses are exempt (effective 1/1/95)</li> <li>o) Sales to nonprofit organizations which are partially funded by the state or a municipality are exempt</li> <li>p) Public and private campground rentals are excluded from the tax (eff 7/1/93)</li> <li>q) Sales to nonprofit nursing homes, rest homes and homes for the aged are exempt</li> </ul>

**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes														
			<ul style="list-style-type: none"> <li>r) Employee compensation for long-term leasing services, but not temporary employment services, are exempt (effective 7/1/93)</li> <li>s) The agricultural exemption is broadened to include contract farmers (eff 10/1/93)</li> <li>t) Equipment, tools and materials used exclusively in the manufacture of optical lenses are exempt (effective 7/1/93)</li> <li>u) Sample drugs available by prescription, given to physicians for no consideration are exempt, effective 1/1/90</li> <li>2) Base Expansion: Freight and delivery charges must be included in the sales price for the purpose of calculating tax liability (effective 7/1/93)</li> <li>3) Business analysis, management or managing consulting services rendered by general partners to a limited partnership are taxable under certain circumstances</li> <li>4) PA 93-44 imposed the sales tax on hospital patient care services and earmarked the revenues to the Uncompensated Care Pool Fund effective 4/23/93.</li> </ul>														
1995	2,368.1	6.0%	<p><b>1) Exemptions and base reductions: (effective 7/1/96 unless noted)</b></p> <ul style="list-style-type: none"> <li>a) Hazardous waste removal services (effective 7/1/89)</li> <li>b) Environmental consulting services (effective 7/1/89)</li> <li>c) Health Clubs (effective 1/1/95)</li> <li>d) Compensation for general partners</li> <li>e) Puzzle magazines</li> <li>f) Manufacturing quality control and testing equipment</li> <li>g) Tax preparation services</li> <li>h) Auctioneer services</li> <li>i) Safety apparel</li> <li>j) Sales to private water companies</li> <li>k) Aircraft trade-ins</li> <li>l) The tax on computer and data processing services is phased out as follows:</li> </ul> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Effective Date</th> <th style="text-align: left;">Tax Rate</th> </tr> </thead> <tbody> <tr> <td>7/1/96</td> <td>5%</td> </tr> <tr> <td>7/1/97</td> <td>4%</td> </tr> <tr> <td>7/1/98</td> <td>3%</td> </tr> <tr> <td>7/1/99</td> <td>2%</td> </tr> <tr> <td>7/1/00</td> <td>1%</td> </tr> <tr> <td>7/1/01</td> <td>eliminated</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>2) PA 94-21 Sale of services for resale is exempt from the sales tax if the services are an integral, inseparable component part of a service that the purchaser subsequently resells to a consumer.</li> <li>3) PA 94-82 Business services provided between affiliates participating in the implementation of the community economic development program established by PA 93-404 are exempted from the tax.</li> <li>4) PA 94-9 Maintains the sales tax on hospital patient care services, but effective 4/1/94, the revenue is to be deposited in the General Fund.</li> </ul>	Effective Date	Tax Rate	7/1/96	5%	7/1/97	4%	7/1/98	3%	7/1/99	2%	7/1/00	1%	7/1/01	eliminated
Effective Date	Tax Rate																
7/1/96	5%																
7/1/97	4%																
7/1/98	3%																
7/1/99	2%																
7/1/00	1%																
7/1/01	eliminated																
1996	2,460.1	6.0%	<p>PA 95-160 makes the following modifications:</p> <p><b>1) Exemptions and base reductions: (effective 7/1/97 unless noted)</b></p> <ul style="list-style-type: none"> <li>a) Repair Services for hearing aids (7/1/95)</li> <li>b) Sales for certain computer and data processing services and equipment (7/1/95)</li> <li>c) Rare and antique coins (7/1/96)</li> <li>d) Fuel for interstate vessels</li> <li>e) Sales to Conn. Resource Recovery Authority</li> </ul>														

**SALES AND USE TAX**

**Fiscal Year**    **Gross Revenue (\$Millions)**    **Rate**

**Base Changes**

- f) Services for off-duty police officers at construction sites
- g) Parking at municipal-owned railroad facilities in Clear Air Act nonattainment areas
- h) Electrologist services (PA 01-109 changed the term from hypertrichologist to electrologist.)
- i) Book sales at library support groups
- j) Remove \$5 limit on municipal publications and person property sold by libraries
- k) Food sold in vending machines
- l) Sales of motion picture & video production and sound recording equipment and film, record or video production.

**2) Delays exemptions following categories: (New effective date 7/1/97)**

- a) Tax preparation services
- b) Auctioning services
- c) Sales of safety apparel
- d) purchases by private water companies
- e) Aircraft trade-ins
- f) Phase out of tax on computer and data processing services

PA 95-327 creates an exemption for trade-in allowances on remanufactured core components for trucks with gross vehicle rating of 26,000 pounds.(eff. 7/1/95)

PA 95-359 contains the following provisions:  
The exemption for the sale of oxygen, blood, or blood plasmas expanded to include medical use in animals. (eff. 7/1/95)

Permits the transfer a farmer's tax permit to a new purchasing owner(s). (eff. 7/1/95)

Establishes a limit of one year after purchase, during which vehicles must be used for exempt purposes under the Sales and Use Tax exemptions for (1) commercial trucks and tractor trailers and (2) commercial vehicles and buses deriving 75% of their revenue from out-of-state trips.

Clarifies the definition of charitable and religious organizations for sale and use tax exemptions.

PA 95-294 imposes a 3% surcharge on motor vehicles rented for less than 31 days. The surcharge is to be used to pay property taxes, and licensing and titling fees on rented motor vehicles. Any excess revenue after these expenses have covered by a municipality must be remitted for deposit into the State's General Fund.

PA 95-260 exempts sales of motor vehicles that have been declared a total loss by the insurance company and subsequently rebuilt by the owner, who was the same owner subject to the vehicle's last taxable sale. (eff. 7/1/95)

1997    2,611.5    6.0%

PA 96-252 exempts the sales of machinery, equipment, tools, materials, supplies and fuel purchased by biotechnology technology companies. (eff. 7/1/96)

PA 96-253 exempts banks, insurers, and investment companies from paying the sales and use tax if all of their business is outside the United States, and if the company's headquarters is located within a special export zone in Hartford.

PA 96-232 reduces the rate on repairs or maintenance services on all form of water transportation, except seaplanes by the following schedule.

**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes	New Rate
			<u>Period</u>	
			July 1, 1997 to July 1, 1998	4%
			July 1, 1998 to July 1, 1999	2%
			Beginning on July 1, 1999	Exempt

PA 96-104 exempts services provided by out-of-state printing companies whose only activities in the state are related to a contract with in-state commercial printers to print and distribute printed material.

PA 96-172

- 1) extends to motor buses the exemption for the trade-in allowance on remanufactured truck core parts and components for certain large trucks to motor buses.
- 2) exempts machinery, equipment, tools, and materials used exclusively in commercial processing of photographic film and paper.

PA 96-165 extends the exemption on transportation services to include livery services, including limousine and sedan car services. A federal law terminating the Interstate Commerce Commission (PL 104-88) prohibits states from taxing interstate transportation services.

PA 96-139 made technical change on the effective date of the phase-down of sales tax on data processing equipment enacted by PA 95-160.

1998     2,772.1     6.0%

- PA 97-315 with PA 97-243 and PA 97-4 (June 18, 1997 Special Session)
- 1) allocates \$150,000 from fiscal year 1997-98 lodging tax revenue to the Connecticut Film, Video and Media Office.
  - 2) extends the sales tax exemption to services provided to any low- and moderate-income housing facility sponsored by a Mutual Housing Association at a site conveyed to it by the US Department of Housing and Urban Development before Sept 1, 1995.

PA 97-243 extends the exemption for services provided to MHA-sponsored facilities to sales occurring on or after September 1, 1995. PA 97-4 (June 18, 1997 Special Session) extends the sales tax exemption for certain services in construction, renovation, but not operation, of low- and moderate-income housing facilities retroactively to Jan 1, 1997)

PA 97-316 makes the following modifications:

**1) Exemptions and base reductions: (effective 7/1/97 unless noted)**

- a) services and tangible personal property sold to solid waste-to-energy facilities
- b) services and tangible personal property sold to tourism districts facilities applicable to sales occurring on or after May 28, 1996
- c) sales of vegetable seeds and yarn for non-commercial use
- d) sales, storage, use rental or lease of broadcast equipment used by television or radio stations
- e) sales of personal property by non-profit organizations at bazaars, fairs, picnics, and tax sales to the extent of five such events of a day's duration held during any calendar year
- f) sale of tangible personal property by historical societies
- g) sales of personal property and services by the Connecticut Development Authority
- h) computer and data processing services rendered in connection with the World Wide Web
- i) expand the exemption for services provided by off-duty police officers from just limited to construction sites and add the services of off-duty firefighters



**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>j) exclude from the sales tax the amount charged for separately-stated compensated, fringe benefits, workers' compensation and payroll taxes or assessments paid to or on behalf of leased employees</li> <li>k) extend the sales tax exemption for oxygen equipment purchased or leased for the use by veterinarians on animals</li> <li>l) exempt the sale, use or storage of aircraft with a maximum takeoff weight of 6,000 pounds or more</li> <li>l) extend the sales tax exemption for aircraft replacement parts and services to all aircraft with a certified maximum takeoff weight of 6,000 pounds or more</li> </ul> <p>PA 97-309 Nexus Investigation Project (DRS). Funding was provided to enhance tax compliance on non-resident and out-of-state businesses.</p> <p>PA 97-243 makes the following modifications:  <b>1) Exemptions and base reductions: (effective 7/1/97 unless noted)</b> <ul style="list-style-type: none"> <li>a) creates an exemption for property purchased by a business person or entity to be delivered out of state or to be incorporated into property that will be delivered out of state</li> <li>b) phases out the use tax on computer and data processing services to be consistent with the existing phase-out of the sales tax on these services.</li> <li>c) extends the exemption for services provided to MHA-sponsored facilities to sales sales occurring on or after September 1, 1995.</li> <li>d) makes various technical changes to the sales and use tax.</li> </ul> </p> <p>PA 97-2 exempts the CT Children's Hospital from the hospital sales tax imposed on hospital patient care services.</p>
1999	2,932.2	6.0%	<p>PA 98-128 transfers Sales Tax collected by the Department of Motor Vehicle on motor vehicle sales between individuals to the Transportation Fund of amounts of \$10 million in FY 00, \$20 million in FY 01, \$30 million in FY 02 and \$40 million in FY 03 and thereafter.</p> <p>PA 98-110 makes the following modifications:  <b>1) Exemptions and base reductions: (effective 7/1/98 unless noted)</b> <ul style="list-style-type: none"> <li>a) exempts newspapers sold over the counter</li> <li>b) exempts trade-ins of like kind</li> <li>c) exempts coupons and discounts from subject to the sales tax</li> <li>d) exempts state mandated deposits</li> <li>e) exempts repair and replacement parts effective 1/1/99.</li> <li>f) exempts shipping charges for tax exempt items</li> </ul> </p> <p>PA 98-262 extends the three year limit for crediting a retailer's sales tax return for write-offs of bad consumer debt. It also deletes vending machines from the Sales Tax definition of eating establishments and thus making it consistent with law exempting sale of food from coin operated machines from the Sales Tax.</p>

**SALES AND USE TAX**

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
2000	3,106.8 See Note [1]	6.0%	<p>PA 99-173 makes the following modifications:</p> <p><b>1) Exemptions and base reductions: (effective 7/1/99 unless noted)</b></p> <ul style="list-style-type: none"> <li>a) exempt inclined stairway chairlifts and repair and replacement parts of equipment for persons with disabilities</li> <li>b) expanded the exemption of nonprescription drugs and medicines to include all drugs and medicines used in humans</li> <li>c) exempted the repair and replacement parts of glucose monitoring equipment used in care of diabetes</li> <li>d) exempted the replacement parts of equipment installed in motor vehicles for persons with disabilities</li> <li>e) exempted the sale of firearm safety devices which include safes, lock boxes, trigger and barrel locks and other items designed to enhance home firearm safety.</li> <li>f) exempted the sales of bicycle helmets</li> <li>g) extended the sunset date from 7/1/2000 to 1/1/2002 for the sales of motor vehicles powered by clean alternative fuels, equipment used in converting vehicles to use alternative fuels, and equipment associated with compressed natural gas filling stations</li> <li>h) exempted diesel fuel to be used exclusively in portable power system generators that are greater than 150 kilowatts</li> <li>i) expand the exemption to include sales between business, other interest, other than corporations, where the same interest owns 100% of each business</li> <li>j) exempts telecom services and CATV services rendered between parent companies and wholly-owned subsidiaries</li> <li>k) exempts shoe repair services</li> <li>l) exempts calibration services and ISO services</li> <li>m) exempts "Call Before You Dig" services</li> <li>n) expanded exemption of the sale or repair of vessels to include labor services</li> <li>o) reduces the sales tax rate to 5 3/4% levied on patient care services</li> <li>p) exempts the John Dempsey Hospital from the tax</li> <li>q) expands the exemption for low and moderate income housing organizations to include for profit organizations</li> <li>r) expanded the sales tax exemption for motor vehicles purchased but not registered in this state by a person who is not a resident of this state to include vessels</li> <li>s) phase-out the tax on renovation and repair on residential real property. The tax rate is reduced from 6% to 4% effective 7/1/99, 2% effective 7/1/00 and exempted effective 7/1/01. The exemption is for sales of renovation and repair services of paving of any sort, painting or staining, wallpapering, roofing, siding and exterior sheet metal work other than industrial, commercial or income producing real property.</li> <li>t) exempted railroad locomotives, track ballasts, ties, machinery and equipment used to maintain the railroad right-of-way which is used or operated exclusively for the carriage of freight.</li> <li>v) expanded the exemption of services related to personnel, management or research when a company rendering service and recipient are participating in a joint venture for purposes of research and new product development from 10 to 30 years.</li> </ul>
2001	3,185.2 See Note [2]	6.0%	<p>PA 00-01 June 30th Special Session permits the retail sales of alcohol on Sundays preceding Christmas and New Years Days.</p> <p>PA 00-198 legalized the sale of sparklers and other non-explosive fireworks.</p> <p>PA 00-227 exempts fulfillment companies from any requirement to collect and pay sales tax on items it stores or ships for an unaffiliated out-of-state retailer.</p>

**SALES AND USE TAX**

**Fiscal Year**    **Gross Revenue (\$Millions)**    **Rate**

**Base Changes**

PA 00-170 makes the following modifications:

**1) Exemptions and base reductions: (effective 7/1/00 unless noted)**

- a) exempted items sold through vending machines costing 50 cents or less.
- b) increases the clothing and footwear exemption from \$50 to \$75 per item
- c) exempted sales of passenger cars, occurring prior to 7/1/02, that have an estimated highway gasoline mileage of at least 50 miles per gallon.
- d) exempted child car seats and college text books.
- e) transfer all of the sales tax collected on automobile sales by DMV to the Transportation Fund (See PA 98-128 for previous transfers)
- f) extended an existing sales tax exemption for leased employees wages and benefits to employees paid under professional employee agreements.
- g) established a sales tax free week on items of clothing and footwear costing less than \$300 beginning on the 3rd Sunday in August until the next succeed Saturday.

**2) Exemptions and base reductions: (effective 7/1/01 unless noted)**

- a) exempted television equipment used as a reading aid by persons who are visually impaired.
- b) exempted canes and support hoses specially designed to aid blood circulation
- c) exempted caskets for burial in addition to the current exemption for the first \$2,500 of personal property services.
- d) exempted specially formulated gum, inhalants, or similar product designed to aid in the cessation of smoking.
- e) exempted the sales of equipment to a telecommunications company or CATV company that is used to provide high speed data transmission or broadband internet services
- f) accelerate the phase-out on internet services access charges effective 7/1/01 from 1% to 0%.
- g) established a pilot program of a credit against the sales and use tax for the purchase of computer equipment to be used in electronic commerce for business making qualified investments in higher education institutions for electronic commerce. The credit is capped at \$2 million per year. PA 01-6 JSS increased the cap to \$4 million

PA 00-174 makes the following modifications, effective 7/1/00:

- a) changed when the tax is applied to pre-paid phone cards.
- b) clarified the exemption of candy and non-alcoholic beverages sold at educational institutions.
- c) clarified the exemption of nonprescription drugs and medicines for use on animals. PA 99-173 expanded the exemption for nonprescription drugs but unintentionally restricted the exemption to the human body.
- d) changed the farmers' sales tax exemption and conformed the commercial fishermen exemption to the farmers' sales tax exemption.
- e) exempted from the Use Tax property removed by retailers from their inventory and donated to charities or government agencies.

PA 00-174 and PA 00-1 of the June 30th Special Session clarified the definition of patient care services and computer data processing service and canned and custom software.

2002    3,063.0  
See Note [2]    6.0%

PA 01-6 JSS makes the following modifications

- a) exempt parking at railroad parking facilities owned or operated by the state from the tax.
- b) suspend the sales tax on hospital patient care services from 7/1/01 to 6/30/03
- c) increased the pilot tax credit against the sales and use tax for the purchase of computer equipment to be used in electronic commerce for business making qualified investments in higher education institutions for electronic commerce from \$2 million to \$4 million cap per year effective 7/1/2003.

## SALES AND USE TAX

Fiscal Year	Gross Revenue (\$Millions)	Rate	Base Changes
			<ul style="list-style-type: none"> <li>d) material, equipment, tools fuel and machinery used by fuel cell manufacturing facility.</li> <li>e) extended the sunset date from 1/1/2002 to 7/1/2002 for the sales of motor vehicles powered by clean alternative fuels, equipment used in converting vehicles to use alternative fuels, and equipment associated with compressed natural gas filling stations</li> <li>f) exempt caskets used for cremation.</li> <li>h) changes the criteria for applying the sales tax on cell phone calls to conform to federal law.</li> <li>l) extend the business tax exemptions for services rendered between parent companies and wholly-owned subsidiaries to Indian tribes.</li> </ul> <p>PA 00-140 deleted the exemptions for the failed relocation of an NFL team to Hartford and replaced such references with the Adriaen's Landing and UCONN stadium facility site.</p>
2003	3,091.2 See Note [2]		<p>PA 02-3 applies the sales tax exemption to services for which hospital are paid rather than when they are provided. The change excludes hospitals from having to remit taxes for services rendered in May and June 2001 (services rendered in May and June are remitted in July and August).</p> <p>PA 02-1 MSS exempted business analysis, management, consulting and public relations services furnished in connection with an aircraft owned by a commercial carrier or has maximum take of weight of at least 6,000 pounds, effective 1/1/94. The act also postponed by two years the computer and data processing services tax rate phase-out.</p> <p>PA 02-4 MSS makes the following modifications</p> <ul style="list-style-type: none"> <li>a) extended the sunset date on clean alternative fuel powered vehicles and related conversion equipment. It also added hydrogen as an alternative fuel.</li> <li>b) imposes the sales tax on self-storage units effective 10/1/02</li> <li>c) delays the phase-out of the tax on computer and data processing services by two years</li> <li>d) exempt non-cable communication services bought by a cable network, effective 7/1/02.</li> </ul>
2004	3,204.3 See Note [2] Unaudited		<p>PA 03-2 makes the following modifications</p> <ul style="list-style-type: none"> <li>a) reduced the exemption on clothing or footwear from \$75 to \$50 effective 4/1/03</li> <li>b) repealed the exemption on sales of newspaper. PA 03-1 JSS reinstated the exemption.</li> <li>c) repealed the exemption on health and athletic club services except for those provided by a non-profit organization or municipality.</li> <li>d) repealed the exemption on advertising services and direct mail advertising.</li> </ul> <p>PA 03-1 JSS reinstated the exemption.</p> <p>PA 03-1 JSS makes the following modifications</p> <ul style="list-style-type: none"> <li>a) repealed the sales tax "free week" but was reinstated by PA 04-216</li> <li>b) reinstates the sale tax exemption on newspapers effective 7/1/04</li> <li>c) makes the tax rate at 1% permanent for computer and data processing services, 7/1/04.</li> <li>d) makes the temporary exemption permanent for hospital patient care services.</li> <li>e) exempts tangible property purchased by for-profit hospitals effective 7/1/05.</li> <li>f) reinstate the exemption on advertising services and direct mail advertising, effective 7/1/04.</li> <li>g) requires out of state vendors that have contracts with the state and don't have nexus to CT to collect use tax on all CT sales during the term of the state contract.</li> </ul>

**SALES AND USE TAX**

<b>Fiscal Year</b>	<b>Gross Revenue (\$Millions)</b>	<b>Rate</b>	<b>Base Changes</b>
2005	3,359.7 See Note [2] Unaudited		<p>PA 03-6 JSS exempts tangible personal property purchased by for-profit hospitals, 7/1/05.</p> <p>PA 04-210 exempts items sold on premise of a for-profit hospital by a federally tax-exempt non-profit organization located within said hospital.</p> <p>PA 04-216 reinstates the sales tax "free week" repealed by PA 03-1 JSS.</p> <p>PA 04-231 exempted sales of cars which get 40 MPG or more on the highway from 10/1/04 through 10/1/08. The bill also extends the sunset date on clean alternative fueled powered vehicles and related conversion equipment to 7/1/08.</p> <p>PA 04-2 MSS makes the exemption for tangible property purchased by for profit hospitals retroactive to a certain facility which filed a certificate of need prior to July 1, 2004.</p>
2006	3,508.2 Budget Act Estimate[2]		<p>PA 05-251 makes the following modifications:</p> <p>a) exempts boat brokerage services</p> <p>b) exempts textbooks and workbooks to students enrolled in private occupational schools</p> <p>PA 05-2 of the October 25th Special Session provides a temporary sales tax exemption for residential weatherization products from November 25, 2005 through April 1, 2006.</p> <p>PA 05-274 modifies the direct shipping laws and requires all shipper, both in-state and out-of-state, to pay sales and alcoholic beverages tax due from sales to the DRS.</p>
2007	3,670.0 Budget Act Estimate[2]		

[1] Includes \$10 million transferred to the Transportation Fund for Sales Tax collected by the Department of Motor Vehicles on motor vehicle sales between individuals.

[2] PA 98-128 & PA 00-170 transfers Sales Tax collected by the Department of Motor Vehicles on motor vehicle sales between individuals to the Transportation Fund.

Amounts in Millions				
	Gross Revenues	Transfers to Transportation Fund	Net Revenues	
FY 00	3,106.8	10.0	3,096.8	
FY 01	3,185.2	60.1	3,125.1	
FY 02	3,063.0	65.2	2,997.8	
FY 03	3,091.2	65.5	3,025.7	
FY 04	3,204.3	70.4	3,133.9	Unaudited
FY 05	3,359.7	69.7	3,290.0	Unaudited
FY 06	3,508.2	76.0	3,432.2	Budget Act
FY 07	3,670.0	78.0	3,592.0	Budget Act

**Sales Tax Exemptions  
Revenue Loss (\$ Millions)**

Exemption	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Resale-Labor/Services	\$50.9	\$56.6	\$66.5	\$77.9	\$78.3	\$81.7	\$86.6	\$80.0
Resale-Lease/Rent	60.1	75.9	80.3	79.5	85.8	88.5	87.8	88.7
Resale-Sale of Goods	2,728.5	2,877.8	3,092.5	3,002.1	3,369.4	3,722.3	3,699.5	3,569.6
Subscription and Newspapers[10]	17.9	19.8	29.5	32.1	93.3	77.1	69.8	54.6
Children's Clothing	-	-	-	-	-	-	-	-
Clothing/Footwear [1][2]	102.4	95.4	106.0	110.2	114.8	140.3	139.0	135.9
Clothing/Footwear Sales Tax Free Week in August	-	-	-	-	-	-	1.8	1.8
Livestock, Fertilizer, Feed[3]	-	-	-	-	-	-	-	-
Food for Human Consumption--Food Stamp	255.1	231.1	237.1	247.0	243.2	252.5	267.5	272.8
Electricity/Gas/Heating Fuel for Residential Use	88.1	88.8	79.9	78.3	89.2	103.6	80.3	101.6
Electricity (\$150 Month. Exemp.)	2.8	2.8	3.0	3.0	3.4	3.4	3.4	3.3
Utilities used in Manufacturing or Agricultural Production	31.4	30.3	22.0	20.9	23.7	27.6	21.4	24.9
Fuel for Motor Vehicles	132.5	156.3	143.2	118.1	149.6	172.4	137.6	168.1
Aviation Fuel	1.6	1.8	1.5	1.2	1.7	2.3	2.4	1.7
Connecticut Aircraft Sales [8]	0.4	0.01	-	-	-	-	-	-
Repair/Replacement Parts/Services to Aircraft [6]	2.1	3.6	3.3	5.1	2.7	4.1	4.9	4.2
Sales Tangible Personal Property to Farmers	4.9	6.6	5.3	6.4	5.3	6.2	6.2	4.8
Machinery, Materials, Tools & Fuel used in Mfg. Production	100.4	103.5	116.0	108.9	122.1	124.2	93.7	87.5
Machinery, Materials, Tools & Fuel used in Cmmlcl Fishing	6.8	4.5	11.6	8.9	11.4	4.9	6.8	5.2
Machinery Used in Printing [4]	4.7	5.5	5.7	6.8	4.7	4.0	4.6	5.5
Out-of-State Sales Labor/Services	248.6	303.0	343.6	343.3	348.5	367.5	335.1	315.5
Out-of-State Sales Leases/Rentals	28.6	33.0	31.4	33.5	36.5	35.4	28.2	25.6
Out-of-State Sales of Goods	1,699.0	1,735.6	1,888.2	1,922.2	1,891.3	2,049.3	1,910.7	2,069.0
Sales of Motor Vehicles, Vessels to Nonresidents	12.5	13.5	15.6	18.2	20.1	26.3	27.8	30.7
Prescription Medicines	60.9	74.7	85.7	101.1	116.6	97.8	163.7	183.2
Non-prescription Medicines	9.6	9.8	10.1	13.3	12.2	12.0	10.6	11.6
Charitable & Governmental Labor/Services	133.4	147.0	174.3	214.4	172.8	328.5	203.1	226.8
Charitable & Governmental Leases/Rental	13.1	10.8	9.4	13.3	24.8	18.6	10.4	9.7
Charitable & Governmental Sale of Goods	324.5	314.5	288.9	335.2	299.1	193.2	369.3	380.4
Cogeneration Tech. [3]	-	-	-	-	-	-	-	-
Pollution Abatement Sale of Goods/Leases/Rentals	2.4	2.1	1.8	3.3	6.2	8.8	4.2	4.6
Non-taxable Labor/Services	351.6	401.6	458.2	481.0	539.2	605.8	599.5	599.2
Bus. Services/Parent-Owned Subs.	13.9	19.6	46.4	34.5	52.7	31.3	18.0	29.4
Repair Serv. to Nonbusiness M.Veh. [3]	-	-	-	-	-	-	-	-
Horses[3]	-	-	-	-	-	-	-	-
Trade-Ins (Motor Veh., Construction Equip., etc.)	31.8	32.3	33.3	35.4	39.6	41.1	44.4	45.8
Taxed Goods Returned w/in 90 days	8.6	9.0	9.7	9.0	9.0	9.0	8.1	7.8
Taxed Goods Returned w/in 90 days @ 5.5% [8]	0.1	0.1	-	-	-	-	-	-
Lease/Rental Canceled w/in 90 days [8]	0.02	0.03	-	-	-	-	-	-
Oxygen, Plasma, etc. - Sales of Goods/Lease/Rental	9.3	8.6	8.2	6.6	10.4	8.8	8.4	6.7
Print for Future Deliv. Out-of-State	2.4	1.3	1.4	2.8	2.2	1.6	1.9	1.8
Non-Profit Ambulance Sale/Lease/Rent [3]	-	-	-	-	-	-	-	-
Ambulance-Certif/License	-	-	-	-	-	-	-	-
Material/Cloth/Non-Commercial	0.7	1.2	1.0	0.5	0.5	0.5	0.6	0.4
Low-Moderate Housing-Sale of Goods [8]	0.1	0.1	-	-	-	-	-	-
Low-Moderate Housing-Lease/Rental [8]	0.08	0.04	-	-	-	-	-	-
Funeral Expenses	3.2	3.32	3.3	3.2	3.0	3.3	3.6	2.3
Certain Machinery-Mfg Recovery Act '92 [5]	2.0	2.8	3.4	4.7	2.6	3.0	2.5	3.4
Outsourcing Computer & Data Proc Services [5]	0.2	0.1	-	-	-	-	-	-
Trucks, GRVW Over 26,000 pounds or Interstate Freight [4,8]	7.8	8.0	9.0	10.6	12.7	10.9	8.2	7.9
Computer and Data Processing Services [9]	-	-	4.8	16.4	32.2	44.7	48.7	47.8
Sales of Machinery, Equip., Tools, etc. to Biotech Industry [9]	-	-	0.4	0.7	1.2	1.7	3.4	1.9
Sales of Repair and Maintenance Service to Vessels [9]	-	-	0.5	1.3	2.0	2.4	3.2	2.6
Renovation and Repair Services for Residential Real Property	-	-	-	-	3.1	7.1	10.9	13.2
Hospital Patient Care Services (lower rate) [14]	-	-	-	-	8.0	9.6	7.9	9.6
College Textbooks [11]	-	-	-	-	-	0.9	1.1	1.0
Other Adjustments	<u>644.3</u>	<u>662.2</u>	<u>738.9</u>	<u>829.5</u>	<u>856.0</u>	<u>863.8</u>	<u>719.3</u>	<u>665.9</u>
<b>Total Tax Exemption</b>	<b>\$7,199.3</b>	<b>\$7,554.6</b>	<b>\$8,170.9</b>	<b>\$8,340.4</b>	<b>\$8,901.1</b>	<b>\$9,598.0</b>	<b>\$9,266.1</b>	<b>\$9,314.0</b>

[1] Effective at \$50 from 4/1/85 - 9/30/85, after which it increased to \$75.

[2] The exemption on Clothing/Footwear, including children's, was lowered to \$50 (Effective 10/1/91).

Subsequently it was increase back to \$75 effective 7/1/00, then reduced to \$50 effective 4/1/03.

[3] Repealed, effective 10/1/91.

[4] Effective 10/1/93.

[5] Effective 1/1/93.

[6] Effective 7/1/93

[7] Figure not available for 1989-1990 due to legislative changes

[8] Combined with Other Adjustments FY98.

[9] Effective 7/1/97

[10] Newspapers effective 7/1/98

[11] Sales of college textbooks 7/1/00

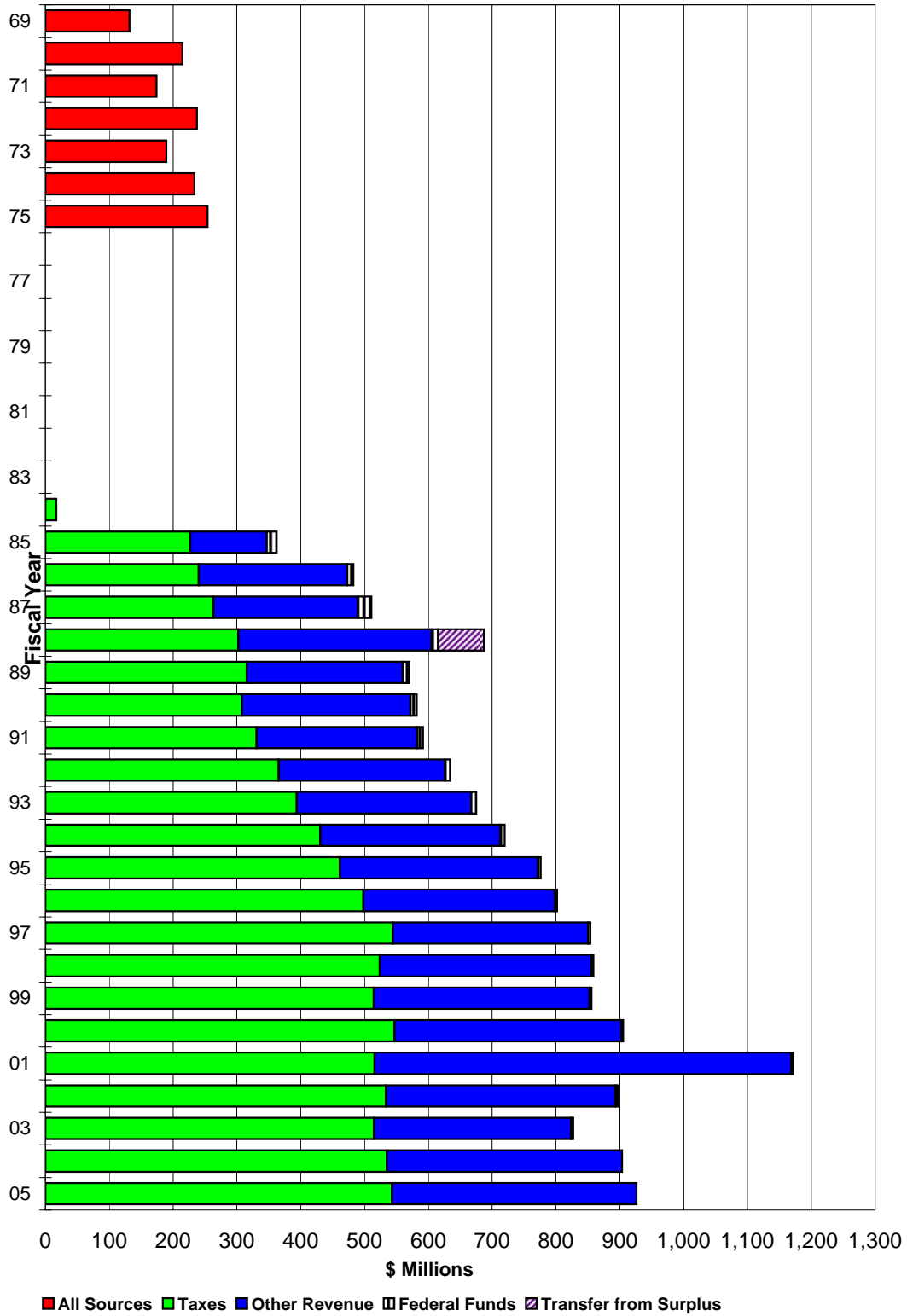
[12] Sales Tax Free Week in August of 2002 (up to \$300), 2003 (??)

[13] Exemption for newspapers eliminated 7/1/03 and then restored effective 7/1/0

[14] Exemption made permanent.

Source: Department of Revenue Services, Annual Report, Various Years.

## Transportation Fund Revenues\* FY 69 - FY 75 and FY 84 - FY 05



\*FY 76 - FY 83 included as part of the General Fund.

## TRANSPORTATION FUND

Fiscal Year	Total Revenues (Millions \$)	Fund Breakdown (Millions \$)	Base Changes
1972	237.5		
1973	189.5		
1974	233.4		
1975	254.0		The Highway Fund became the Transportation Fund on 7/1/74
1976	NA		Transportation Fund was eliminated on 6/30/75. All activities were transferred to General Fund accounts.
1984	17.5		1) PA 83-30 established a Special Transportation Fund for the maintenance and construction of state roads and bridges. Revenues are derived from a set aside of one cent of the State Motor Fuels Tax (currently 14 cents/gallon Gasoline and 13 cents/gallon - gasohol). State Treasurer may utilize fund revenues as part of the State's Short Term Investment Fund. 2) PA 83-1 (October Special Session) appropriated \$3.333 million of the FY 84 General Fund surplus from operations to the Special Transportation Fund. The appropriated amount is included in the total.
1985	362.6	Taxes 227.0 Other 119.9 Federal 15.7	Special Transportation Fund expanded to include all highway-related state and federal revenues (except tolls).
1986	482.9	Taxes 240.6 Other 232.7 Federal 9.6	1) PA 85-529 changes various motor vehicle fees. 2) PA 85-413 revises surcharges on motor vehicle related fines and penalties.
1987	511.2	Taxes 263.6 Other 225.9 Federal 21.7	1) PA 86-383 changes various motor vehicle registration fees. 2) PA 86-271 increases fees associated with the transfer of a motor vehicle because of a business partial liquidation or reorganization (7/1/86). 3) PA 86-352 allows motor carriers registered with DRS to purchase fuel at designated stations without paying Motor Fuels Tax at the pump. The tax is paid quarterly (10/1/86).
1988	615.6	Taxes 302.3 Other 303.0 Federal 10.3	1) PA 87-329 postpones the motor vehicle fee increase scheduled for 1988 until 1992 and eliminates another increase scheduled for 1992. The fees would had increased 12.9% in 1988 and 14.3% in 1992.
1989	570.4	Taxes 315.7 Other 244.4 Federal 10.3	1) PA 88-249 requires mandatory registration for all motor carriers, in-state and out-of-state, and payment of an annual registration fee of \$10. 2) PA 88-320 sets fines for not stopping at truck weighing areas and littering
1990	582.1	Taxes 308.1 Other 264.0 Federal 10.0	



## TRANSPORTATION FUND

Fiscal Year	Total Revenues (Millions \$)	Fund Breakdown (Millions \$)		Base Changes
1991	591.9	Taxes	330.9	
		Other	251.8	
		Federal	9.2	
1992	634.2	Taxes	365.6	1) PA 91-13 (June Special Session) changes various motor vehicle and transportation-related fees.
		Other	260.5	
		Federal	8.1	
1993	675.6	Taxes	393.9	1) PA 92-177 (May Special Session) changes various motor vehicle and transportation-related fees.
		Other	273.4	2) PA 92-136 establishes a motor carrier decal program.
		Federal	8.3	3) PA 92-13 (May Special Session) requires employers in severe air pollution areas to pay fees when filing traffic-management compliance plans.
1994	719.8	Taxes	430.9	1) Towns with aircrafts on their grand list are required to exempt them from the property tax and implement a registration program. Towns will be reimbursed for the tax that would have been collected from aircrafts on their 1992 grand list, less the fees collected under the registration program from the Transportation Fund at 100% in FY 94 and FY 95 and in subsequent years at 90%, 70%, 50%, 30%, 10%.
		Other	281.8	
		Federal	7.1	
1995	776.4	Taxes	461.6	PA 94-189 changes various motor vehicle and transportation related fees.
		Other	310.1	
		Federal	4.7	
1996	802.2	Taxes	498.4	PA 95-126 eliminates the regulation of the motor carrier industry by the Department of Transportation, except for carriers of household goods.
		Other	299.8	PA 95-35 redefines a motor carrier subject to the state motor carrier road tax to adopt the definition used under the International Fuel Tax Agreement (IFTA). It requires motor carriers to display two identification markers.
		Federal	4.0	
1997	854.2	Taxes	544.6	PA 96-222 makes technical changes to numerous laws to reflect the termination of the federal Interstate Commerce Commission (ICC) and transfer of some of its former functions to other entities.
		Other	306.0	PA 96-31 eliminates the regulation of certain household goods in the motor carrier industry by the Department of Transportation. Only carriers transporting personal effects and property for homeowners remain regulated. PA 95-126 eliminated the regulation of motor carriers industry except for household goods carriers.
		Federal	3.6	
1998	858.9	Taxes	523.9	PA 97-309 transfers revenues generated from tax on petroleum products to the Transportation Fund. (20 Million in FY 99 and 36 Million in FY 00 and subsequent fiscal years)
		Other	331.9	
		Federal	3.1	

## TRANSPORTATION FUND

Fiscal Year	Total Revenues (Millions \$)	Fund Breakdown (Millions \$)	Base Changes
			<p>PA 97-309 and PA 97-226 waive the \$5 safety fee and \$11 transfer fee for stolen or mutilated motor vehicle marker plates effective 7/1/98. It also transfers funds from the Emission Enterprise Fund (2.5 Million per fiscal year) and transfers certain fees collected by Motor Vehicle Department and Consumer Protection to the Transportation Fund.</p> <p>PA 97-1 (July 21, 1997 Special Session) eliminates earmarking of Bond Forfeiture Fund.</p> <p>PA 97-236 transfers funds to the Automobile Insurance Enforcement Fund (\$100,000 per fiscal year).</p>
1999	855.8	Taxes 514.7 Other 338.0 Federal 3.1	<p>PA 98-128 transfers Sales Tax collected by the Department of Motor Vehicle on motor vehicle sales between individuals to the Transportation Fund of amounts of \$10 million in FY 00, \$20 million in FY 01, \$30 million in FY 02 and \$40 million in FY 03 and thereafter.</p> <p>PA 98-95 Reduces the fees charged for returned checks as uncollectible by the Department of Motor Vehicle.</p> <p>PA 98-182 eliminates the \$20 late fee if a motor vehicle has been transferred to a new owner after the 30-day expiration period for emissions testing. It also exempts from emission inspection requirement motor vehicles 25 years or older or vehicles driven by a licensed dealer or repairer.</p>
2000	905.4	Taxes 547.0 Other 355.4 Federal 3.0	
2001	871.8	Taxes 516.1 Other 352.4 Federal 3.3	<p>PA 00-170 makes the following modifications:</p> <p>(a) transfer all of the sales tax collected on automobile sales by DMV to the Transportation Fund (See PA 98-128 for previous transfers)</p> <p>(b) transferred an additional \$10 million per year from the petroleum products to \$46 in FY 01 (see PA 97-309).</p> <p>(c) transferred funds of \$1 million per year to the Conservation Fund.</p> <p>PA 00-180 provide a waiver from emission testing for vehicles less than four years old no later than July 1, 2002.</p>
2002	896.9	Taxes 533.7 Other 359.9 Federal 3.3	<p>PA 01-6 JSS makes motor vehicle operator licenses valid for six years rather than four years and increases the fees by a proportionate amount for six years. It also increases the clean air assessment fee on motor vehicle registrations from \$4 to \$10 and split the fee between the Transportation Fund and Clean Air Account.</p>

## TRANSPORTATION FUND

Fiscal Year	Total Revenues (Millions \$)	Fund Breakdown (Millions \$)	Base Changes
			PA 01-9 JSS imposes a \$40 fee on new vehicles beginning with the 2003 model year that will be exempt from emissions inspections for four years. It also transfers \$6.5 million from the Transportation Fund to the Emissions Fund annually.
2003	827.1	Taxes 515.0 Other 308.8 Federal 3.3	PA 02-1 May 9th Special Session makes the following modifications: (a) Increase diesel fuel tax from 18 cents to 26 cents per gallon, effective 8/1/02 (b) Reduce the transfers to the Conservation Fund by \$1 million for FY 03 (c) Reduce Oil Companies Gross Receipts Tax transfers to the Transportation .
2004	903.9 Unaudited	Taxes 535.3 Other 368.6 Federal 0.0	PA 03-1 JSS reduces transfer from the Oil Co Tax to the Transportation Fund to \$10.5 million in FY 04 and \$13.0 million in FY 05. It also reduces transfers to the Conservation Fund.
2005	926.7 Unaudited	Taxes 543.2 Other 383.5 Federal 0.0	PA 04-2 Increases the tax on gasohol from 24 cents to 25 cents per gallon effective 1/1/04.  PA 05-4 JSS increases transfers from the Oil Companies Tax (General Fund) to the Transportation Fund.
Annual Transfers GF to TF <u>Increased from \$21 million per year to:</u> FY 06 \$43.5 Million FY 07 \$61.0 million FY 08 \$84.0 million FY 09 through FY 13 \$101.0 million FY 14 and thereafter \$119.4 million			
			PA 05-3 JSS reduces the transfers from the Transportation Fund to the Emissions Fund from \$6.5 million to \$1.6 million for FY 06 and to \$4.0 million for FY 07. The transfers of \$6.5 resumes in FY 08.
			PA 05-1 JSS reduces the transfers from the Transportation Fund to the Transportation Strategy Board (TSB) Projects Account by \$5 million per fiscal year.
2006	986.2 Budget Act	Taxes 593.1 Other 393.1 Federal 0.0	
2007	1,026.1 Budget Act	Taxes 619.4 Other 406.7 Federal 0.0	

Note: Changes to the Motor Fuels tax may be found in the Excise Tax section.

## SUMMARY OF ENACTED TAX AND FEE CHANGES

	Motor Fuels Tax Per Gallon Increase/ (Decrease)	Gasoline Tax	Motor Vehicles Receipts (% Increase) [1]	License Permits & Fees (% Increase) [2]
7/84	1 cent	\$0.15		
7/85	1 cent	0.16	25%	0
7/86	1 cent	0.17	0	50%
7/87	2 cents	0.19	24%	0
7/88	1 cent	0.20	0	0
7/90	2 cents	0.22	0	50%
7/91	1 cent	0.23	0	0
9/91	2 cents	0.25	0	0
1/92	1 cent	0.26	0	0
7/92	0	0.26	0	25%
1/93	2 cents	0.28	0	0
7/93	1 cent	0.29	12.9%	0
1/94	1 cent	0.30	0	0
7/94	1 cent	0.31	0	25%
1/95	2 cents	0.33	0	0
10/95	1 cent	0.34	[3]	0
1/96	1 cent	0.35	0	0
4/96	1 cent	0.36	0	0
7/96	1 cent	0.37	0	0
10/96	1 cent	0.38	0	0
1/97	1 cent	0.39	0	0
7/97	(3 cents)	0.36	[4]	0
7/98	(4 cents)	0.32	[5]	0
7/00	(7 cents)	0.25	[6]	0

[1] The percentage increase compares the increased fee rates to the rates in effect during the previous State fiscal year. Included in Motor Vehicle Receipts are motor vehicle registration fees, motor vehicle and motorcycle operator's license fees, certain business license fees, and some DMV administrative fees. PA 87-329 postponed the 12.9% increase originally scheduled for July 1, 1988 and eliminated the 14.3% increase scheduled for July 1, 1992. In addition, PA 91-13 of the June Special Session scheduled for July 1, 1992. In addition, PA 91-13 of the June Special Session and PA 92-177 imposed and increased certain motor vehicle fees. These increase are not reflected in the percentages listed in the table above.

[2] Included in Licenses, Permits and Fees are business license and registration fees (for dealers, repairers, junk yards, etc.), permits (motorcycle learner's permit, etc.), various administrative fees (vehicle inspection fees, title fees, driver's license information, etc.), surcharges on motor vehicle-related fines, and penalties. Not included are fees for which federal law establishes a maximum, such as the motor carrier registration fee.

[3] PA 93-74 increases the motor fuels tax by 5 cents per gallon, in 1 cent increments from 10/1/95 through 1/1/97.

PA 85-413 repealed the surcharge on motor vehicle fines and penalties scheduled to go into effect July 1, 1985 and reduced other surcharges scheduled to become effective July 1, 1989, 1991, and 1993. However, the increases listed above still apply for other Licenses, Permits and Fees.

[4] PA 97-309 reduced the Gasoline Tax from \$0.39 per gallon to \$0.36 effective 7/1/97 & from \$0.36 to \$0.33 effective 7/1/98.

[5] PA 98-128 reduced the Gasoline Tax from \$0.33 per gallon to \$0.32 effective 7/1/98. This is in addition to the 3 cent reduction effective 7/1/98 per PA 97-309.

[6] PA 00-170 reduced the Gasoline Tax from \$0.32 per gallon to \$0.25 effective 7/1/00.

## THE TRANSPORTATION INFRASTRUCTURE PROGRAM

In 1984, the State adopted legislation establishing a transportation infrastructure program and authorizing special tax obligation (STO) bonds to finance the program. The infrastructure program is a continuous program for planning, construction and improvement of state highways and bridges, projects on the interstate highway system, alternate highway projects in the interstate highway substitution program, waterway facilities, mass transportation and transit facilities, aeronautic facilities (excluding Bradley International Airport), the highway safety program, maintenance garages and administrative facilities of the Department of Transportation and payment of the state's share of the costs of the local bridge program established under the act. The infrastructure program is administered by the Department of Transportation.

The cost of the infrastructure program for state fiscal years 1985-2008, which is to be met from federal, state and local funds, is currently estimated at \$17.6 billion. The state's share of such cost, estimated at \$6.3 billion, is to be funded from transportation related taxes, fees and revenue deposited in the Special Transportation Fund, as described below, and from the proceeds of STO bonds. The portion of state program costs not financed by STO bonds is estimated at \$0.6 billion and includes the expenses of the infrastructure program which either are not sufficiently large or do not have a long enough life expectancy to justify the issuance of long-term bonds. Such expenses include resurfacing and restoring state highways, improving certain highways in urban areas, providing safety improvements along the state roads, and completing certain other transportation improvements.

The state has established a Transportation Fund for the purpose of budgeting and accounting for all transportation related taxes, fees and revenues credited to such fund and securing the STO bonds. STO bonds are payable solely from revenues of the Special Transportation Fund. The aggregate of motor fuels taxes, motor vehicle receipts, motor vehicle related licenses, permits and fees, and portions of the oil companies tax and sales tax on motor vehicles and other transportation related revenues sources, including enacted adjustments to all foregoing sources, are intended to cover the cost of the state's share of the infrastructure program, including debt services requirements. After providing for debt service requirements, the balance of the receipts from such revenue sources may be applied to the payment of general obligation bonds of the state issued or previously authorized and to be issued for transportation purposes and for the payment of annually budgeted expenses of the department of Transportation, the Department of Motor Vehicles and certain expenses related to the highway patrol function of the Department of Public Safety for FY 94 through FY 98.

**THE INFRASTRUCTURE RENEWAL PROGRAM  
TRANSPORTATION FUND  
(\$ MILLIONS)**

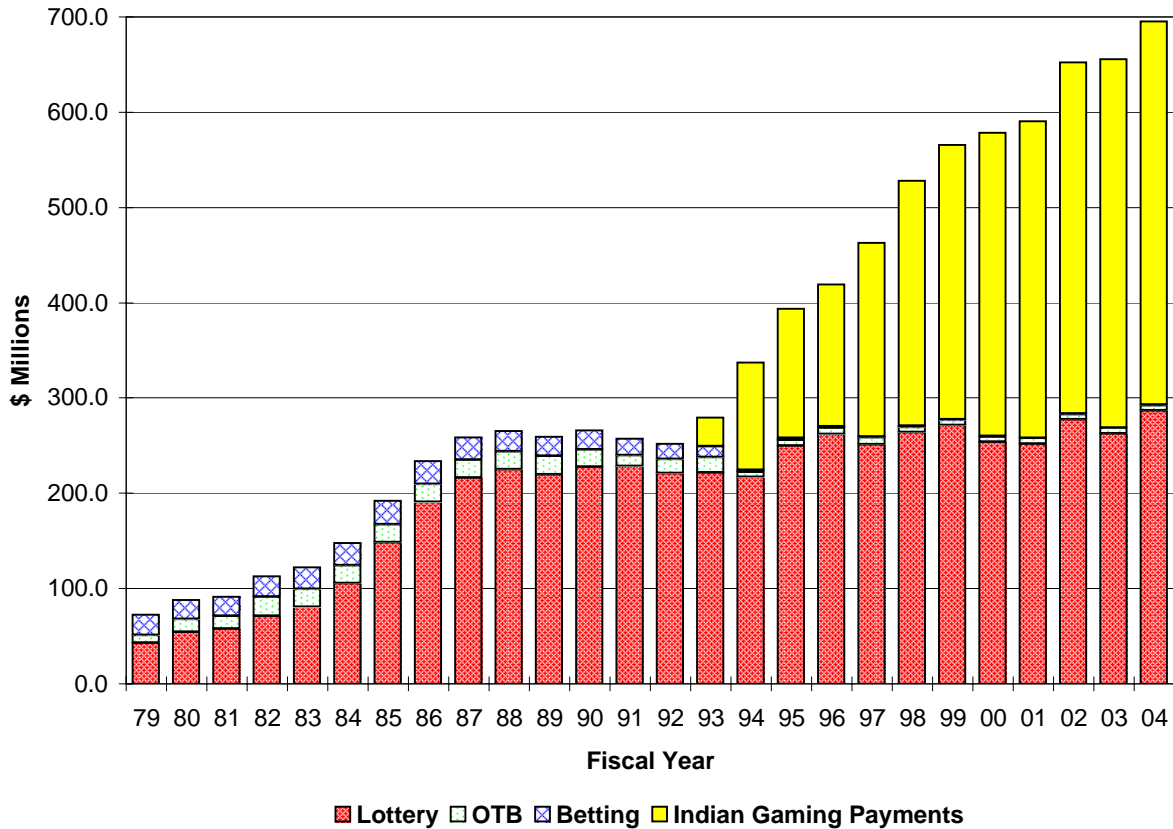
	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Beginning Balance															
Motor Fuels Taxes, Receipts, Fees	\$547.3	\$556.6	\$593.7	\$640.7	\$689.8	\$729.2	\$764.0	\$814.8	\$824.5	\$799.9	\$809.3	\$729.0	\$761.7	\$799.4	\$845.0
Statutory Transfers from Gen. Fund [1]										20.0	46.0	106.1	111.2	65.5	80.9
UMTA/FTA Grants	10.0	9.2	8.1	8.3	7.1	4.7	4.1	3.6	3.1	3.1	3.0	3.3	3.3	3.3	0.0
Interest Income	29.1	30.1	36.8	29.9	25.8	35.2	40.7	42.0	35.4	38.5	37.7	43.9	40.5	27.4	24.5
Transfer - General Fund Surplus	0.0	0.0	0.0	0.6	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer - General Fund Tolls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer - Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)	(0.2)	(0.5)	(2.0)	(3.0)	(9.5)	(60.5)	(8.5)
Transportation Strategy Board [3]															(22.9)
Release from Reserve Account	0.0	0.0	0.0	0.0	0.0	14.3	0.0	0.0	3.0	0.0	16.8	0.0	0.0	2.6	3.7
<b>Total - Revenues</b>	<b>586.4</b>	<b>595.9</b>	<b>638.6</b>	<b>679.5</b>	<b>724.7</b>	<b>783.4</b>	<b>808.6</b>	<b>860.2</b>	<b>865.8</b>	<b>861.0</b>	<b>910.8</b>	<b>879.3</b>	<b>907.2</b>	<b>837.7</b>	<b>922.7</b>
Refunds of Taxes	(4.3)	(4.0)	(4.4)	(3.8)	(4.9)	(7.0)	(6.4)	(6.0)	(6.7)	(5.2)	(5.4)	(7.5)	(10.3)	(10.6)	(12.5)
<b>Total - Net Resources</b>	<b>582.1</b>	<b>591.9</b>	<b>634.2</b>	<b>675.7</b>	<b>719.8</b>	<b>776.4</b>	<b>802.2</b>	<b>854.2</b>	<b>859.1</b>	<b>855.8</b>	<b>905.4</b>	<b>871.8</b>	<b>896.9</b>	<b>827.1</b>	<b>910.2</b>
Debt Service & Expenditures:															
Special Tax Obligation Bonds	126.4	163.9	204.1	238.5	253.7	271.0	290.7	313.6	341.1	319.6	344.3	366.1	374.9	389.6	402.8
Debt Service Reduction-PA 97-309								(9.7)	(31.4)	(51.9)					
General Obligation Bonds	86.9	85.0	73.0	73.6	49.7	59.3	54.8	45.0	46.4	44.8	31.4	29.2	21.1	17.3	13.8
<b>Total - Debt Service</b>	<b>213.3</b>	<b>248.9</b>	<b>277.1</b>	<b>312.1</b>	<b>303.4</b>	<b>330.3</b>	<b>345.5</b>	<b>348.9</b>	<b>356.1</b>	<b>312.5</b>	<b>375.7</b>	<b>395.3</b>	<b>396.0</b>	<b>406.9</b>	<b>416.6</b>
DOT Expenditures:															
Program Costs paid from current operator	58.4	45.6	18.4	10.3	14.2	10.0	10.2	18.8	19.6	20.5	60.3	16.0	16.0	15.9	15.9
DMV Budgeted Expenses	0.0	0.0	35.7	36.0	39.5	40.4	43.2	43.7	43.6	57.9	49.1	49.6	51.5	49.7	62.7
Highway Patrol Budgeted Expenses	0.0	0.0	0.0	0.0	37.5	39.1	41.1	41.8	46.0	0.0	0.0	0.0			
Other Budgeted Expenses	0.0	0.0	12.4	55.6	54.4	58.3	68.0	79.2	59.6	71.8	43.9	68.6	76.0	83.8	86.3
Unallocated Lapses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Defeasance Transfer [1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Total - Expenditures</b>	<b>388.3</b>	<b>359.9</b>	<b>364.9</b>	<b>370.3</b>	<b>407.6</b>	<b>403.0</b>	<b>445.6</b>	<b>453.0</b>	<b>440.2</b>	<b>439.5</b>	<b>459.5</b>	<b>431.0</b>	<b>446.9</b>	<b>476.9</b>	<b>491.0</b>
Projected Excess (Deficiency)	(19.5)	(16.9)	(7.8)	(6.7)	8.8	43.1	11.1	42.9	31.4	51.9	70.2	45.5	54.0	(56.7)	2.6

[1] Transfers from the Oil Companies Tax per PA 97-309 and from the Sales and Use Taxes per PA 98-128.

[2] In FY 1988, \$50 million of cumulative excess in Transportation Fund was set aside to redeem outstanding bonds, callable in 1995, from a 1984 issue.

[3] Incremental revenue from the various DMV fee changes allocated to the Transportation Strategy Board (TSB) and deposited in the TSB projects account.

# Annual Gambling Revenues By Source FY 1979 - FY 2004



**GENERAL FUND REVENUES SINCE INCEPTION  
(Millions \$)**

Fiscal Year	Total Gambling	Lottery						Betting			Indian Payments
		Weekly	Daily	Instant	Cash Lotto	Lotto	Power Ball	Off-Track Betting	Dog Racing	All Jai-Alai	
1979	72.8	3.9	21.0	18.2	NA	NA	NA	7.8	7.9	14.0	NA
1980	88.2	3.5	33.3	17.7	NA	NA	NA	13.1	7.1	13.5	NA
1981	91.1	1.5	34.6	21.5	NA	NA	NA	13.5	7.5	12.5	NA
1982	112.8	2.4	46.8	21.8	NA	NA	NA	20.2	8.1	13.5	NA
1983	122.5	4.1	53.6	22.8	NA	NA	NA	19.0	9.3	13.7	NA
1984	148.0	3.0	59.0	24.7	NA	18.8	NA	18.8	9.8	13.9	NA
1985	191.8	NA	64.5	31.3	NA	53.0	NA	18.7	9.9	14.4	NA
1986	233.5	NA	67.7	30.5	NA	92.6	NA	18.9	9.7	14.1	NA
1987	258.8	NA	73.1	33.6	NA	109.4	NA	18.7	9.2	14.8	NA
1988	265.2	NA	78.9	31.0	NA	115.1	NA	18.8	8.2	13.2	NA
1989	259.1	NA	84.2	30.1	NA	105.4	NA	19.6	7.9	11.9	NA
1990	265.8	NA	90.0	39.0	NA	98.7	NA	18.3	7.0	12.8	NA
1991	257.3	NA	85.5	47.9	NA	95.2	NA	10.9	5.9	11.9	NA
1992	252.2	NA	88.2	38.7	1.2	93.2	NA	14.4	5.3	11.2	NA
1993	279.3	NA	93.5	33.2	10.9	84.2	NA	16.2	2.6	8.7	30.0
1994	337.6	NA	91.1	49.4	12.0	64.8	NA	4.9	0.7	1.7	113.0
1995	393.4	NA	88.0	76.3	14.5	70.8	NA	6.1	0.6	1.4	135.7
1996	419.0	NA	81.6	86.7	17.4	59.0	17.3	6.6	0.7	1.0	148.7
1997 [3]	462.9	NA	77.2	98.1	16.9	37.6	21.7	6.9	0.4	0.5	203.6
1998	528.0	NA	73.8	105.4	20.1	38.9	26.1	5.4	0.3	0.4	257.6
1999	565.9	NA	70.4	110.3	15.7	19.3	55.6	5.5	0.3	0.3	288.5
2000	578.7	NA	71.4	116.1	18.6	17.1	30.4	5.6	0.2	0.3	319.0
2001	590.6	NA	72.5	126.1	14.8	14.8	23.8	5.7	0.2	0.3	332.4
2002	646.4	NA	70.0	126.9	14.9	20.5	39.2	5.7	0.1	0.1	369.0
2003	650.0	NA	75.0	120.4	14.4	10.2	36.8	5.8	0.1	0.0	387.3
2004	689.4	NA	81.0	130.0	15.5	12.0	42.3	5.8	0.1	0.0	402.7

Note on audits:

1. The Division of Special Revenue audits "non" state-owned facilities only (i.e., Plainfield dog track and Jai-Alai Frontons).
2. The State's auditors audit OTB and the Division itself each 2 years (Including lotteries). However certain segments of OTB are audited on an ongoing basis to facilitate the more detailed audit every two years.
3. Lottery revenue figures are net of operating expense. Prior to FY 96, revenues were reported before operating were accounted.

## GAMBLING REVENUES

Fiscal Year	Amount (Millions \$)	Yearly % Change	Base/Rate Changes
1972	8.2	-	Weekly lottery established.
1973	16.5	102.5	
1974	16.0	(3.0)	
1975	15.0	(6.3)	
1976	30.0	100.2	Instant lottery added to fund education equalization grants
1977	55.8	85.8	(1) Daily lottery game established and mandated that \$1 million be allocated to the Department of Social Services for an Emergency Food Relief Program for persons eligible under AFDC (The \$1 million allocation was repealed by PA 77-3 and 77-517. (2) Jai Alai and dog racing added.
1978	72.2	29.4	(1) Off-track betting added: tax of 17% on feature bets, 25% on exotics. (2) Rates on Jai Alai and dog racing handles increased: (a) Tax rate on Jai Alai increases to 6.75% from 5.25%. (b) Tax rate on dog racing is changed from a graduated schedule (ranging from 5.75% to 8.25%) to a flat rate of 8%. (c) The percentage that hosting towns receive increases to: (1) 1% from .25% for towns with population of 50,000 and over and (2) .5% from .25% for towns with population under 50,000. (d) Take-out percentage (amount not returned to bettors) increases to 18% from 17%. (3) Instant lottery proceeds are directed into the General Fund. (The direct tie-in of of instant lottery proceeds with the educational equalization grand is removed and proceeds from the instant lottery go into the General Fund (as do all other gaming revenues). A General Fund appropriation of a like amount is made for the equalization grant.
1979	72.8	0.9	The Commission on Special Revenue is given statutory power to collect delinquent accounts of lottery agents. A 10% penalty on the delinquent amount is provided as well as an interest rate charge of 1% per month on the delinquent amount until paid.
1980	88.3	21.2	
1981	91.2	3.3	
1982	112.8	23.8	(1) Sundays are included in the meeting dates for racing and Jai Alai (with approval of legislative body of towns). Facilities can open no more than six days per week. (2) An accounting change results in direct operating expenses within the Personal Services, Other Expenses, and Equipment accounts within the Daily and Instant Lottery funds being paid with General Funds appropriations. Direct operating expenses from the OTB fund will also be paid with General Fund appropriations (effective 1/1/81).
1983	122.5	8.5	(1) The takeout on feature bets at OTB is increased to 19% from 17%. (2) The tax on dog racing increased to 8.25% from 8%, with the .25% going to the dog owners. (3) Interest from late payments from lottery agents and other gaming licenses is increased to 1.5% per month from 1.25% per month. A minimum fee of \$10 is also established.



## GAMBLING REVENUES

Fiscal Year	Amount (Millions \$)	Yearly % Change	Base/Rate Changes
			<ul style="list-style-type: none"> <li>(4) Licensing and registration fees administered by the Division are increased.</li> <li>(5) The game of Lotto is added as a state lottery beginning 11/83.</li> </ul>
1984	148.0	20.8	<ul style="list-style-type: none"> <li>(1) Increase the takeout from 18.5% to 19%.</li> <li>(2) Increase the amount of gross wagering receipts paid to state from 8.25% to 8.5%.</li> <li>(3) Increase the amount of gross wagering receipts allocated to purses from .25% to .5%.</li> <li>(4) Treatment program for chronic gamblers ends 12/31/84 (funding mechanism 6/30/84). Funding mechanism is through fees:               <ul style="list-style-type: none"> <li>(a) \$135 on each licensee for each performance of jai alai or dog racing, maximum \$45,000 per year per licensee.</li> <li>(b) \$25 on each supplier of pari-mutuel equipment to teletrack facilities.</li> </ul> </li> <li>(5) Municipal share of revenues from OTB increases to .4% from .25%.</li> <li>(6) Sunday OTB is permitted on harness or thoroughbred racing events.</li> <li>(7) The Saturday evening performances of Jai Alai or racing events may conclude by 1 a.m. Sunday without municipal approval.</li> <li>(8) A statement indicating the chances of winning when advertising state lottery tickets is limited to advertisements in newspapers, magazines, brochures and posters, and television and radio ads at least 30 seconds in duration.</li> <li>(9) The moratorium on new gambling facilities and pari-mutuel licenses is extended from July 1, 1983 to June 30, 1985. Pari-mutuel license renewals and new betting facilities contracted prior to 5/23/79 are not affected</li> </ul>
1985	191.8	29.6	
1986	234.1	22.0	<ul style="list-style-type: none"> <li>(1) The moratorium on new gambling facilities and pari-mutuel licenses is extended from July 1, 1985 to June 30, 1987 (7/1/85).</li> <li>(2) Wagering on make-up performances at off-track betting facilities, including tele-track, is allowed when requested by the facility and authorized by the Executive Director (7/1/85).</li> <li>(3) A special fund is established to pay for the testing of greyhound urine by UCONN's lab. The Fund will receive 1/4 of 1% of all money wagered at dog racing events (previously these costs were paid by the Plainfield Track). Any revenue exceeding actual costs (as determined by an audit every two years) will be returned to the General Fund, (7/1/85).</li> <li>(4) The Weekly lottery game is eliminated effective 7/1/85.</li> <li>(5) As of April, 1986, rules of the Lotto game was changed to reflect a choice of six numbers from a field of 40.</li> <li>(6) There was an increase in weekly drawings from one on Friday evening to two (one on Tuesday and one on Friday evenings).</li> <li>(7) A prize was established in Lotto for matching three numbers.</li> </ul>
1987	257.7	10.1	<ul style="list-style-type: none"> <li>(1) The authority to regulate bingo, bazaars, raffles and games of chance is transferred from the Commissioner of Public Safety to the Division of Special Revenue. The following is also provided for:               <ul style="list-style-type: none"> <li>(a) A 5% tax on gross receipts from bingo is established and payable annually by organizations having annual gross receipts in excess of \$25,000, (10/1/87).</li> </ul> </li> </ul>

## GAMBLING REVENUES

Fiscal Year	Amount (Millions \$)	Yearly % Change	Base/Rate Changes
			<ul style="list-style-type: none"> <li>(b) The municipal share of gross receipts from bingo is 0.25%. Bingo permit fees are decreased (10/1/87).</li> <li>(c) The sale of sealed tickets by bingo permittees is legalized. Nonprofit organizations with liquor permits may also sell sealed tickets for a one year trial period (10/1/87).</li> <li>(d) Volunteer fire companies conducting bazaars are allowed to award cash prizes not exceeding \$25 for money-wheel games, (10/1/86).</li> <li>(e) A legalized gambling investigative unit is created within the Division of State Police.</li> </ul>
			(2) The municipal share of revenue from OTB is increased to 1% from four-tenths of one percent of the gross amount wagered. (1/1/87)
			(3)(a) Eliminates the separate daily and instant lottery funds and creates one lottery fund.
			(b) Changes the transfer of funds from the lottery fund to "from time to time" rather than December and June.
			(c) Authorities may permit games of chance in the same location twice, rather than once, every three weeks.
			(d) The Chronic Gamblers' Program and the funding mechanism are made permanent (see 1984 (4) above for fees).
1988	265.2	2.9	<p>PA 87-528 - Extended the moratorium on new gambling facilities until 6/30/89. The Division is authorized to substantially upgrade one OTB branch facility. The total number of OTB branch facilities is reduced to 18 from 20 facilities.</p> <p>PA 87-542 - A number of changes regarding the use and payment of proceeds from dog racing are made as follows:</p> <ul style="list-style-type: none"> <li>(a) Tax rate reduced to 7.25% from 8.5%.</li> <li>(b) Increases the amount that licenses must allocate to purses by one-half of one percent of total money wagered to 3.5% from 3.0%.</li> <li>(c) Requires licensees to allocate one-quarter of one percent of the handle to capital expenditures and one-quarter of one percent of the handle to promotional marketing. (Quarterly financial statements to the division are required) (7/1/87).</li> </ul> <p>PA 87-121 - The state's OTB vendor is authorized to accept wagering on any type of racing event and not just thoroughbred and harness horse racing. Different types of racing may be offered in the same program.</p>
1989	259.1	(2.3)	PA 88-363 - A number of changes concerning the operation of bingo and sealed tickets are made.
1990	265.7	2.6	<p>PA 89-390 - Extended the moratorium on new gambling facilities to 6/30/91. In addition, the Division was authorized to provide simulcasting in a total of three OTB OTB branch facilities (including the Windsor Locks Teletheater).</p> <p>PA 89-214 - New fees were established for equipment dealers for games of chance and for organizations to sell sealed tickets.</p>

## GAMBLING REVENUES

Fiscal Year	Amount (Millions \$)	Yearly % Change	Base/Rate Changes
			<p>PA 89-355 - Provided that a total of \$1 million will be transferred from the Unclaimed Lottery Prize Fund to the Department of Education for the Interdistrict Co-operation Grant Program (\$700,000) and for a pilot program in training paraprofessionals for teaching (\$300,000).</p> <p>A change was made in the Lotto game to increase the field of number from 40 to 44.</p> <p>The number of instant games per year will be increased from two to four per year with two games operating concurrently in the Spring and then again, in the Fall.</p>
1991	257.3	(3.2)	<p>PA 90-325 - Legalized the use of animals for cow-chip bingo but because of statutory restrictions, permits must be issued for each event and no cash prizes may be awarded.</p>
1992	252.2	(2.0)	<p>PA 91-281 mandates lottery agents to deposit collections from lottery sales into a special account in DRS's name, and file reports documenting lottery receipts and transactions to DRS.</p> <p>PA-309 makes various changes in the laws concerning dog track operations.</p> <ul style="list-style-type: none"> <li>(a) Authorizes the conversion of one of current operating Jai Alai frontons into a dog track.</li> <li>(b) Authorizes a simulcasting theater at Plainfield's dog track.</li> <li>(c) Increases the takeout rate from 19% to 20%.</li> <li>(d) Replaces the fixed 7.25% tax rate on gross wagers with a sliding scale ranging from 5.0%-8.5%.</li> <li>(e) Beginning in fiscal year 1992-93 Plainfield's municipal share increases from .5% to .8% and provides .2% to the Northeast Economic Alliance.</li> </ul> <p>PA 91-320 removes location limitations on towns wishing to host Las Vegas nights.</p> <p>PA 91-366 extends the moratorium on new gambling facilities and para-mutual licenses for an additional two years, until June 30, 1993.</p> <p>PA 91-409 subjects gambling winnings to state capital gains tax laws.</p>
1993	249.2	(1.2)	<p>PA 92-17(MSS) expands or changes a number of gaming laws and regulations.</p> <ul style="list-style-type: none"> <li>(a) Creates a Class C bingo permit which allows between 15-40 games per year.</li> <li>(b) Makes permanent the temporary moratorium on additional OTB facilities and authorizes one additional simulcasting facility at the current Bridgeport site.</li> <li>(c) Increases the Jai Alai takeout rate from 18% to 20% until June 1994, after which it reverts back to 18%.</li> <li>(d) Establishes a task force to study the feasibility of authorizing additional casino gambling in the state.</li> </ul>

## GAMBLING REVENUES

Fiscal Year	Amount (Millions \$)	Yearly % Change	Base/Rate Changes
1994	225.4	(9.6)	<p>PA 93-332:</p> <ul style="list-style-type: none"> <li>(a) Instructed the DSR to sell the right to operate the state's off-track betting system to a private licensee. A 3.5% (1% to the host municipality) tax is imposed on the licensee based on the total amount wagered, effective 7/1/93.</li> <li>(b) The tax rate on Jai Alai is reduced from a flat rate of 6.75% to a sliding scale ranging from 2% - 4%, effective 7/1/93.</li> <li>(c) The tax rate on Dog Racing is reduced from 5% - 8.5% to 2% - 4% (Bridgeport Dog Track will be taxed a flat 2% when opened), effective 7/1/93</li> </ul> <p>PA 93-13 increases the limit that a special bingo grand prize can accumulate from from 12 weeks or a maximum of \$1,500 to 16 weeks or a maximum of \$2,000, effective 10/1/93.</p>
1995	257.8	14.4	<p>PA 94-223 allows the State's OTB facilities to accept wagering on jai alai games.</p> <p>PA 94-1(MSS) levies a fee of \$25 per performance on the State's four teletheaters for the Chronic Gamblers Treatment Fund.</p>
1996	270.4	4.9	<p>PA 95-160:</p> <ul style="list-style-type: none"> <li>(a) Allows the state to participate in multi-state lottery games (Powerball)</li> <li>(b) Required the Office of Policy and Management and the Division of Special Revenue to prepare a plan for partial or total privatization of the state lottery.</li> </ul> <p>PA 95-59:</p> <ul style="list-style-type: none"> <li>(a) Allows organizations conducting a bazaar to hold the event in a municipality other than the one that granted it.</li> <li>(b) Clarifies duck-race raffles and requires the division to adopt regulations that establish duck racing procedures. Duck racing raffles are defined as one in which artificial ducks (usually the yellow species) are numbered consecutively to correspond to the tickets sold. The ducks are placed in a naturally moving stream of water at the designated starting point. The winning ticket is the one corresponding to the first duck to pass the designated finish line.</li> <li>(c) Allows organizations to apply for a bazaar or raffle permit after six months existence instead of one year.</li> </ul> <p>PA 95-61 exempts crane game machines or devices and redemption machines from the prohibition of gambling devices.</p>
1997	258.7	(4.3)	<p>PA 96-102 allows bazaar and raffle permittees to rent equipment from a dealer who does not have a principal business place in Connecticut provided the dealer is registered with the Department of Special Revenue and an in-state dealer is unavailable. Under prior law permittees could rent bazaar and raffle equipment from only a dealer registered with the Department of Special Revenue and with a principal business place in state. The annual registration fee continues to be \$300.</p>

## GAMBLING REVENUES

**Fiscal Year    Amount (Millions \$)    Yearly % Change**

### Base/Rate Changes

PA 96-151:

- (a) Eliminates certain restrictions on the operating hours and days of jai alai, racing, and off-track betting (OTB) facilities. Allows operation 7 days a week.
- (b) Allows jai alai and dog track licensees to keep unclaimed prize money instead of paying it to the Department of Special Revenue for deposit into the General Fund.
- (c) Requires dog track licensees to submit annual, instead of quarterly, financial statements showing allocation of money for purses, capital improvements and promotional marketing.

PA 96-212 transferred Lottery operations to the newly created Connecticut Lottery Corporation (CLC) on July 1, 1996. The CLC is a quasi-public corporation established to operate the State's Lottery subject to Division of Special Revenue Regulations. All revenue generated from the Lottery sales net of prizes and expenses will be transferred to the State's General Fund.

It also requires the CLC to transfer \$250,000 to the Chronic Gamblers Fund for educational, prevention and treatment programs beginning with FY 97.

PA 96-236 prohibits anyone from assigning lottery winnings except to (1) the estate of the deceased winner, (2) anyone entitled to such winnings as specified by judicial order, or (3) for satisfaction of a delinquent child support obligation.

1998        267.3        3.3

PA 97-277:

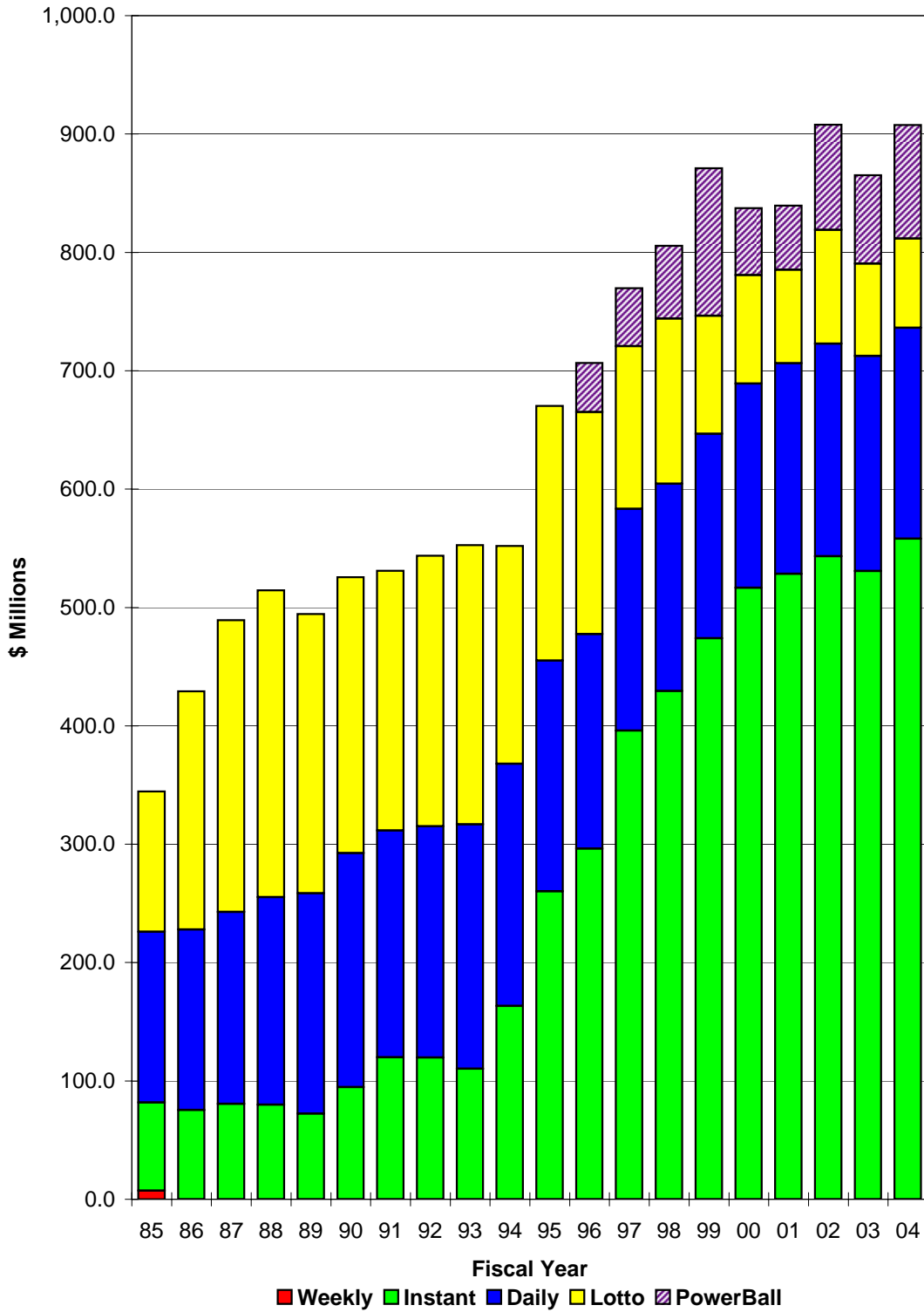
- (a) increases, from four to eight, the number of the 18 currently authorized OTB branch facilities that may simulcast OTB or jai alai games.
- (b) prohibits locating simulcasting facilities in any zone of protection negotiated between the OTB system operator and any pari-mutuel betting facility.
- (c) allows simulcasting facilities to be located within 35 miles of the Windsor Locks teletheater by removing the zone of protection around that facility.
- (d) increases from 1% to 1.6% of wagers, the amount the DSR must pay towns with an OTB facility and requires DSR to pay New Haven and Windsor Locks an additional .5% of the wagers from any facility equipped for simulcasting after October 1, 1997 and located within 15 miles of the teletheaters in these towns.
- (e) sets the OTB takeout rate on multiple forms of wagering on three or more animals at 23% of the amount in the betting pool and eliminates the Gaming Policy Board's mandate to set it between 17% and 25%.
- (f) gives the operators of the state's dog racing and jai alai facilities the option of separate takeout rates for win, place, or show pools (maximum 18%) and other other pools (maximum 23%) or the existing rate of 20% for all pools on any given day.
- (g) requires employees of the Connecticut Lottery Corporation to be licensed by the DSR.

PA97-233 requires DSR to assign to the Connecticut Lottery Corporation all annuities the state purchased to pay lottery prizes before the state lottery was transferred to the CLC (7/1/96). It makes the CLC solely responsible for paying all lottery prizes, not

## GAMBLING REVENUES

Fiscal Year	Amount (Millions \$)	Yearly % Change	Base/Rate Changes
			just those awarded since it took over the lottery.
1999	280.5	4.9	PA 98-137 and PA 98-219 establish a procedure for the voluntary assignment of all, or some, of any lottery winnings paid in installments.
2000	259.8	(7.4)	PA 98-250 increases the annual transfer to the Chronic Gamblers Fund from \$250,000 to \$500,000 beginning FY 2000. PA 99-173 further increased the transfer to \$850,000 for FY 2000. For FY 2001 and thereafter the transfer is increased to \$1,250,000.
2001	258.2	(0.6)	PA 00-129 increases Plainfield's municipal share of gambling revenue from .8% to 1% and eliminates the .2% payment to the Northeast Economic Alliance effective 7/1/01.
2002	277.6	7.5	PA 01-06 (JSS) imposes the income tax on a nonresident that wins the CT Lottery and allows a resident that wins an out-of-state Lottery to credit to any taxes paid to other jurisdictions against their CT Income Tax final liability. It also defines that the starting point for CT AGI is Federal Adjusted Gross Income.
2003	262.8	(5.3)	
2004	286.7 Unaudited	9.1	PA 03-178 increased bingo prize values that may be awarded.  PA 03-109 allows the seizure of lottery winnings to pay for child support.  PA 03-114 restricts access to casinos by individuals younger than 21 years of age.  PA 03-60 prohibits the CLC from offering interactive lottery games.
2005	273.9 Unaudited	(0.0)	PA 04-176 increased the on-track rate for wins, place, show wagers from 18% to 19%, and from 23% to 27% for all other wagers, and increased take out rate for multiple forms of OTB wagering on three or more animals, from 23% to 24.5%  PA 04-44 established a nonrefundable application fee for concessionaire affiliate license of \$250 for each application.  PA 04-79 increased the number of raffle permits qualifying organizations may obtain in a calendar year from one to five.
2006	277.5 Budget Act	0.0	PA 05-251 requires the CT Lottery Corporation to transfer an additional \$500,000 in FY 06 on top of the \$1,250,000 transferred for purposes of funding gambling awareness education and rehabilitation.
2007	280.0 Budget Act	0.0	

# Annual Lottery Sales By Type of Game FY 85 - FY 04



**LOTTERY REVENUES  
COMPARISON OF GROSS SALES WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND  
(Millions \$)**

<u>Fiscal Year</u>		<u>Gross Sales</u>	<u>Transfers to General Fund</u>	<u>Percent</u>
1971-72	Weekly	\$17.20	\$8.10	47.1
1972-73	Weekly	34.7	16.5	47.6
1973-74	Weekly	30.8	16.0	51.9
1974-75	Weekly	30.9	15.0	48.5
1975-76	Weekly	29.5	13.5	45.8
	Instant	<u>41.9</u>	<u>18.4</u>	<u>43.9</u>
		<b>71.4</b>	<b>31.9</b>	<b>44.7</b>
1976-77	Weekly	25.8	9.4	36.4
	Instant	23.8	11.7	49.2
	Daily	<u>13.1</u>	<u>4.2</u>	<u>32.1</u>
		<b>62.7</b>	<b>25.3</b>	<b>40.4</b>
1977-78	Weekly	19.2	8.2	42.7
	Instant	41.9	18.2	43.4
	Daily	<u>46.4</u>	<u>15.4</u>	<u>33.2</u>
		<b>107.5</b>	<b>41.8</b>	<b>38.9</b>
1978-79	Weekly	12.9	3.9	30.2
	Instant	49.8	18.2	36.5
	Daily	<u>58.2</u>	<u>21.0</u>	<u>36.1</u>
		<b>120.9</b>	<b>43.1</b>	<b>35.6</b>
1979-80	Weekly	11.5	3.5	30.4
	Instant	45.5	17.7	38.9
	Daily	<u>73.2</u>	<u>33.3</u>	<u>45.5</u>
		<b>130.2</b>	<b>54.5</b>	<b>41.9</b>
1980-81	Weekly	10.1	1.5	14.9
	Instant	56.2	21.5	38.3
	Daily	<u>84.7</u>	<u>34.6</u>	<u>40.9</u>
		<b>151.0</b>	<b>57.6</b>	<b>38.1</b>
1981-82	Weekly	10.4	2.4	23.1
	Instant	53.8	21.8	40.5
	Daily	<u>105.8</u>	<u>46.8</u>	<u>44.2</u>
		<b>170.0</b>	<b>71.0</b>	<b>41.8</b>
1982-83	Weekly	14.2	4.1	28.9
	Instant	56.0	22.8	40.7
	Daily	<u>118.5</u>	<u>53.6</u>	<u>45.2</u>
		<b>188.7</b>	<b>80.5</b>	<b>42.7</b>



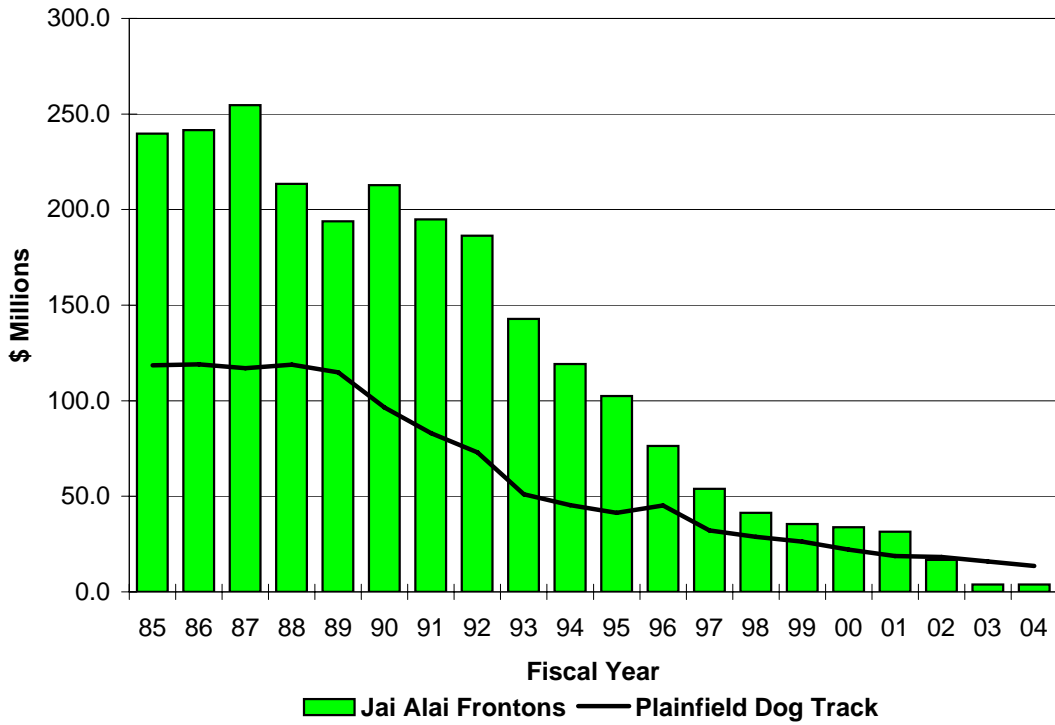
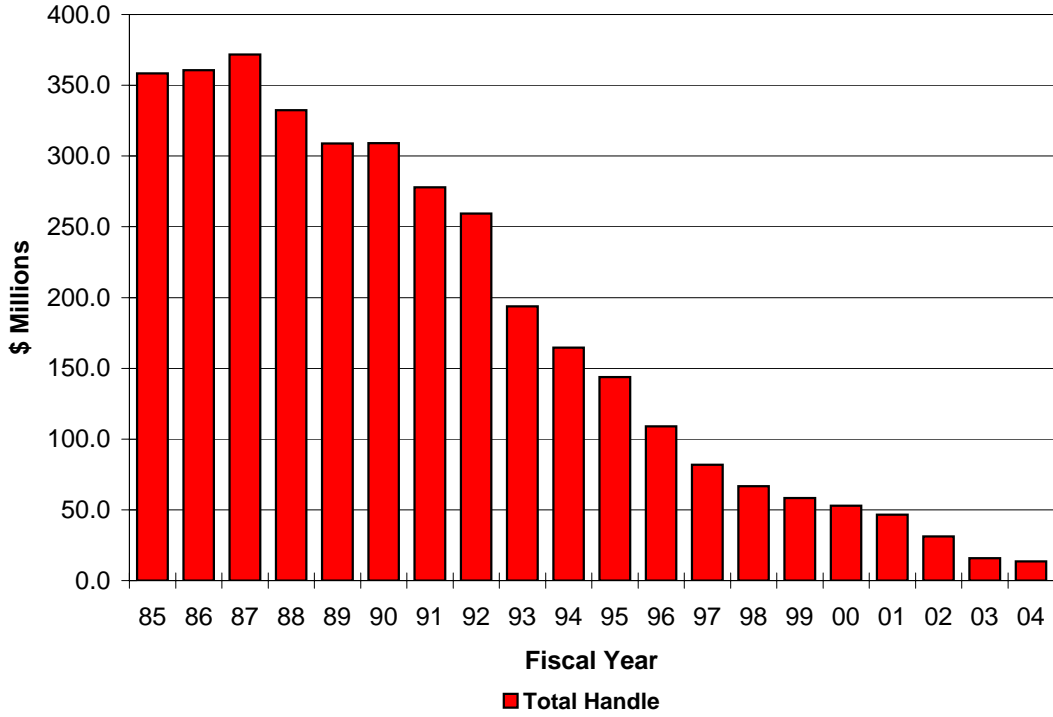
<u>Fiscal</u> <u>Year</u>		<u>Gross Sales</u>	<u>Transfers to</u> <u>General Fund</u>	<u>Percent</u>
1983-84	Weekly	11.8	3.0	25.4
	Instant	67.0	24.7	36.9
	Daily	131.5	59.0	44.9
	Lotto	<u>44.1</u>	<u>18.8</u>	<u>42.6</u>
		<b>254.4</b>	<b>105.5</b>	<b>41.5</b>
1984-85	Weekly[1]	7.3	0.0	0.0
	Instant	74.4	31.3	42.1
	Daily	144.2	64.5	44.7
	Lotto	<u>118.5</u>	<u>53.0</u>	<u>44.7</u>
		<b>344.4</b>	<b>148.8</b>	<b>43.2</b>
1985-86	Instant	75.4	30.5	40.5
	Daily	152.5	67.7	44.4
	Lotto	<u>201.2</u>	<u>92.6</u>	<u>46.0</u>
		<b>429.1</b>	<b>190.8</b>	<b>44.5</b>
1986-87	Instant	80.8	33.6	41.6
	Daily	162.1	73.1	45.1
	Lotto	<u>246.4</u>	<u>109.4</u>	<u>44.4</u>
		<b>489.3</b>	<b>216.1</b>	<b>44.2</b>
1987-88	Instant	80.0	31.0	38.8
	Daily	175.3	78.9	45.0
	Lotto	<u>259.3</u>	<u>115.1</u>	<u>44.4</u>
		<b>514.6</b>	<b>225.0</b>	<b>43.7</b>
1988-89	Instant	72.3	30.1	41.6
	Daily	186.2	84.2	45.2
	Lotto	<u>236.0</u>	<u>105.4</u>	<u>44.7</u>
		<b>494.5</b>	<b>219.7</b>	<b>44.4</b>
1989-90	Instant	94.7	39.0	41.2
	Daily	197.8	90.0	45.5
	Lotto	<u>233.0</u>	<u>98.7</u>	<u>42.4</u>
		<b>525.5</b>	<b>227.7</b>	<b>43.3</b>
1990-91	Instant	120.0	47.9	39.9
	Daily	191.6	85.5	44.6
	Lotto	<u>219.5</u>	<u>95.2</u>	<u>43.4</u>
		<b>531.1</b>	<b>228.6</b>	<b>43.0</b>
1991-92	Instant	119.8	38.7	32.3
	Daily	195.2	88.2	45.2
	Lotto	219.9	93.2	42.4
	Cash Lotto	<u>8.9</u>	<u>1.2</u>	<u>13.5</u>
		<b>543.8</b>	<b>221.3</b>	<b>40.7</b>

<u>Fiscal</u> <u>Year</u>		<u>Gross Sales</u>	<u>Transfers to</u> <u>General Fund</u>	<u>Percent</u>
1992-93	Instant	110.2	33.2	30.1
	Daily	206.5	93.5	45.3
	Lotto	202.6	84.2	41.6
	Cash Lotto	<u>33.3</u>	<u>10.9</u>	<u>32.7</u>
		<b>552.6</b>	<b>221.8</b>	<b>40.1</b>
1993-94	Instant	163.4	49.4	30.2
	Daily	204.4	91.1	44.6
	Lotto	153.5	64.8	42.2
	Cash Lotto	<u>30.7</u>	<u>12.0</u>	<u>39.1</u>
		<b>552.0</b>	<b>217.3</b>	<b>39.4</b>
1994-95	Instant	260.1	76.3	29.3
	Daily	195.1	88.0	45.1
	Lotto	170.1	70.8	41.6
	Cash Lotto	<u>45.0</u>	<u>14.5</u>	<u>32.2</u>
		<b>670.3</b>	<b>249.6</b>	<b>37.2</b>
1995-96	Instant	296.2	86.7	29.3
	Daily	181.2	81.6	45.0
	Lotto	139.5	59.0	42.3
	Cash Lotto	48.1	17.4	36.2
	Power Ball	<u>41.6</u>	<u>17.3</u>	<u>41.6</u>
		<b>706.6</b>	<b>262.0</b>	<b>37.1</b>
1996-97 *	Instant	396.0	98.1	24.8
	Daily	187.4	77.2	41.2
	Lotto	90.1	37.6	41.7
	Cash Lotto	47.3	16.9	35.7
	Power Ball	<u>49.0</u>	<u>21.7</u>	<u>44.3</u>
		<b>769.8</b>	<b>251.5</b>	<b>32.7</b>
1997-98 *	Instant	429.3	105.4	24.6
	Daily	175.2	73.8	42.1
	Lotto	81.0	38.9	48.0
	Cash Lotto	58.5	20.1	34.4
	Power Ball	<u>61.5</u>	<u>26.1</u>	<u>42.4</u>
		<b>805.5</b>	<b>264.3</b>	<b>32.8</b>
1998-99 *	Instant	474.0	110.3	23.3
	Daily	172.7	70.4	40.8
	Lotto	51.3	19.3	37.6
	Cash Lotto	48.4	15.7	32.4
	Power Ball	<u>124.6</u>	<u>55.6</u>	<u>44.6</u>
		<b>871.0</b>	<b>271.3</b>	<b>31.1</b>

<u>Fiscal Year</u>	<u>Gross Sales</u>	<u>Transfers to General Fund</u>	<u>Percent</u>
1999-2000 * Instant	516.6	116.1	22.5
Daily	172.6	71.4	41.4
Lotto	47.3	18.6	39.3
Cash Lotto	44.5	17.1	38.4
Power Ball	<u>56.5</u>	<u>30.4</u>	<u>53.8</u>
	<b>837.5</b>	<b>253.6</b>	<b>30.3</b>
2000-2001 * Instant	528.3	126.1	23.9
Daily	178.0	72.5	40.7
Lotto	37.2	14.8	39.8
Cash Lotto	41.8	14.8	35.4
Power Ball	<u>54.3</u>	<u>23.8</u>	<u>43.8</u>
	<b>839.6</b>	<b>252.0</b>	<b>30.0</b>
2001-2002 * Instant	543.2	126.9	23.4
Daily	179.6	70.0	39.0
Lotto	54.1	20.5	37.9
Cash Lotto	42.1	14.9	35.4
Power Ball	<u>88.9</u>	<u>39.2</u>	<u>44.1</u>
	<b>907.9</b>	<b>271.5</b>	<b>29.9</b>
2002-2003 * Instant	530.7	120.4	22.7
Daily	181.8	75.0	41.3
Lotto	36.7	10.2	27.8
Cash Lotto	41.2	14.4	35.0
Power Ball	<u>74.9</u>	<u>36.8</u>	<u>49.1</u>
	<b>865.3</b>	<b>256.8</b>	<b>29.7</b>
2003-2004 * Instant	558.0	130.0	23.3
Daily	178.3	81.0	45.4
Lotto	34.0	12.0	35.3
Cash Lotto	41.3	15.5	37.5
Power Ball	<u>95.9</u>	<u>42.3</u>	<u>44.1</u>
	<b>907.5</b>	<b>280.8</b>	<b>30.9</b>

\* Beginning with the 1996-97 fiscal year revenue transferred to the General Fund are net of lottery operating expenses. Prior to the 1996-97 fiscal year revenue was transferred before operating expenses.

## Jai Alai and Dog Track Handle FY 85 - FY 04



**JAI ALAI AND DOG TRACK REVENUES  
COMPARISON OF HANDLE WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND**

	Take Out Rates		Tax Rates	
	Jai Alai	Dog Track	Jai Alai	Dog Track
1977	18.00%	18.00%	5.25%	5.75%-8.25%
1978	18.00	18.00	6.75	8.00
1979	18.00	18.00	6.75	8.00
1980	18.00	18.00	6.75	8.00
1981	18.00	18.00	6.75	8.00
1982	18.00	18.00	6.75	8.00
1983	18.50	18.00	6.75	8.25
1984	19.00	18.00	6.75	8.50
1985	19.00	18.00	6.75	8.50
1986	19.00	18.00	6.75	8.50
1987	19.00	18.00	6.75	8.50
1988	19.00	18.00	6.75	7.25
1989	19.00	18.00	6.75	7.25
1990	19.00	18.00	6.75	7.25
1991	19.00	18.00	6.75	7.25
1992	19.00	20.00	6.75	5.0-8.50
1993	20.00	20.00	6.75	5.0-8.50
1994	20.00	20.00	2.0-4.00	2.0-4.00
1995	20.00	20.00	2.0-4.00	2.0-4.00
1996	20.00	20.00	2.0-4.00	2.0-4.00
1997	20.00	20.00	2.0-4.00	2.0-4.00
1998 [1]	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
1999	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
2000	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
2001	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
2002	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
2003	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
2004	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00
2005	18.00 -23.00	18.00 -23.00	2.0-4.00	2.0-4.00

[1] PA 97-277 gives operators the option of a 20% takeout rate for all wagers or split rate which cannot exceed 18% for win, place, or show pools and 23% for all other pools.

**JAI ALAI AND DOG TRACK REVENUES  
COMPARISON OF HANDLE WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND**

<u>Fiscal Year</u>	<u>Facility</u>	Amounts in Millions		% of Handle Transferred to the General Fund
		<u>Handle</u>	<u>Transfers To General Fund [1]</u>	
1975-1976	Bridgeport	\$8.8	\$0.2	2.3
	Hartford	11.8	0.4	3.4
	Plainfield	<u>64.9</u>	<u>4.9</u>	<u>7.6</u>
		\$85.5	\$5.5	6.4
1976-1977	Bridgeport	\$143.3	\$7.5	5.2
	Hartford	82.0	4.2	5.1
	Milford	22.9	0.9	3.9
	Plainfield	<u>125.6</u>	<u>9.9</u>	<u>7.9</u>
	\$373.8	\$22.5	6.0	
1977-1978	Bridgeport	\$80.4	\$4.6	5.7
	Hartford	74.9	4.6	6.1
	Milford	74.8	4.5	6.0
	Plainfield	<u>98.0</u>	<u>8.0</u>	<u>8.2</u>
	\$328.1	\$21.7	6.6	
1978-1979	Bridgeport	\$85.3	\$5.3	6.2
	Hartford	72.9	4.3	5.9
	Milford	78.6	4.4	5.6
	Plainfield	<u>100.4</u>	<u>7.9</u>	<u>7.9</u>
	\$337.2	\$21.9	6.5	
1979-1980	Bridgeport	\$79.2	\$4.7	5.9
	Hartford	66.3	4.1	6.2
	Milford	74.3	4.7	6.3
	Plainfield	<u>90.7</u>	<u>7.1</u>	<u>7.8</u>
	\$310.5	\$20.6	6.6	
1980-1981	Bridgeport	\$77.8	\$4.6	5.9
	Hartford	64.3	3.9	6.1
	Milford	67.5	4.0	5.9
	Plainfield	<u>95.1</u>	<u>7.5</u>	<u>7.9</u>
	\$304.7	\$20.0	6.6	
1981-1982	Bridgeport	\$74.9	\$4.5	6.0
	Hartford	82.6	4.9	5.9
	Milford	68.4	4.1	6.0
	Plainfield	<u>104.2</u>	<u>8.1</u>	<u>7.8</u>
	\$330.1	\$21.6	6.5	

**JAI ALAI AND DOG TRACK REVENUES  
COMPARISON OF HANDLE WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND**

<u>Fiscal Year</u>	<u>Facility</u>	Amounts in Millions		% of Handle Transferred to the General Fund
		<u>Handle</u>	<u>Transfers To General Fund [1]</u>	
1982-1983	Bridgeport	\$73.8	\$4.4	6.0
	Hartford	80.7	4.8	5.9
	Milford	73.8	4.5	6.1
	Plainfield	<u>114.4</u>	<u>9.3</u>	<u>8.1</u>
		\$342.7	\$23.0	6.7
1983-84	Bridgeport	\$76.0	\$4.5	5.9
	Hartford	80.2	4.9	6.1
	Milford	74.9	4.5	6.0
	Plainfield	<u>117.3</u>	<u>9.8</u>	<u>8.4</u>
		\$348.4	\$23.7	6.8
1984-85	Bridgeport	\$73.3	\$4.4	6.0
	Hartford	86.4	5.2	6.0
	Milford	80.1	4.8	6.0
	Plainfield	<u>118.5</u>	<u>9.9</u>	<u>8.4</u>
		\$358.3	\$24.3	6.8
1985-86	Bridgeport	\$90.6	\$5.3	5.8
	Hartford	86.1	5.0	5.8
	Milford	64.9	3.8	5.9
	Plainfield	<u>119.0</u>	<u>9.7</u>	<u>8.2</u>
		\$360.6	\$23.8	6.6
1986-87	Bridgeport	\$83.8	\$4.9	5.8
	Hartford	90.0	5.2	5.8
	Milford	81.3	4.7	5.8
	Plainfield	<u>117.0</u>	<u>9.2</u>	<u>7.9</u>
		\$372.1	\$24.0	6.4
1987-88	Bridgeport	\$52.3	\$3.4	6.5
	Hartford	73.9	4.5	6.1
	Milford	87.2	5.3	6.1
	Plainfield	<u>118.9</u>	<u>8.2</u>	<u>6.9</u>
		\$332.3	\$21.4	6.4
1988-89	Bridgeport	\$60.4	\$3.6	6.0
	Hartford	53.8	3.4	6.3
	Milford	79.7	4.9	6.1
	Plainfield	<u>114.9</u>	<u>7.9</u>	<u>6.9</u>
		\$308.8	\$19.8	6.4

**JAI ALAI AND DOG TRACK REVENUES  
COMPARISON OF HANDLE WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND**

<u>Fiscal Year</u>	<u>Facility</u>	Amounts in Millions		% of Handle Transferred to the General Fund
		<u>Handle</u>	<u>Transfers To General Fund [1]</u>	
1989-90	Bridgeport	\$63.2	\$3.8	6.0
	Hartford	71.5	4.3	6.0
	Milford	78.1	4.7	6.0
	Plainfield	<u>96.5</u>	<u>7.0</u>	<u>7.3</u>
		\$309.3	\$19.8	6.4
1990-91	Bridgeport	\$61.4	\$3.7	6.0
	Hartford	64.9	3.9	6.0
	Milford	68.5	4.2	6.1
	Plainfield	<u>83.1</u>	<u>5.9</u>	<u>7.1</u>
		\$277.9	\$17.7	6.4
1991-92	Bridgeport	\$56.9	\$3.4	6.0
	Hartford	66.3	4.0	6.0
	Milford	63.2	3.8	6.0
	Plainfield	<u>73.0</u>	<u>5.3</u>	<u>7.3</u>
		\$259.4	\$16.5	6.4
1992-93	Bridgeport	\$42.8	\$2.6	6.1
	Hartford	48.5	3.0	6.2
	Milford	51.5	3.1	6.0
	Plainfield	<u>51.0</u>	<u>2.6</u>	<u>5.1</u>
		\$193.8	\$11.3	5.8
1993-94	Bridgeport	\$30.4	\$0.4	1.3
	Hartford	37.1	0.5	1.3
	Milford	51.7	0.7	1.4
	Plainfield	<u>45.4</u>	<u>0.7</u>	<u>1.5</u>
		\$164.6	\$2.3	1.4
1994-95	Bridgeport	\$23.9	\$0.4	1.7
	Hartford	29.4	0.4	1.4
	Milford	49.2	0.6	1.2
	Plainfield	<u>41.3</u>	<u>0.6</u>	<u>1.5</u>
		\$143.8	\$2.0	1.4
1995-96	Bridgeport [2]	\$12.6	\$0.2	1.6
	Hartford [3]	4.1	0.1	2.4
	Milford	59.6	0.9	1.5
	Plainfield	<u>32.6</u>	<u>0.5</u>	<u>1.5</u>
		\$108.9	\$1.7	1.6



**JAI ALAI AND DOG TRACK REVENUES  
COMPARISON OF HANDLE WITH AMOUNTS  
TRANSFERRED TO THE GENERAL FUND**

<u>Fiscal Year</u>	<u>Facility</u>	Amounts in Millions		% of Handle Transferred to the General Fund
		<u>Handle</u>	<u>Transfers To General Fund [1]</u>	
1996-97	Bridgeport	\$4.3	\$0.05	1.2
	Milford	49.6	0.5	1.0
	Plainfield	<u>27.9</u>	<u>0.3</u>	<u>1.1</u>
		\$81.8	\$0.9	1.0
1997-98	Bridgeport	\$3.5	\$0.04	1.1
	Milford	37.9	0.4	1.1
	Plainfield	<u>25.3</u>	<u>0.3</u>	<u>1.2</u>
		\$66.7	\$0.7	1.1
1998-99	Bridgeport	\$3.3	\$0.04	1.2
	Milford	32.2	0.3	0.9
	Plainfield	<u>22.9</u>	<u>0.3</u>	<u>1.3</u>
		\$58.4	\$0.6	1.1
1999-2000	Bridgeport	\$3.1	\$0.04	1.3
	Milford	30.7	0.3	1.0
	Plainfield	<u>19.0</u>	<u>0.2</u>	<u>1.1</u>
		\$52.8	\$0.5	1.0
2000-2001	Bridgeport	\$3.6	\$0.04	1.1
	Milford	27.9	0.3	1.1
	Plainfield	<u>15.1</u>	<u>0.2</u>	<u>1.3</u>
		\$46.6	\$0.5	1.2
2001-2002	Bridgeport	\$3.7	\$0.04	1.1
	Milford [4]	13.0	0.14	1.1
	Plainfield	<u>14.6</u>	<u>0.16</u>	<u>1.1</u>
		\$31.3	\$0.34	1.1
2002-2003	Bridgeport	\$3.8	\$0.04	1.1
	Plainfield	<u>12.1</u>	<u>0.13</u>	<u>1.1</u>
		\$15.9	\$0.17	1.1
2003-2004	Bridgeport	\$3.8	\$0.04	1.1
	Plainfield	<u>9.8</u>	<u>0.10</u>	<u>1.0</u>
		\$13.6	\$0.14	1.0

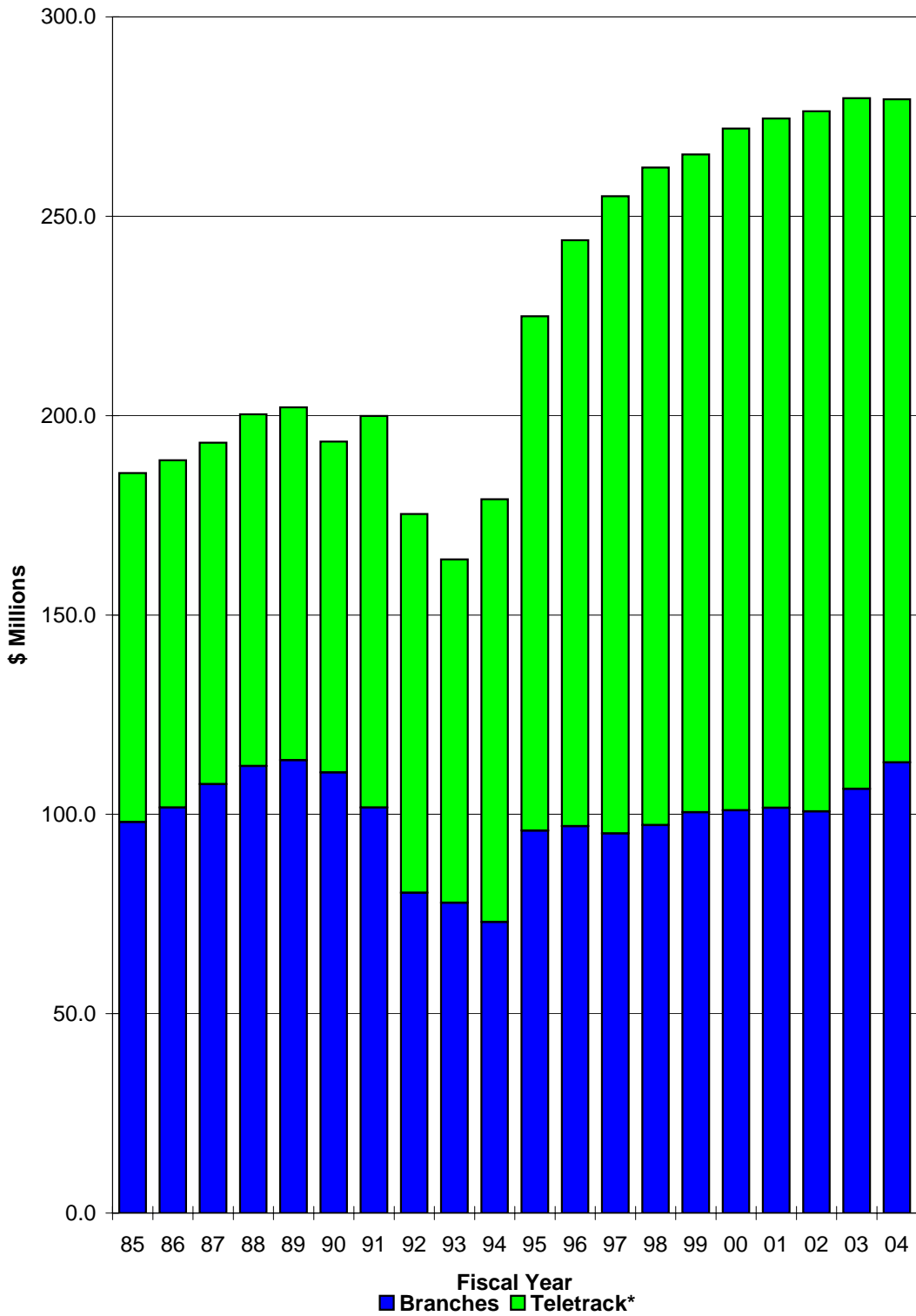
[1] Transfer of money to the state occurs monthly

[2] Bridgeport Jai Alai Fronton converted to a dog track.  
Dog track operations began November 1995.

[3] Hartford Jai Alai Fronton closed September 1995.

[4] Milford Jai Alai Fronton closed December 12, 2001.

## Annual Off-Track Betting Sales FY 85 - FY 04



\*Teletrack includes Windsor Locks Theater, New Haven Teletrack and Bridgeport and Plainfield Simulcast.

**OTB SALES AND TRANSFERS OF REVENUE TO THE GENERAL FUND**

<b>Fiscal Year</b>		<b>Gross Sales (\$ Millions)</b>	<b>Transfers To General Fund (\$ Millions)</b>	<b>Transfers as a Percent of Gross Sales</b>
1975-76 [1]	Branches & Telephone	\$11.3	-	-
1976-77	Branches & Telephone	\$94.0	\$8.0	8.5%
1977-78	Branches & Telephone	\$108.0	\$8.8	8.1%
1978-79	Branches & Telephone	\$118.5	\$7.8	6.6%
1979-80	Branches & Telephone Teletrack [2]	\$112.7 <u>52.2</u> \$164.9	\$13.1	7.9%
1980-81	Branches & Telephone Teletrack	\$106.6 <u>72.6</u> \$179.2	\$13.5	7.5%
1981-82	Branches & Telephone Teletrack	\$107.5 <u>81.7</u> \$189.2	\$20.2	10.7%
1982-83	Branches & Telephone Teletrack	\$101.8 <u>81.8</u> \$183.6	\$19.0	10.4%
1983-84	Branches & Telephone Teletrack	\$100.8 <u>86.3</u> \$187.1	\$18.8	10.1%
1984-85	Branches & Telephone Teletrack	\$98.1 <u>87.5</u> \$185.6	\$18.7	10.1%
1985-86	Branches & Telephone Teletrack	\$101.7 <u>87.1</u> \$188.8	\$18.9	10.0%
1986-87	Branches & Telephone Teletrack	\$107.6 <u>85.6</u> \$193.3	\$18.7	9.7%
1987-88	Branches & Telephone Teletrack	\$112.1 <u>88.2</u> \$200.3	\$18.8	9.4%

**OTB SALES AND TRANSFERS OF REVENUE TO THE GENERAL FUND**

<b>Fiscal Year</b>		<b>Gross Sales (\$ Millions)</b>	<b>Transfers To General Fund (\$ Millions)</b>	<b>Transfers as a Percent of Gross Sales</b>
1988-89	Branches & Telephone Teletrack	\$113.6 <u>88.5</u>		
		\$202.1	\$19.6	9.7%
1989-90	Branches & Telephone Teletrack	\$110.5 <u>83.0</u>		
		\$193.4	\$18.3	9.5%
1990-91	Branches & Telephone Teletrack Windsor Locks [3]	\$101.6 65.9 <u>32.4</u>		
		\$199.9	\$10.9	5.5%
1991-92	Branches & Telephone Teletrack (Old) Teletrack (Coliseum) [4] Windsor Locks Plainfield [5]	\$80.3 34.8 6.7 44.0 <u>9.6</u>		
		\$175.3	\$14.4	8.2%
1992-93	Branches & Telephone New Haven Teletrack Windsor Locks Plainfield Bridgeport [6]	\$77.8 18.3 43.9 12.1 <u>11.8</u>		
		\$163.9	\$16.2	9.9%
1993-94	Branches & Telephone New Haven Teletrack Windsor Locks Plainfield Bridgeport	\$73.0 16.0 45.0 15.0 <u>30.0</u>		
		\$179.0	\$4.9*	2.7%
1994-95	Branches & Telephone New Haven Teletrack Windsor Locks Plainfield Bridgeport	\$95.9 23.0 51.0 18.0 <u>37.0</u>		
		\$224.9	\$6.1	2.7%

\*The State sold right to operate OTB system to private sector; therefore General Fund transfers are net of expenses.

**OTB SALES AND TRANSFERS OF REVENUE TO THE GENERAL FUND**

<b>Fiscal Year</b>		<b>Gross Sales (\$ Millions)</b>	<b>Transfers To General Fund (\$ Millions)</b>	<b>Transfers as a Percent of Gross Sales</b>
1995-96	Branches & Telephone	\$97.0		
	New Haven Teletrack	45.0		
	Windsor Locks	53.0		
	Plainfield	18.0		
	Bridgeport	<u>31.0</u>		
			\$244.0	\$6.6
1996-97	Branches & Telephone	\$95.2		
	New Haven Teletrack	53.2		
	Windsor Locks	57.3		
	Plainfield	18.9		
	Bridgeport	<u>30.4</u>		
			\$255.0	\$6.9
1997-98	Branches & Telephone	\$97.3		
	New Haven Teletrack	53.7		
	Windsor Locks	55.9		
	Plainfield	21.1		
	Bridgeport	<u>34.3</u>		
			\$262.2	\$5.4
1998-99	Branches & Telephone	\$100.5		
	New Haven Teletrack	56.5		
	Windsor Locks	54.4		
	Plainfield	18.1		
	Bridgeport	<u>36.0</u>		
			\$265.5	\$5.5
1999-2000	Branches & Telephone	\$101.0		
	New Haven Teletrack	60.1		
	Windsor Locks	58.3		
	Plainfield	15.1		
	Bridgeport	<u>37.5</u>		
			\$272.0	\$5.6

**OTB SALES AND TRANSFERS OF REVENUE TO THE GENERAL FUND**

<b>Fiscal Year</b>		<b>Gross Sales (\$ Millions)</b>	<b>Transfers To General Fund (\$ Millions)</b>	<b>Transfers as a Percent of Gross Sales</b>
2000-2001	Branches & Telephone	\$101.6		
	New Haven Teletrack	61.6		
	Windsor Locks	58.5		
	Plainfield	15.3		
	Bridgeport	<u>37.5</u>		
			\$274.5	\$5.7
2001-2002	Branches & Telephone	\$100.7		
	New Haven Teletrack	60.6		
	Windsor Locks	59.3		
	Plainfield	13.8		
	Bridgeport	<u>41.9</u>		
			\$276.3	\$5.7
2002-2003	Branches & Telephone	\$106.4		
	New Haven Teletrack	59.1		
	Windsor Locks	56.7		
	Plainfield	12.6		
	Bridgeport	<u>44.8</u>		
			\$279.6	\$5.8
2003-2004	Branches & Telephone	\$113.0		
	New Haven Teletrack	56.6		
	Windsor Locks	53.5		
	Plainfield	12.0		
	Bridgeport	<u>44.2</u>		
			\$279.3	\$5.8

[1] FY 1975-1976 covers the period from April 29, 1976 through June 30, 1976.

[2] First year operations for Teletrack are October 24, 1979 - June 30, 1980

[3] Windsor Locks (Bradley Teletheater) opened on 10/24/90.

[4] The New Haven Teletrack moved into its existing sight, the New Haven Coliseum, on 3/1/92.

[5] PA 91-309 authorized a simulcast theater at Plainfield's dog track. Simulcasting at Plainfield began on 11/1/91.

[6] PA 92-17 (MSS) authorized a simulcast theater at the Bridgeport facility. Simulcasting at Bridgeport began 12/26/

Source: OTB Revenues, Comparison of Gross Sales with Amounts Transferred to the General Fund, The Division of Special Revenue.

**SUMMARY OF PAYMENTS TO MUNICIPALITIES  
OFF-TRACK BETTING AND PARI-MUTUELS**

Fiscal Year	Off Track Betting[1]			Pari-mutuel [2]			Grand Total
	Total OTB	Branches	Teletheaters	Total Pari-mutuel	Jai Alai	Dog Track	OTB and Pari-mutuels
1979	\$292,645	\$292,645	\$0	\$2,870,499	\$2,368,389	\$502,110	\$3,163,144
1980	410,667	278,136	132,531	2,651,053	2,197,691	453,362	3,061,720
1981	445,094	263,131	181,963	2,571,554	2,096,112	475,442	3,016,648
1982	470,236	265,657	204,579	2,780,300	2,259,099	521,201	3,250,536
1983 [3,4]	474,547	264,539	210,008	2,855,650	2,283,441	572,209	3,330,197
1984	756,795	410,703	346,092	2,897,883	2,311,193	586,690	3,654,678
1985	750,577	399,622	350,955	2,990,578	2,398,071	592,507	3,741,155
1986	763,615	414,065	349,550	3,011,431	2,415,729	595,702	3,775,046
1987 [5]	2,026,622	1,420,722	605,900	3,135,500	2,551,119	584,381	5,162,122
1988	2,028,253	1,142,652	885,601	2,729,241	2,134,241	595,000	4,757,494
1989	2,045,946	1,157,595	888,351	2,512,539	1,938,038	574,501	4,558,485
1990	1,957,983	1,068,503	889,480	2,610,166	2,127,883	482,283	4,568,149
1991	2,020,450	1,034,651	985,799	2,363,786	1,948,360	415,426	4,384,236
1992 [6]	1,753,079	871,190	881,889	2,228,645	1,863,685	364,960	3,981,724
1993 [7]	1,638,314	1,031,866	606,448	1,835,565	1,427,451	408,114	3,473,879
1994	1,782,472	661,734	1,120,738	1,645,679	1,191,887	453,792	3,428,151
1995	2,217,434	902,593	1,314,841	1,438,771	1,025,445	413,326	3,656,205
1996	2,440,071	1,460,160	979,911	1,089,532	637,431	452,101	3,529,603
1997	2,549,469	1,276,486	1,272,983	818,038	495,854	322,184	3,367,507
1998	4,260,559	2,202,120	2,058,439	666,124	378,767	287,357	4,926,683
1999	4,337,167	2,219,699	2,117,468	597,724	322,697	275,027	4,934,891
2000	4,445,523	1,617,693	2,827,830	528,157	307,236	220,921	4,973,680
2001	4,484,936	1,625,889	2,859,047	430,590	279,260	151,330	4,915,526
2002	4,503,743	1,612,577	2,891,166	183,625	0	183,625	4,687,368
2003	4,437,841	1,702,074	2,735,767	110,105	0	110,105	4,547,946
2004	4,589,212	2,707,034	1,882,178	136,126	0	136,126	4,725,338

[1] Municipal share of revenue from OTB is 1.0% (effective 1/1/87).

[2] The tax rates for the Pari-mutuel facilities are as follows:

Jai Alai - 1% of daily handle

Greyhound - 1/2% of daily handle

[3] Municipal share of revenue from OTB increased to .4% from .25%, effective June, 1983.

[4] The Off-Track Betting Parlors in New Haven and Meriden were closed on March 31, 1983 and November 30, 1984, respectively.

[5] Effective January, 1987 the Municipal share increases to 1% from .4%.

[6] Includes simulcast figures from Plainfield Dog Track.

[7] Between 7/1/92 and 6/30/01 Plainfield received .8% and the Northeast Economic Alliance received .2%. Effective 7/1/01 Plainfield receives .1% and the payment to the Alliance is eliminated.

Note: The municipal share is paid from the amount retained by the state but is levied on total wagers. The transfer of funds to municipalities occurs monthly.

Source: Statement I and OTB statement of sales and payments to municipalities.

**MUNICIPAL SHARE OF REVENUES  
FROM STATE GAMBLING [1]**

Fiscal Year	Dog Track/Jai Alai Population		OTB	
	Under 50,000	Over 50,000		
1981	0.50%	1.00%	0.25%	
1982	0.50%	1.00%	0.25%	
1983	0.50%	1.00%	0.25%	
1984	0.50%	1.00%	0.40%	
1985	0.50%	1.00%	0.40%	
1986	0.50%	1.00%	0.40%	
1987	0.50%	1.00%	1.00%	(eff. 1/1/87)
1988	0.50%	1.00%	1.00%	
1989	0.50%	1.00%	1.00%	
1990	0.50%	1.00%	1.00%	
1991	0.50%	1.00%	1.00%	
1992	0.50%	1.00%	1.00%	
1993 [2]	0.50%	1.00%	1.00%	
1994	0.5%/0.8%	1.00%	1.00%	
1995	0.5%/0.8%	1.00%	1.00%	
1996	0.5%/0.8%	1.00%	1.00%	
1997	0.5%/0.8%	1.00%	1.00%	
1998	0.5%/0.8%	1.00%	1.60%	[3]
1999	0.5%/0.8%	1.00%	1.60%	
2000	0.5%/0.8%	1.00%	1.60%	
2001	0.5%/0.8%	1.00%	1.60%	
2002	0.5%/0.8%	1.00%	1.60%	
2003	0.5%/0.8%	1.00%	1.60%	
2004	0.5%/0.8%	1.00%	1.60%	

[1] Municipal share is based on total money wagered.

[2] Between 7/1/92 and 6/30/01 Plainfield received .8% and the Northeast Economic Alliance received .2%. Effective 7/1/01 Plainfield receives .1% and the payment to the Alliance are eliminated.

[3] PA 97-277 increased the payments to municipalities from 1% to 1.6%, effective July 1, 1997. Additionally, the Act provides that the city of New Haven and town of Windsor Locks will each receive one-half of the 1% total handle any facility equipped with screens for simulscasting located within a 15 mile radius of each facility effective 10/1/97.

Source: Division of Special Revenue



**PAYMENTS TO MUNICIPALITIES BY TOWN  
OFF-TRACK BETTING  
(FISCAL YEARS)**

<b>Town</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Meriden (closed 11/84, Reopened 6/87, closed again 8/31/99)	57,765	49,167	65,735	57,637	10,074	-	-	-	-	-
Bridgeport/Shoreline	491,557	363,378	633,084	653,309	674,873	677,397	732,709	675,480	749,451	701,948
Torrington	38,055	37,410	57,095	52,414	56,085	54,669	57,023	68,571	85,045	90,539
Waterbury[1]	100,915	100,433	155,679	157,984	153,005	147,079	141,298	135,458	137,286	138,621
West Haven[4]	43,364	35,973	50,085	48,027	49,519	47,311	51,447	36,382	35,396	7,423
Bristol	48,521	67,368	134,664	149,303	157,398	168,642	161,737	156,114	142,219	133,756
Norwalk	107,368	116,190	188,268	182,465	193,894	192,225	148,523	120,937	120,600	114,478
East Haven	52,617	55,826	80,988	71,853	64,892	67,478	76,751	69,880	64,288	57,661
New Britain	87,592	102,803	204,610	244,327	272,807	277,783	295,176	282,869	260,183	253,947
Telephone Betting-- (New Haven)	239,890	244,757	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1,267,644</b>	<b>1,173,305</b>	<b>1,570,208</b>	<b>1,617,319</b>	<b>1,632,547</b>	<b>1,632,584</b>	<b>1,664,664</b>	<b>1,545,691</b>	<b>1,594,468</b>	<b>1,498,373</b>
Teletrack-(New Haven)	445,512	454,548	1,098,797	1,157,574	1,224,402	1,255,669	1,299,263	1,322,914	1,392,307	1,287,715
Windsor Locks	534,399	573,678	959,642	959,894	1,026,124	1,024,804	1,030,907	1,021,563	976,589	832,962
Plainfield (Simulcast)	176,236	188,492	336,727	290,489	240,836	243,060	220,469	140,693	191,372	155,302
Hartford (Jai Alai Branch)	120,605	139,595	268,052	286,281	298,566	295,724	262,878	367,417	387,851	361,828
Milford & Jai Alai Branch	22,062	19,851	27,133	25,610	23,048	20,862	25,564	39,562	46,626	57,649
<b>Total</b>	<b>2,566,458</b>	<b>2,549,469</b>	<b>4,260,559</b>	<b>4,337,167</b>	<b>4,445,523</b>	<b>4,472,703</b>	<b>4,503,745</b>	<b>4,437,840</b>	<b>4,589,213</b>	<b>4,193,829</b>

Source: The Division of Special Revenue.

[1] New London, Waterbury #12, Norwich, and Derby were all closed effective 5/30/91.

[2] Killingly closed effective 10/27/91.

[3] Newington opened on 10/1/92. Closed 5/94.

[4] West Haven Closed effective 9/18/04.

## BUDGET RESERVE FUND HISTORY

(Amounts in Millions)

Surpluses from:	
FY 84	\$165.2
FY 85	27.3
FY 86	16.2
FY 87	104.8
Plus interest earnings[1]	<u>6.1</u>
<b>Balance as of 9/01/87</b>	<b>\$319.6</b>
Less: Transfer to General Fund as Revenue for FY 89 (per Sec. 14 of SA 88-20)	<u>-73.7</u>
<b>Balance as of 7/02/88</b>	<b>\$245.9</b>
Less: Transfer to General Fund to cover FY 88 Deficit	<u>-115.6</u>
<b>Balance as of 9/01/88</b>	<b>\$130.3</b>
Less: Transfer to General Fund to cover FY 89 Deficit	<u>-28.0</u>
<b>Balance as of 9/01/89</b>	<b>\$102.3</b>
Less: Transfer to General Fund to cover FY 90 Deficit[2]	<u>-102.3</u>
<b>Balance as of 9/01/90</b>	<b>\$0.0</b>
(Surpluses from FY 92, FY 93 & FY 94 were used to make Economic Recovery Fund (ERF) payments or for Debt Service payments.)	
Surplus from:	
FY 95	<u>80.5</u>
<b>Balance as of 9/01/95</b>	<b>\$80.5</b>
Surplus from FY 96 of \$250 million less transfer of \$89.5 million to the Economic Recovery Fund (ERF)	<u>160.5</u>
<b>Balance as of 9/01/96</b>	<b>\$241.0</b>
Surplus from FY 97 of \$262.6 million less transfer of \$166.7 million to the Economic Recovery Fund (ERF) for Debt Service payments in FY 98 and FY 99	<u>95.9</u>
<b>Balance as of 9/01/97</b>	<b>\$336.9</b>
Surplus from FY 98 of \$312.9 million less transfer of \$151.2 million to Debt Retirement	<u>161.7</u>
<b>Balance as of 9/01/98</b>	<b>\$498.6</b>
Surplus from FY 99 of \$71.8 million less transfer of \$41.3 million to Debt Retirement	<u>30.5</u>
<b>Balance as of 9/01/99[3]</b>	<b>\$529.1</b>
Surplus from FY 00 of \$300.4 million less transfer of \$10 million to School Wiring and \$255.5 million to School Construction	<u>\$34.9</u>

<b>Balance as of 9/01/00[4]</b>	<b>\$564.0</b>
Surplus from:	
FY 01	<u>\$30.7</u>
<b>Balance as of 9/01/01[5]</b>	<b>\$594.7</b>
Less: Transfer to General Fund to cover FY 02 Deficit	<u>-594.7</u>
<b>Balance as of 9/01/02</b>	<b>\$0.0</b>
Unofficial Surplus from:	
FY 04	<u>\$302.2</u>
<b>Balance as of 3/1/05[6]</b>	<b>\$302.2</b>
Unofficial Surplus from:	
FY 05	<u>\$303.4</u>
<b>Balance as of 9/2/05[7]</b>	<b>\$605.6</b>

[1] Since 7/01/85, interest earned has been deposited in the General Fund.

[2] The remaining \$157.2 million of the deficit was carried over and added to the FY 91 deficit and then financed with Economic Recovery Fund (ERF) notes (\$965.7 million total).

[3] The balance is equal to 5% of Net General Fund appropriations for FY 00, which was the maximum permitted under law at the time (CGS Sec. 4-30a).

[4] The balance is equal to 5% of Net General Fund appropriations for FY 01, which was the maximum permitted under law at the time (CGS Sec. 4-30a).

[5] The balance is equal to 5% of Net General Fund appropriations for FY 02, which was the maximum permitted under law at the time (CGS Sec. 4-30a).

[6] The balance is equal to 2.3% of Net General Fund appropriations for FY 05, which is 7.7% lower than the 10% maximum permitted under current law (CSG Sec. 4-30a).

[7] The balance is equal to 4.3% of Net General Fund appropriations for FY 05, which is 5.7% lower than the 10% maximum permitted under current law (CSG Sec. 4-30a).

Note: PA 03-2, HB 6495 (the deficit mitigation act) increased the maximum allowable in the Budget Reserve Fund from 7.5% to 10% of the net General Fund appropriations for the fiscal year in progress. PA 02-118 had previously increased the maximum from 5% to 7.5%.

**A HISTORY OF GENERAL FUND LAPSE  
BUDGETED VS. ACTUAL**

<b>Fiscal Year</b>	<b>Budgeted Lapse/Savings</b>	<b>Actual Lapse</b>	<b>Additional Lapse (col. 2 - 1)</b>	<b>Percentage Budgeted is of Actual</b>	<b>Percentage Actual Lapse is of Total Budget [1]</b>
1985-86	60,000,000	85,416,471	25,416,471	70.2	2.1
1986-87	70,000,000	62,323,445	(7,676,555)	112.3	1.4
1987-88	79,200,000	73,243,535	(5,956,465)	108.1	1.5
1988-89	82,060,000	152,141,379 [2]	70,081,379	53.9	2.7
1989-90	118,642,638 [3]	101,594,498	(17,048,140)	116.8	1.6
1990-91	95,674,353	129,935,922	34,261,569	73.6	1.9
1991-92	458,723,753 [4]	587,582,508	128,858,755	78.1	7.9
1992-93	223,377,102 [5]	279,301,940	55,924,838	80.0	3.8
1993-94	82,000,000 [6]	223,401,236 [7]	141,401,236	36.7	2.8
1994-95	82,000,000 [6]	256,770,833 [8]	174,770,833	31.9	3.0
1995-96	103,200,000 [9]	158,809,284	55,609,284	65.0	1.8
1996-97	110,725,000 [10]	118,297,448	7,572,448	93.6	1.3
1997-98	191,912,000 [11]	128,199,482 [12]	(63,712,518)	149.7	1.3
1998-99	147,450,000 [13]	178,233,228 [14]	30,783,228	82.7	1.8
1999-00	160,600,000 [15]	109,000,000 [16]	(51,600,000)	147.3	1.0
2000-01	120,000,000 [17]	96,254,644 [18]	(23,745,356)	124.7	0.8
2001-02	103,850,000 [19]	161,607,579 [20]	57,757,579	64.3	1.3
2002-03	251,900,000 [21]	229,887,073 [22]	(22,012,927)	109.6	1.9
2003-04	260,311,400 [23]	279,800,000 [24]	19,488,600	93.0	1.8
2004-05	109,850,000 [25]	181,000,000 [26]	71,150,000	60.7	1.7
<b>20 Year Average</b>	<b>\$145,573,812</b>	<b>\$179,640,025</b>	<b>\$34,066,213</b>	<b>87.6</b>	<b>2.2</b>

[1] Total budget equals Gross General Fund Appropriations plus General Fund Deficiency Appropriations.

[2] Includes the \$50,000,000 in pension funds that were directed to lapse via legislative act.

[3] Includes an estimated lapse of \$68,342,638 plus \$50,300,000 in other mandated savings.

[4] Includes an estimated lapse of \$77,659,540 plus \$381,064,213 in other mandated savings.

[5] Includes an estimated lapse of \$73,377,102 plus \$150,000,000 in "collective bargaining savings".

[6] Includes an estimated lapse of \$70,000,000 plus \$12,000,000 in mandated Other Expenses savings.

[7] Includes \$103,490,562 lapse from surplus appropriated to the Debt Service Account.

[8] Includes \$19,654,737 lapse from surplus appropriated to Debt Service Account.

[9] Includes an estimated lapse of \$72,200,000 plus \$12,000,000 in mandated Other Expenses savings, plus \$19,000,000 in savings from a statewide hiring freeze.

[10] Includes an estimated lapse of \$86,725,000 plus \$12,000,000 in mandated Personal Services savings and \$12,000,000 in mandated Other Expenses savings.

[11] Includes an estimated lapse of \$64,250,000 plus \$104,662,000 in Early Retirement Incentive Program (ERIP) savings, \$11,000,000 in mandated Personal Services savings and \$12,000,000 in mandated Other Expenses savings.

[12] Primarily reflects \$58,020,309 in lower savings from the Early Retirement Incentive Program (ERIP). The original budgeted savings for ERIP was \$104,662,000, whereas \$46,641,691 was realized.

[13] Includes an estimated lapse of \$74,450,000, plus \$11,000,000 in mandated Personal Services savings and \$12,000,000 in mandated Other Expenses savings, plus \$50,000,000 in estimated savings from state Information Technology (IT) privatization.

[14] Primarily reflects an additional net lapse of \$91,400,000 in the Department of Social Services (DSS), partially offset by the loss of \$50,000,000 in savings due to the unsuccessful effort to privatize state Information Technology (IT) operations and an unrealized savings of \$13,800,000 in Personal Services (PS) and Other Expenses (OE) Reductions

for which \$23,000,000 had been anticipated in the budget. The DSS lapse resulted primarily from declining Medicaid expenditures and welfare expenditures.

- [15] Includes an estimated lapse of \$86,000,000, plus \$13,600,000 in mandated Personal Services savings and \$11,000,000 in mandated Other Expenses savings, plus \$50,000,000 in estimated savings from state Information Technology (IT) privatization.
- [16] Primarily reflects the loss of \$50,000,000 in savings due to the unsuccessful effort to privatize state Information Technology (IT) operations.
- [17] Includes an estimated lapse of \$89,400,000, plus \$13,500,000 in mandated Personal Services savings and \$11,000,000 in mandated Other Expenses savings, plus \$6,100,000 in estimated savings from a statewide hiring freeze.
- [18] Primarily reflects the transfer of \$47.4 million in lapses to cover a portion of FY 01 General Fund deficiencies.
- [19] Includes an estimated lapse of \$76,200,000, plus \$13,500,000 in mandated Personal Services savings and \$11,000,000 in mandated Other Expenses savings, plus a \$1,500,000 DoIT lapse and \$1,650,000 from Energy Costs.
- [20] Primarily reflects nearly \$33,000,000 in allotment recisions implemented in September and December of 2001.
- [21] Includes an estimated lapse of \$174,400,000 (including an unspecified \$94,000,000 related to possible union concessions), plus \$13,500,000 in mandated Personal Services savings and \$11,000,000 in mandated Other Expenses savings, plus \$35,000,000 in savings from Extraordinary Governor's Recisions and \$7,000,000 in savings from a hard (hiring) freeze and \$11,000,000 in savings from a managerial wage freeze in the executive and judicial branches.
- [22] Primarily reflects \$75,650,000 in deficiency transfers and a shortfall in union concession savings of \$57,100,000 partially offset by \$70,700,000 from deficit mitigation expenditure reductions and \$37,000,000 in November 2002 and January 2003 recisions.
- [23] Includes an estimated unallocated lapse of \$77,000,000, plus \$14,000,000 in mandated Personal Services savings and \$11,000,000 in mandated Other Expenses savings, plus a \$153,311,400 Early Retirement Incentive Plan (ERIP) lapse and \$5,000,000 from a state Fleet Reduction.
- [24] Unofficial estimate primarily reflects an increase in the unallocated lapse of \$32,300,000 offset by lower ERIP savings of \$10,800,000.
- [25] Includes an estimated unallocated lapse of \$78,600,000, plus \$14,000,000 in mandated Personal Services savings and \$11,000,000 in mandated Other Expenses savings, plus a \$2,500,000 from a state Fleet Reduction and a \$3,750,000 Spend Management lapse.
- [26] Unofficial estimate primarily reflects an increase in the unallocated lapse.

**A HISTORY OF GENERAL FUND  
DEFICIENCY APPROPRIATIONS OR TRANSFERS**

<u>Fiscal Year</u>	<u>Deficiency Appropriations or Transfers</u>	<u>% Deficiency is of Original Net Appropriations</u>
1985-86	10.2	0.3
1986-87	47.9 [1]	1.1
1987-88	38.8 [2]	0.8
1988-89	54.0	1.0
1989-90	110.0	1.8
1990-91	222.5	3.5
1991-92	13.1	0.2
1992-93	33.6	0.5
1993-94	83.5	1.1
1994-95	10.5 [3]	0.1
1995-96	66.9	0.8
1996-97	137.1	1.5
1997-98	108.6	1.2
1998-99	27.7 [3]	0.3
1999-00	6.7 [4]	0.1
2000-01	108.9 [5]	1.0
2001-02	96.0 [6]	0.8
2002-03	75.7 [7]	0.6
2003-04	90.5	0.7
2004-05	78.6	0.6
<b>20 Year Average</b>	<b>\$71.0</b>	<b>0.9</b>
<b>10 Year Average</b>	<b>\$79.7</b>	<b>0.8</b>
<b>5 Year Average</b>	<b>\$89.9</b>	<b>0.8</b>

[1] Does not include \$10 million deficiency for the Educational Excellence Trust Fund.

[2] Does not include \$3.5 million deficiency for the Educational Excellence Trust Fund.

[3] This sum was transferred from the Medicaid account, rather than being provided as an additional appropriation.

[4] The General Fund total for SA 00-13 is \$66.7 million. However, this is on a semi-gross basis, a departure from past practice. OFA estimates that on the typical net basis for deficiencies used in the past, only \$6.7 million would be required.

**Note:** Had the \$50 million in "IT Savings" been achieved in FY 99 and FY 00, there would have been the potential for the savings in an individual agency to be transferred to a deficient account in the agency to further reduce the agency's deficiency, on a net basis.

[5] This amount was covered by \$61.5 million in deficiency appropriations contained within 3 separate bills and a \$47.4 million transfer of lapses.

[6] These deficiencies were covered by transferring funds originally appropriated for various purposes from the anticipated FY 01 surplus.

[7] These deficiencies were covered by transferring funds from agencies and accounts with available lapses.

**CONDITION OF THE GENERAL FUND  
FY 93 - FY 03**

	<b>Amount (millions)</b>	<b>Percent</b>
<b>FY 93</b>		
Appropriated for FY 93-94 Debt Service	\$52.0	26.3%
Appropriated for FY 94-95 Debt Service	32.0	16.2
Unappropriated surplus earmarked for FY 93-94 Debt Service	<u>113.5</u>	<u>57.5</u>
<b>Total Surplus</b>	<b>\$197.5</b>	<b>100.0</b>
<b>FY 94</b>		
Appropriated for Economic Recovery Notes Debt Service Due in FY 94-95	\$149.6	88.4%
Appropriated for FY 94-95 Debt Service	<u>19.7</u>	<u>11.6</u>
<b>Total Surplus *</b>	<b>\$169.3</b>	<b>100.0</b>
* Of the \$169.3 million FY 93-94 surplus, \$113.5 million is in effect the carry forward of the previous year's unappropriated surplus, thereby making the surplus from operations \$55.8 million in FY 93-94.		
<b>FY 95</b>		
Budget Reserve Fund	<u>80.5</u>	<u>100.0%</u>
<b>Total Surplus</b>	<b>\$80.5</b>	<b>100.0</b>
<b>FY 96</b>		
Appropriated for Economic Recovery Notes Debt Service Due in FY 96-97	\$89.5	35.8%
Budget Reserve Fund	<u>160.5</u>	<u>64.2</u>
<b>Total Surplus</b>	<b>\$250.0</b>	<b>100.0</b>
<b>FY 97</b>		
Appropriated for Economic Recovery Notes Debt Service Due in FY 97-98 and FY 98-99	\$166.7	63.5%
Budget Reserve Fund	<u>95.9</u>	<u>36.5</u>
<b>Total Surplus</b>	<b>\$262.6</b>	<b>100.0</b>
<b>FY 98</b>		
Tax Rebate Program and Related Costs	\$124.5	22.1%
Year 2000 Information Technology Conversions	80.0	14.2
Property Tax Relief	40.0	7.1
School Library Books	3.0	0.5
UCONN Endowment	1.8	0.3
Budget Reserve Fund	161.7	28.8
Debt Retirement (Unappropriated Surplus)	<u>151.2</u>	<u>26.9</u>
<b>Total Surplus</b>	<b>\$562.2</b>	<b>100.0</b>

**CONDITION OF THE GENERAL FUND  
FY 93 - FY 03**

	<b>Amount (millions)</b>	<b>Percent</b>
<b>FY 99</b>		
Tax Rebate 99	\$96.2	14.5%
27th Payroll	90.0	13.6
Stadium Construction	80.0	12.1
Medicaid Managed Care Capitation Payments	78.0	11.8
State Employee Health Insurance Claims	60.0	9.0
School Construction Costs	55.0	8.3
Higher Education Endowment	21.3	3.2
Lawsuit Litigation and Settlements	20.2	3.0
Local Capital Improvement Funds	20.0	3.0
Y2K - Year 2000 Computer Compliance	15.0	2.3
Loans for and a Study of Distressed Hospitals	9.0	1.4
School Library Books Grants	6.3	1.0
Arts Grants	6.0	0.9
All Other Items	34.2	5.2
Budget Reserve Fund	30.5	4.6
Debt Retirement (Unappropriated Surplus)	<u>41.3</u>	<u>6.2</u>
<b>Total Surplus</b>	<b>\$663.0</b>	<b>100.0</b>
<b>FY 00</b>		
School Construction Grants (includes \$255.5m from Un	\$296.9	59.8%
One-Time Surplus Revenue Sharing to Towns	34.0	6.8
School Wiring (includes \$10m from Unappropriated Sur	20.0	4.0
Deficit Reduction for UConn Health Center	20.0	4.0
CT Education Technology Initiatives	12.0	2.4
Charter Oak Open Space Trust Account	10.0	2.0
Arts Grants	9.0	1.8
Core Financial Systems	7.5	1.5
New Facility Move for Department of Information Techn	6.0	1.2
ECS Hartford Supplemental School Aid	5.7	1.1
Operation Sail 2000	5.5	1.1
Magnet Schools	5.0	1.0
All Other Items	30.3	6.1
Budget Reserve Fund	<u>34.9</u>	<u>7.0</u>
<b>Total Surplus</b>	<b>\$496.8</b>	<b>100.0</b>
<b>FY 01</b>		
School Construction Grants	\$100.0	20.9%
Transportation Strategy Board	32.0	6.7
Municipal Revenue Sharing/Impact Aid	31.0	6.5
Transfer Workers' Compensation Claims Liabilities	28.2	5.9
Hospital Finance Restructuring Funding	27.4	5.7
Energy Contingency	25.3	5.3
Medicaid Excess Cost	23.5	4.9
Community Mental Health Strategic Investment Fund	21.5	4.5
Higher Education State Matching Fund Grant	18.7	3.9
Grants to Towns - Mash. Pequot & Mohegan Fund	15.0	3.1



**CONDITION OF THE GENERAL FUND  
FY 93 - FY 03**

	<b>Amount (millions)</b>	<b>Percent</b>
Arts, Recreation & Culture Grants	9.0	1.9
Supportive Housing	8.1	1.7
Lease Option for Adriaen's Landing	7.5	1.6
Relocate Hartford City Offices	6.1	1.3
Capital Projects Revolving Fund Deficit Payment	5.3	1.1
Residential Underground Storage Tank Clean-up	5.0	1.0
All Other Items	83.6	17.5
Budget Reserve Fund	<u>30.7</u>	<u>6.4</u>
<b>Total Dedicated Surplus Remaining *</b>	<b>\$477.9</b>	<b>100.0</b>
Surplus Appropriation Reductions (Nov. Sp. Session)	<u>129.0</u>	
<b>Total Surplus</b>	<b>\$606.9</b>	

\* after the November 15, 2001 Special Session

**FY 02**

Operating Deficit	(\$817.1)
Transferred from the Budget Reserve Fund	<u>594.7</u>
<b>Remaining Deficit *</b>	<b>(\$222.4)</b>

\* Economic Recovery Notes were issued to finance the remaining deficit over the next five years.

**FY 03**

Operating Deficit	(\$96.7)
Transferred from the Budget Reserve Fund	<u>0.0</u>
<b>Remaining Deficit *</b>	<b>(\$96.7)</b>

\*Economic Recovery Notes were issued to finance the remaining deficit over the next five years.

**FY 04**

<b>Additional FY 04 Appropriations</b>		
Reserve for Salary Adjustments Account	\$48.4	8.6%
HUSKY Adults	30.0	5.3
DHE - Higher Education State Matching Grant	25.3	4.5
DSS - Medicaid - for nursing home interim rate relief	5.0	0.9
Legislative Management - Other Expenses	3.4	0.6
OPM - Other Expenses - to avert sub base closure	<u>0.3</u>	0.1
<b>Total - Additional FY 04 Appropriations</b>	<b>\$112.4</b>	

**Transfers from FY 04 Resources to FY 05**

Transfer FY 04 Revenue to FY 05	\$125.3	22.2
Transfer \$25m of \$50m Securitization of Clean Energy	<u>25.0</u>	4.4
<b>Total - Transfers from FY 04 Resources to FY 05</b>	<b>\$150.3</b>	

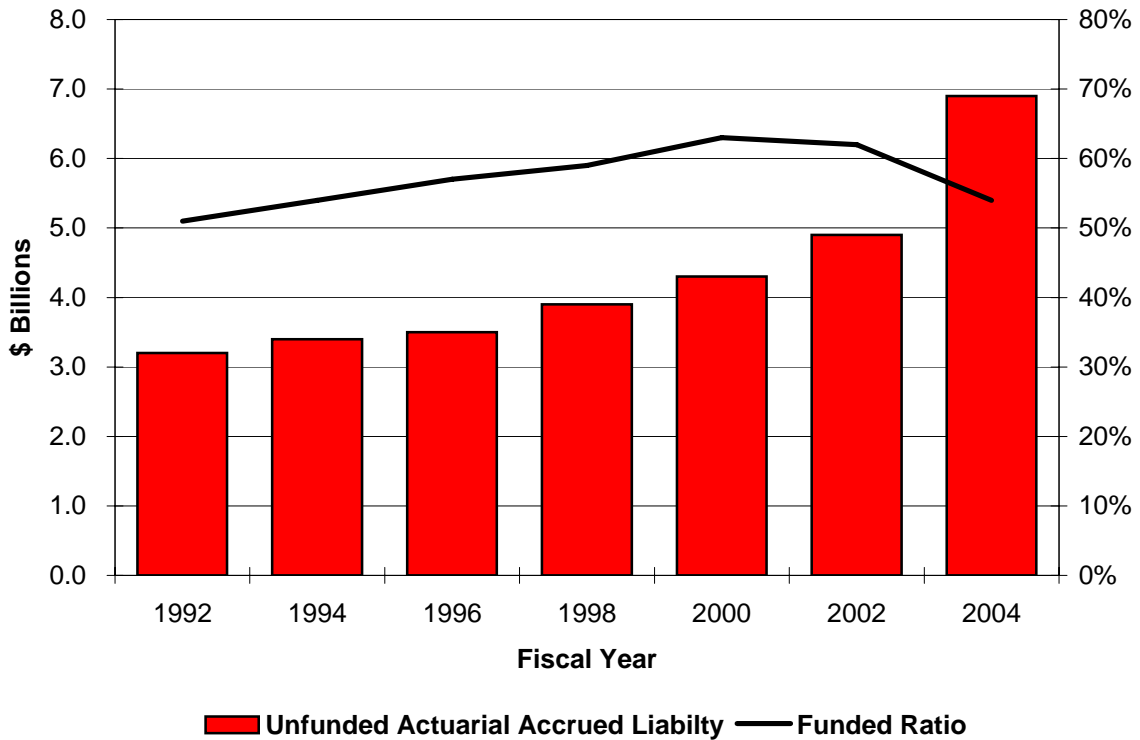
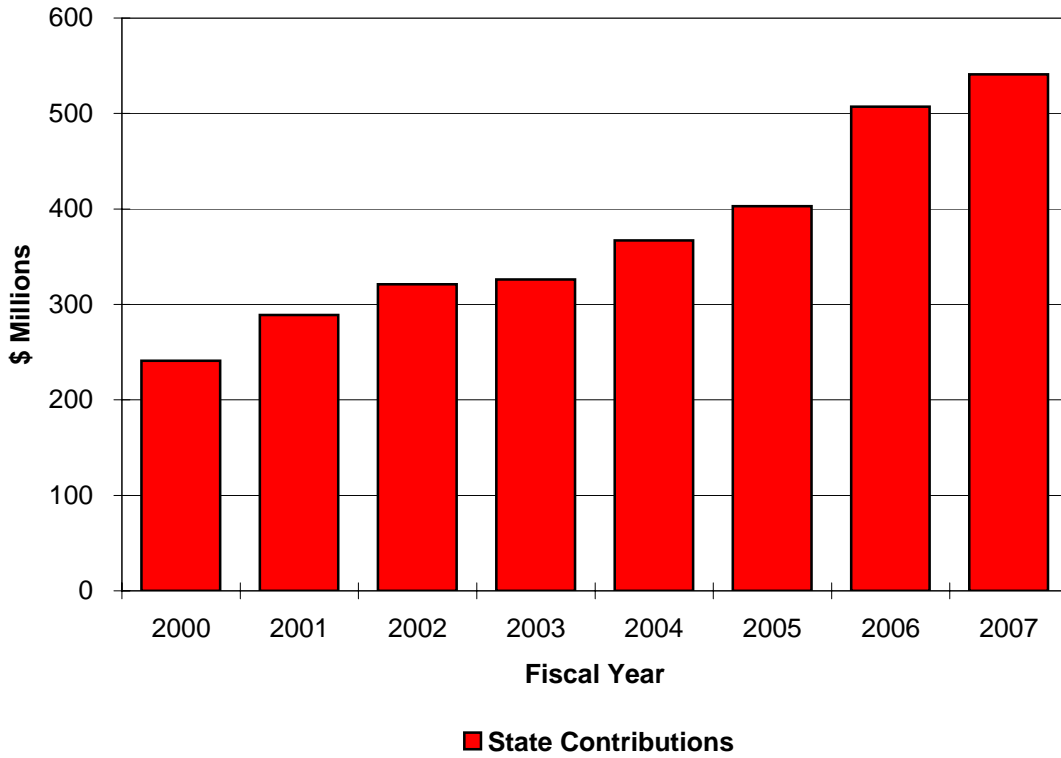
**Transfer to Budget Reserve Fund** **\$302.2** 53.5

**Total Surplus** **\$564.9** **100.0**

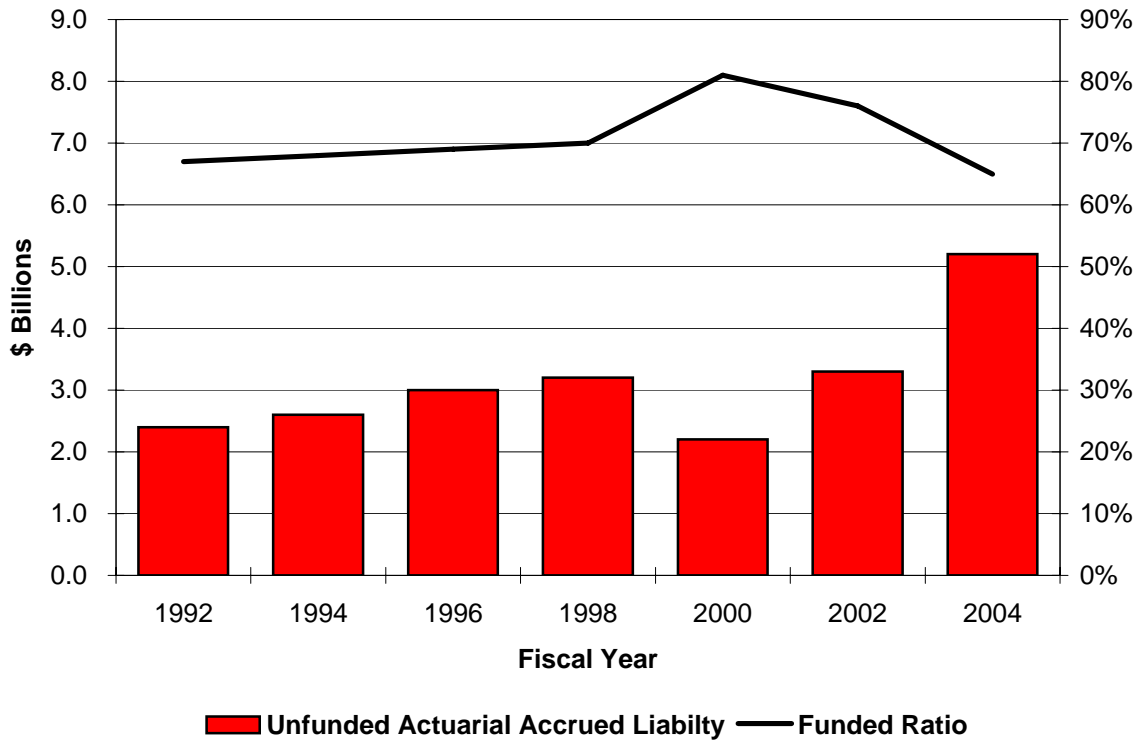
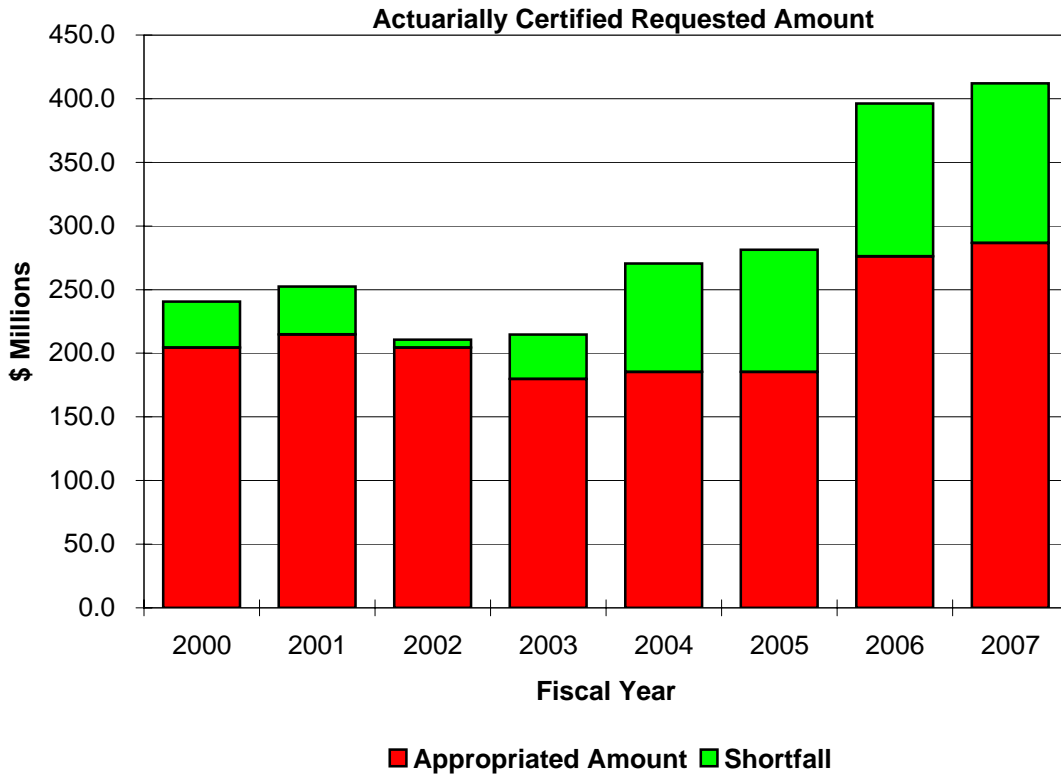
**CONDITION OF THE GENERAL FUND  
FY 93 - FY 03**

	<b>Amount (millions)</b>	<b>Percent</b>
<b>FY 05</b>		
<b>Additional FY 05 Appropriations</b>		
Economic Recovery Note Payments	\$137.7	14.6%
TRB - Teachers' Retirement Contributions	100.0	10.6
SDE - Education Cost Sharing (ECS) grant	57.3	6.1
DSS - Managed Care Organization (MCO) Pre-Payme	54.8	5.8
Accrued ERIP Sick and Vacation Leave Payments (Gl	47.6	5.0
DPH - Stem Cell Research	20.0	2.1
OPM - Contingency Needs	18.0	1.9
DOT - Town Aid Roads	16.0	1.7
Accrued non-ERIP Sick and Vacation Leave Payment	15.7	1.7
SDE - Priority School Districts	14.0	1.5
PILOT - State Property	10.7	1.1
PILOT - Private Property	10.6	1.1
OPM - PILOT New Manufacturing	10.2	1.1
SDE - Special Education Excess Cost	8.8	0.9
OPM - Energy Contingency	8.0	0.8
All Other Items	<u>37.4</u>	4.0
<b>Total - Additional FY 05 Appropriations</b>	<b>\$566.8</b>	
<b>FY 05 Carryforwards Reducing FY 06 Requirements</b>		
Various Agencies - Personal Services and Other Expe	\$25.9	2.7
State Employee Health Service Costs	20.0	2.1
All Other Items	<u>11.2</u>	1.2
<b>Total - FY 05 Carryforwards Reducing FY 06 Requir</b>	<b>\$57.1</b>	
<b>Appropriation for Private Provider Increases</b>	<b>\$15.9</b>	1.7
<b>Transfer to Budget Reserve Fund (unofficial estima</b>	<b>\$303.4</b>	<u>32.2</u>
<b>Total Surplus (unofficial estimate)</b>	<b>\$943.2</b>	100.0

# State Employees' Retirement System



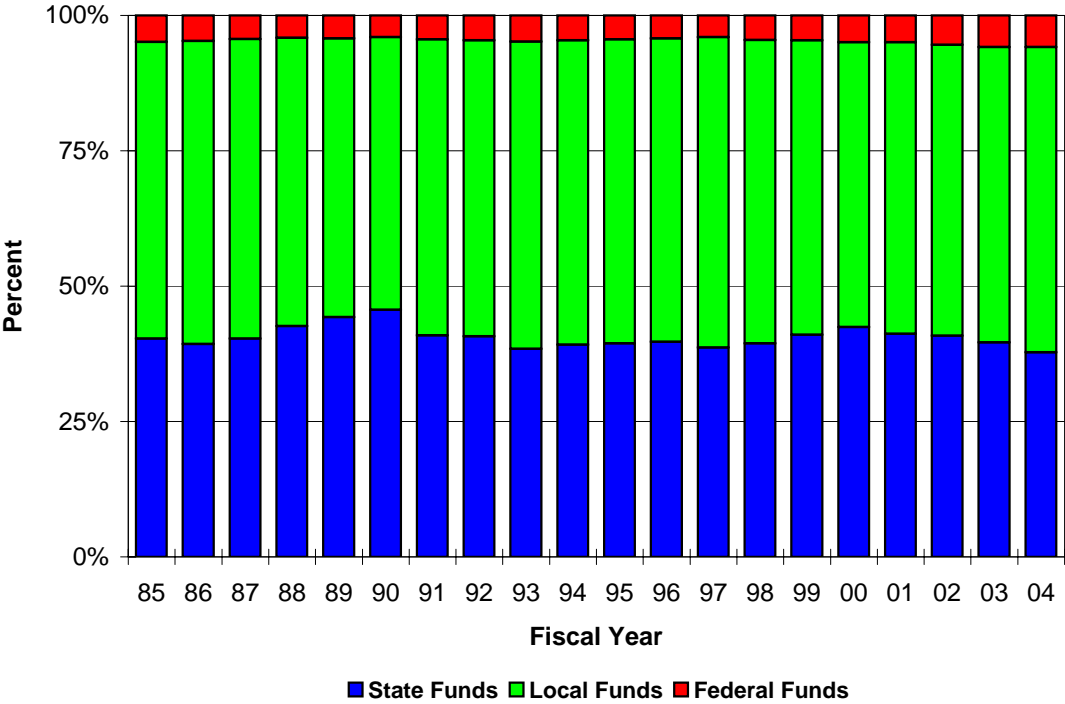
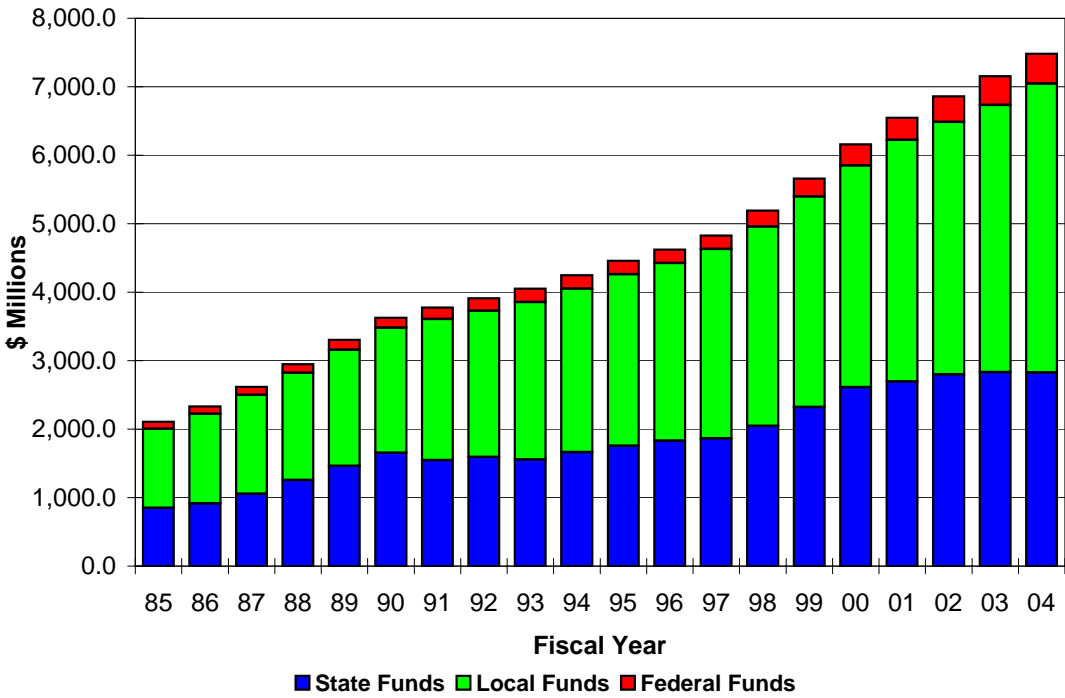
# Teachers' Retirement System



**TEACHERS' RETIREMENT SYSTEM  
STATE CONTRIBUTION HISTORY  
(Millions)**

<b>Fiscal Year</b>	<b>Actuarially Certified Requested Amount (a)</b>	<b>Appropriated Amount (b)</b>	<b>Certification Shortfall (a)-(b)</b>	<b>Percentage Funded (b)/(a)</b>
1992-93	\$299.6	\$111.6	\$188	37%
1993-94	\$145.8	\$124.3	\$22	85%
1994-95	\$154.0	\$132.5	\$22	86%
1995-96	\$164.7	\$140.0	\$25	85%
1996-97	\$180.1	\$147.9	\$32	82%
1997-98	\$211.1	\$179.4	\$32	85%
1998-99	\$221.6	\$188.3	\$33	85%
1999-00	\$240.5	\$204.4	\$36	85%
2000-01	\$252.5	\$214.6	\$38	85%
2001-02	\$210.7	\$204.5	\$6	97%
2002-03	\$214.7	\$179.8	\$35	84%
2003-04	\$270.5	\$185.3	\$85	69%
2004-05	\$281.4	\$185.3	\$96	66%
2005-06	\$396.2	\$276.1	\$120	70%
2006-07	\$412.1	\$286.6	\$126	70%

# Sources of Funds for Primary and Secondary Education Expenditures FY 1985 - FY 2004\*



\*FY 2004 based on unaudited data.

**SOURCES OF FUNDS  
FOR PUBLIC ELEMENTARY AND SECONDARY EDUCATION  
EXPENDITURES  
(\$ Millions)**

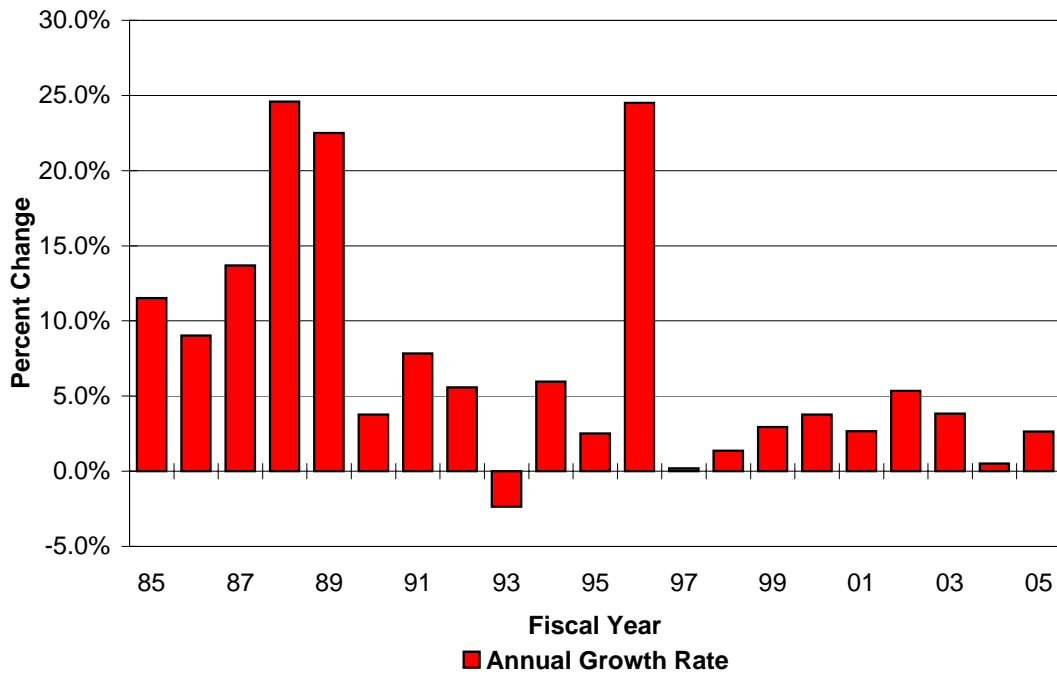
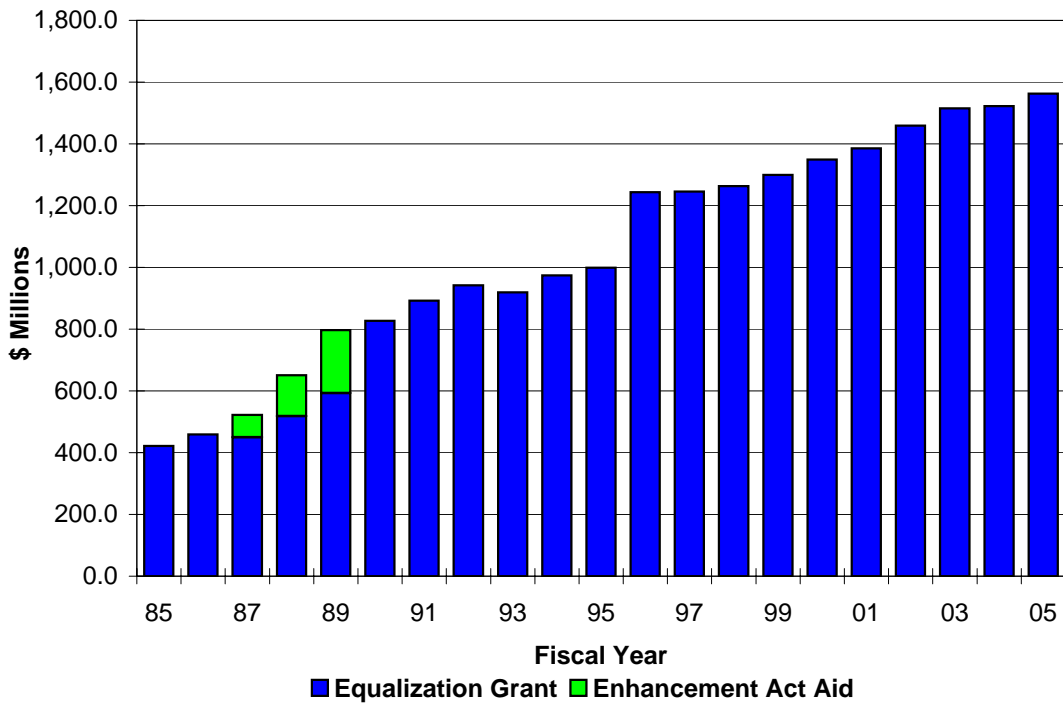
<b>Fiscal Year</b>	<b>State Funds</b>	<b>Local Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
1979 - 1980	466.9	894.4	104.8	7.5	1,473.6
1980 - 1981	525.1	930.9	110.7	9.4	1,576.1
1981 - 1982	582.1	995.7	101.1	8.3	1,687.2
1982 - 1983	666.1	1,049.7	99.4	7.8	1,823.0
1983 - 1984	743.1	1,114.5	104.3	7.4	1,969.3
1984 - 1985	850.2	1,154.5	103.9	7.6	2,116.2
1985 - 1986	917.5	1,305.4	110.6	6.1	2,339.6
1986 - 1987	1,055.2	1,447.1	114.9	5.8	2,623.0
1987 - 1988	1,255.2	1,569.0	122.6	6.5	2,953.3
1988 - 1989	1,462.3	1,698.7	140.6	7.8	3,309.4
1989 - 1990	1,654.0	1,825.5	145.8	8.3	3,633.6
1990 - 1991	1,544.4	2,062.0	167.2	9.6	3,783.2
1991 - 1992	1,593.3	2,136.8	180.6	9.0	3,919.7
1992 - 1993	1,557.1	2,298.2	197.4	9.8	4,062.5
1993 - 1994	1,664.9	2,386.9	195.6	11.1	4,258.5
1994 - 1995	1,756.8	2,505.6	196.5	11.6	4,470.5
1995 - 1996	1,834.1	2,590.9	196.3	11.7	4,633.0
1996 - 1997	1,865.9	2,767.2	195.0	11.8	4,839.9
1997 - 1998	2,047.7	2,909.6	236.5	16.3	5,210.1
1998 - 1999	2,321.8	3,076.8	262.2	19.4	5,680.2
1999 - 2000	2,611.2	3,241.6	304.5	19.4	6,176.7
2000 - 2001	2,696.0	3,527.9	325.1	24.1	6,573.1
2001 - 2002	2,800.4	3,685.8	372.8	29.6	6,888.6
2002 - 2003	2,831.9	3,903.9	419.3	28.7	7,183.8
2003 - 2004*	2,825.9	4,219.3	435.9	27.5	7,508.6

**Source: Connecticut State Department of Education**

**\*These figures reflect all state expenditures on behalf of public elementary and secondary education, including state grants and bond funds, and Department expenditures. The latter include the Vocational-Technical Schools, teachers' retirement costs and unified (state) school district expenditures.**

**\*FY04 based on unaudited data.**

## Education Equalization Grants to Towns FY 1985 - FY 2005



(1) PA 95-226 combines ECS aid with regular special education aid.



**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>
1976[2]	\$169.8	\$6.9	\$162.9	NA	\$7.1	PA 75-341: 1) Established new procedures and formulas for determining additional school aid for towns that had above average tax rates and relatively low levels of tax capacity. 2) Limited amount of increased aid to a town under GTB to 5% of state ADM grant. 3) All equalization grants were initially paid from funds acquired through the state's Instant Lottery (see PA 77-540) below.
1977	170.4	10.1	160.4	NA	10.0	PA 76-387: 1) Raised the limit on the amount of increased aid a town received under GTB to 7.3% from 5% of the ADM grant received by town (see "a" of PA 77-579 below).
1978	176.1	19.9	156.2	NA	9.9	PA 77-540: 1) The \$19.939 million was comprised of \$9.939 million appropriated from the General Fund and \$10.0 million earmarked from proceeds of the Instant Lottery. The Educational Equalization program in subsequent years was funded only by General Fund appropriations, not Lottery proceeds.  PA 77-579: 1) Eliminated the 7.3% cap on the amount of GTB funds a town may receive. 2) Altered the method of computing a town's total population for calculating its wealth for GTB ranking. 3) Changed GTB distribution formula.
1979	190.7	40.0	150.7	NA	40.0	

**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>								
1980[3]	220.5	75.9	144.6	56.00%	393.8	<p>PA 79-128: 1) Required the state to appropriate 100% of the amount needed to provide for full entitlement to each town in FY 1984 beginning with a phase in as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>56% of full funding</td> <td>1980</td> </tr> <tr> <td>67%</td> <td>1981</td> </tr> <tr> <td>78%</td> <td>1982</td> </tr> <tr> <td>89%</td> <td>1983</td> </tr> </table> <p>These promised phase-in percents were amended each year by bills to implement the budget. For the actual percents phased-in, see the chart - Footnote 1. 2) Repealed the average daily membership grant which provided a flat \$250 per pupil although town's ineligible for equalization still received a minimum, "hold-harmless" grant of \$250 per pupil in ADM the preceding year.</p>	56% of full funding	1980	67%	1981	78%	1982	89%	1983
56% of full funding	1980													
67%	1981													
78%	1982													
89%	1983													
1981	272.8	146.0	126.8	66.53%	410.0	<p>PA 80-6: 1) Clarified the mathematical formula originally drafted in PA 79-553 by specifying that the formula's first factor, the population of the last decennial census, be added to the product of the remaining factors.</p>								
1982	306.0	167.4	138.6	72.86%	420.0	<p>PA 81-31: [4] 1) Made adjustments in the distribution of GTB aid for FY 1981 only by requiring that one-half of the "hold-harmless" aid to eligible towns be withheld from the April, 1981 payment. 2) Validated the mistake made by the State Department of Education in calculating the FY 1981 grants. \$10.7 million was over paid in FY 1981 because the Department had mistakenly counted school nutrition programs as part of local education expenses when they should have been considered a state or federal expenditure.</p>								

**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>
						<p>PA 81-413:</p> <p>1) Substituted an appropriation of a flat \$306 million for the 78% of full funding required by statute. This in effect represents a reduction in the percentage to approximate 72% of full funding.</p> <p>2) The minimum grants which "wealthy" towns receive was reduced (see Footnote [4]).</p>
1983	344.8	0	0	82.00%	419.7	<p>PA 82-91:</p> <p>1) Decreased the percentage of full funding to be appropriated to 81% from 89% for FY 1983. Towns paid a "hold-harmless" grant also receive a lower per student grant: \$203 from \$223 (or \$233 from \$245 in Regional Districts.)</p> <p>PA 82-275:</p> <p>1) Required the Department of Education to submit to the Auditors of Public Accounts for review proposed changes in the method of calculating GTB grants.</p>
1984	377.8	0	0	90%	419.7	<p>PA 83-4:</p> <p>1) Reduced the GTB grant to 90% of full-funding instead of 100% and delayed full funding until FY 1985 ("hold-harmless" grants are therefore lowered from \$250 to \$225 (or \$275 to \$248 for regional districts).</p>
1985	421.3	0	0	95%	443.4	<p>PA 84-490:</p> <p>1) Reduces the GTB grant to 95% of full-funding from 100% and delays full-funding until FY 1986.</p> <p>2) Alters the timing of grant payments so that 25% of grant is paid in October, 25% in January, and the final 50% in April. (Under prior law two installments of 50% each in October and April were made). This change was made to improve the match of state payments to state revenue, reducing the state's use (and interest cost) of short-term debt.</p>

**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>
1986	459.3	0	0	100%	459.3	<p>PA 85-180:</p> <p>1) Changed the way towns' net current local expenditures (NCLE) are calculated for purposes of the "effort" portion of the GTB grant. The change will be used to calculate grants for FY 88.</p> <p>2) Allowed towns to be eligible for an alternate minimum expenditure requirement (MER) instead of a full MER. The alternate MER allows towns below the state median in wealth and above the state median in school tax rate to match the previous year's expenditures in education and devote all GTB aid to education.</p> <p>PA 85-550:</p> <p>1) Allowed any town which would not be spending a minimum amount per pupil (as required by law under the GTB formula) to increase their net current expenditures by at least 12% and still be eligible for GTB aid.</p> <p>2) Allowed the city of Waterbury to make corrections in its 1982-83 data and receive a corrected GTB grant for FY 1986.</p>
1987	449.7	0	0	100%	449.7	
1988	518.1	0	0	100%	518.1	
1989	592.2	0	0	100%	592.2	<p>PA 88-358:</p> <p>1) Replaced the GTB grant program and the grants established under the Education Enhancement Act (EEA) with a new program, the Education Cost Sharing (ECS) grant beginning in FY 1989-90. [6]</p>
1990	827.0	0	0	21.50%	1,074.3	<p>PA 89-355:</p> <p>1) Decreased both the guaranteed wealth level and hold harmless provisions provided in PA 88-358. The original guaranteed wealth level was defined as twice the median town's wealth. The new level is defined as 1.833 times the median. The original hold harmless levels were 1% and 5%. The new levels are 1/2% and 4 1/2%. [6]</p>

**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>
1991	891.9	0	0	45%	1,053.2	<p>PA 90-225</p> <p>1) Decreases both the guaranteed wealth level and hold harmless provisions. The new guaranteed wealth level is defined as 1.6651 times the median town's wealth, while the new hold harmless levels are 4% and 0% (level funding).</p> <p>2) Redefines eligibility for each hold harmless level. Previous law had set eligibility based on old GTB data. This act set eligibility by current wealth rank. The sixteen wealthiest towns (except Stamford) are now level funded, while all others receive 4% increases.</p>
1992	941.6	0	0	71%	1,050.0	<p>PA 91-7 JSS</p> <p>1) Decreased hold harmless funding levels by providing that hold harmless towns receive only a sliding scale portion of their hold harmless aid based on AFDC levels and mastery performance rather than guaranteed increases or flat funding.</p>
1993	919.5	0	0	100%	919.5	<p>PA 92-262</p> <p>1) Decreases both the guaranteed wealth level and hold harmless provisions. The new guaranteed wealth level is defined as 1.5361 times the median town's wealth. Hold harmless funding is reduced from a sliding scale portion to decreased levels based on actual AFDC and mastery percentages.</p>
1994	974.3	0	0	100%	974.3	<p>PA 93-145</p> <p>1) Maintained the foundation level of spending at \$4,800 and continued to hold towns harmless to their previous years grants.</p>
1995	998.8	0	0	100%	998.8	<p>PA 94-6 MSS</p> <p>1) Provided that Hartford, New Haven and Bridgeport receive at least a \$1.0 million increase in ECS aid.</p>

**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>
1996	1,243.5	0	0	100%	1,243.5	PA 95-226 1) Combined ECS aid with regular special education aid and redefined definition of town wealth to include income. Began a phase-out of hold harmless aid.
1997	1,245.8	0	0	100%	1,245.8	PA 96-178 1) Reduced grants to the 42 wealthiest towns by 1.02% and reduced all other towns by 0.56%.
1998	1,262.9	0	0	100%	1,262.9	PA 97-318 1) provided that no priority school district town receives less than it receives in the previous year or 70% of its formula aid whichever was greater.
1999	1,300.0	0	0	100%	1,300.0	PA 98-168 1) increased the foundation from \$5,711 to \$5,775 2) increased the cap on increases from 2% to 5% 3) decreased the cap on decreases from 9% to 5%
2000	1,349.1	0	0	100%	1,349.1	PA 99-217 1) increased the foundation from \$5,775 to \$5,891 2) increased the cap on increases from 5% to 6% 3) decreased the cap on decreases from 5% to 0% 4) increased the minimum base aid ratio from 0% to 6% 5) set a minimum aid percentage for transitional school districts at 40% 6) provided that no priority school district could receive less per pupil than the previous year 7) froze the poverty measure (AFDC) at the previous year's level 8) provided that density aid would be at least equal to the previous year's aid
2001	1,385.0	0	0	100%	1,385.0	PA 00-187 1) Eliminated a \$6.0 million addition to Hartford's calculated grant 2) Increased the regional bonus from \$25 to \$100 per student

**EDUCATION EQUALIZATION GRANTS TO TOWNS**

<b>Fiscal Year</b>	<b>Total (Millions \$)</b>	<b>Equalization Expenditure (Millions \$)</b>	<b>ADM Grant (Millions \$)</b>	<b>Actual/Percent Phase-In of Full Entitlement [1]</b>	<b>Equalization Fully Funded Level (Millions \$)</b>	<b>Legislative Changes to Education Equalization Grant Program</b>
2002	1,459.0	0	0	100%	1,459.0	PA 01- 01, JSS 1) Provided a pro rated share of \$25 million to each capped town in FY 02 and \$50 million in FY 03. 2) Provided a cost-of-living minimum requirement in both FY 20 and FY 03.
2003	1,514.9	0	0	100%	1,514.9	PA 02-7 MSS 1) Provided that no town receive less in FY 03 than it received in FY 02.
2004	1,522.7	0	0	100%	1,522.7	PA 03-6 J30 SS 1) Postponed elimination of the 6% cap on annual increases in ECS aid. 2) Distributed \$53 million in supplemental aid to capped towns. 3) Eliminated the density supplement. 4) Reduced all towns FY 04 grant by 3%. 5) Maintained the existing foundation level and MER. 6) Froze aid in FY 05 at FY 04 levels.
2005	1,562.8	0	0	100%	1,562.8	PA 04-254 1) Provided that cap towns receive 23.27% of their capped entitlement differential. 2) Provided that no town receive less in FY 05 than it received in FY 03. 3) Provided that no town receive less than a 0.7% increase over its FY 04 level. 4) That no Priority School District town receive less than \$370 per pupil. 5) That no town receive less than 60% of its full funding level.
2006	1,619.5	0	0	100%	1,619.5	PA 05-245 1) Provided for a 3% increase to all towns. 2) Provided \$10.0 million to cap towns weighted by wealth.

## EDUCATION EQUALIZATION GRANTS TO TOWNS

Fiscal Year	Total (Millions \$)	Equalization Expenditure (Millions \$)	ADM Grant (Millions \$)	Actual/Percent Phase-In of Full Entitlement [1]	Equalization Fully Funded Level (Millions \$)	Legislative Changes to Education Equalization Grant Program
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**Endnotes:**

[1] Because of budgetary constraints, the GTB formula was not fully funded until 1986.

Fiscal Year	Legislated Phase-In	Actual Phase-In
1980	56%	56%
1981	67%	67%
1982	78%	72%
1983	89%	81%
1984	100%	90%
1985	100%	95%
1986	100%	100%

[2] The state Superior Court found the method of school financing unconstitutional in 1974 (Horton vs. Meskill) because the state had delegated responsibility for financing public schools to individual towns creating disparities among towns in terms of revenues raised to support education. The ruling was upheld by the state Supreme Court in 1977.

[3] PA 79-128 was passed in response to the 1977 Supreme Court ruling in the Horton vs. Meskill suit. The court established that there was a relationship between funding and equity for purposes of the state's school finance system and that the state was in violation of the equal protection and free public education provisions of the State Constitution.

[4] Under prior law the difference between the minimum grant, \$250 per pupil for towns or \$275 per pupil for regional districts and what a town received under the GTB formula (if less than the minimum) was known as "hold-harmless" aid. Towns that receive less than the minimum grant under GTB were entitled to the entire minimum grant amount.

PA 81-413, in effect created two minimum grants: one for calculating full funding (\$250 or \$275) and one for purposes of determining the actual appropriation. This latter minimum is based upon a percentage equal to the ratio of:

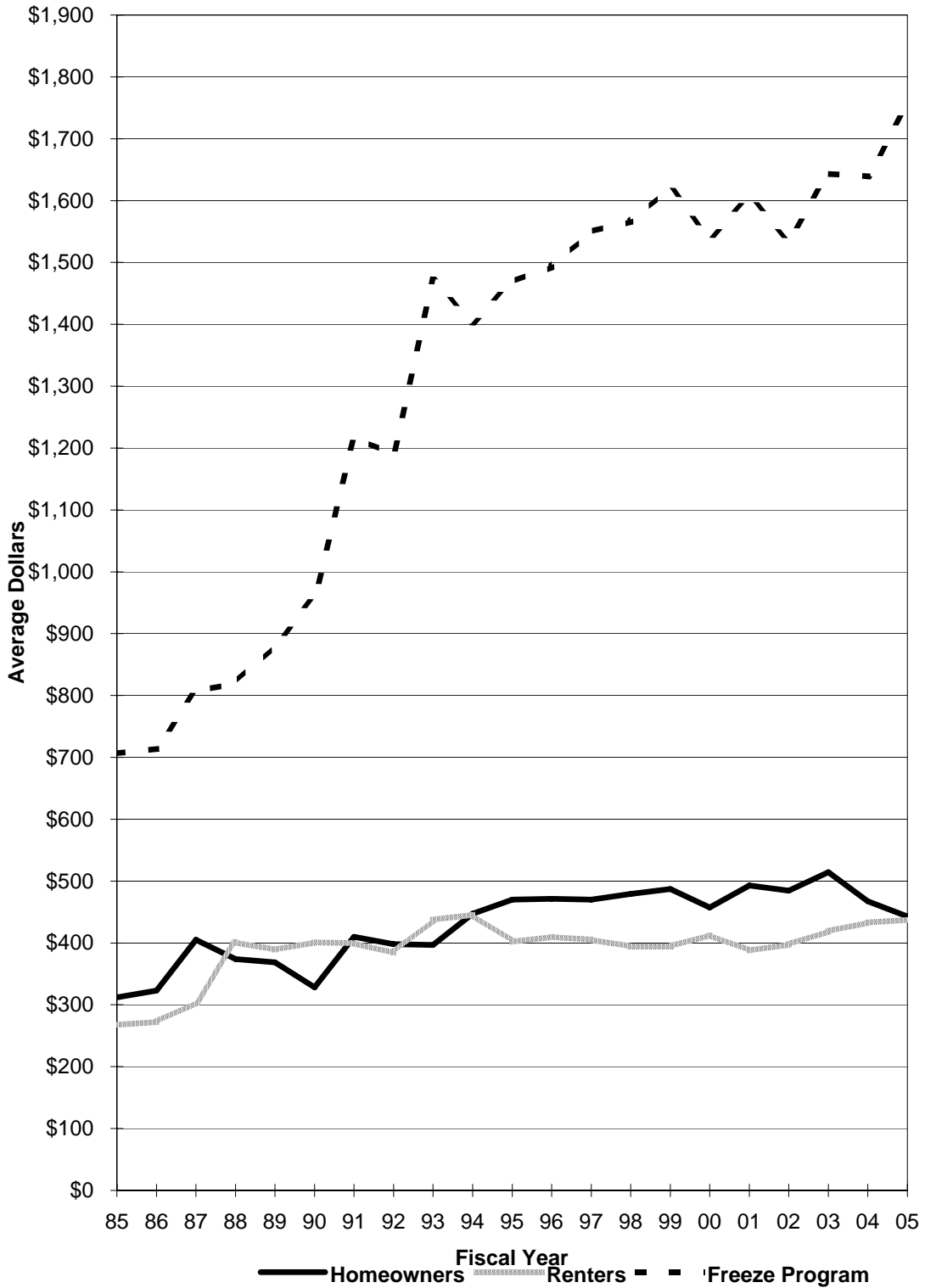
Formula: 
$$\frac{\text{Total GTB Appropriation} \times \$250 \text{ or } \$275}{\text{Total GTB Full Funding}}$$

Example: 
$$\text{Minimum Grant} = \$360 \text{ million} \times \$250 \text{ or } \$275 = .7286 \times \$420 \text{ million}$$

Formerly, towns which received less than the \$250 per pupil (or \$275 for regional school districts) under the GTB formula were granted the full \$250/\$275. Under PA 81-413 all towns receive at least the appropriated minimum and for towns whose grants fall between the appropriated minimum and \$250/\$275, receive the appropriated minimum.



# Property Tax Relief for the Elderly Circuit Breaker and Freeze Programs Average Benefit Level (\$)



**LOCAL PROPERTY TAX RELIEF FOR THE ELDERLY  
CIRCUIT BREAKER AND FREEZE PROGRAMS**

Fiscal Year	Total Expenditures for Both Programs			Freeze Program
	Total Expenditures	Circuit Breaker Program		
		Homeowners	Renters	
1986	29,120,985	7,738,987	5,302,681	16,079,317
1987	28,907,182	9,488,416	5,547,907	13,870,859
1988	31,859,684	9,271,236	8,287,119	14,301,329
1989	31,633,847	10,146,208	9,131,326	12,356,313
1990	33,300,000	10,707,000	10,050,000	12,543,000
1991	37,500,000	14,000,000	10,500,000	13,000,000
1992	36,595,565	14,419,938	10,294,205	11,881,422
1993	38,900,000	15,500,000	11,400,000	12,000,000
1994	41,270,894	18,812,030	11,947,908	10,510,956
1995	40,423,752	21,490,687	9,924,185	9,008,880
1996	41,173,926	22,666,312	10,017,947	8,489,667
1997	39,946,638	22,601,580	10,180,984	7,164,074
1998	39,657,056	22,493,973	10,666,391	6,496,692
1999	38,271,581	21,982,098	10,972,022	5,317,461
2000	36,971,996	21,142,855	11,270,202	4,558,939
2001	36,766,498	21,537,549	11,554,280	3,674,669
2002	34,787,204	19,503,637	12,186,525	3,097,042
2003	35,887,674	20,815,228	12,869,732	2,202,714
2004	36,609,100	20,465,809	14,078,001	2,065,290
2005	36,983,212	20,471,062	14,916,337	1,595,813

Fiscal Year	Freeze Program			Average Payment
	Appropriation	Expenditure	Number of Applications	
1986	16,900,000	16,079,317	22,515	714
1987	15,900,000	13,870,859	17,183	807
1988	15,800,000	14,301,329	17,448	820
1989	14,475,000	12,356,313	14,011	882
1990	12,543,000	12,543,000	13,079	959
1991	13,000,000	13,000,000	10,693	1,216
1992	11,875,000	11,881,422	9,973	1,191
1993	12,000,000	12,000,000	8,151	1,472
1994	10,511,000	10,510,956	7,491	1,403
1995	9,500,000	9,008,880	6,133	1,469
1996	8,500,000	8,489,667	5,685	1,493
1997	7,300,000	7,164,074	4,621	1,550
1998	7,200,000	6,496,692	4,147	1,567
1999	6,000,000	5,317,461	3,281	1,621
2000	5,000,000	4,558,939	2,961	1,540
2001	4,500,000	3,674,669	2,288	1,606
2002	2,534,000	3,097,042	2,016	1,536
2003	2,700,000	2,202,714	1,340	1,644
2004	2,150,000	2,065,290	1,260	1,639
2005	1,950,000	1,595,813	910	1,754

**LOCAL PROPERTY TAX RELIEF FOR THE ELDERLY  
Circuit Breaker Program**

Fiscal Year	<u>Homeowners</u>			Average Payment
	Appropriation	Expenditure	Number of Applications	
1986	8,600,000	7,738,987	23,967	323
1987	9,500,000	9,488,416	23,432	405
1988	9,630,000	9,271,236	24,780	374
1989	10,930,000	10,146,208	27,507	369
1990	10,707,000	10,707,000	32,605	328
1991	14,000,000	14,000,000	34,144	410
1992	14,000,000	14,419,938	36,236	398
1993	15,500,000	15,500,000	39,069	397
1994	18,812,030	18,812,030	42,049	447
1995	21,860,000	21,490,687	45,721	470
1996	24,500,000	22,666,312	48,100	471
1997	26,000,000	22,601,580	48,100	470
1998	25,250,000	22,493,973	46,954	479
1999	27,500,000	21,982,098	45,107	487
2000	26,500,000	21,142,855	46,219	457
2001	23,000,000	21,537,549	43,695	493
2002	21,500,000	19,503,637	40,269	484
2003	22,000,000	20,815,228	40,481	514
2004	20,505,899	20,465,809	43,788	467
2005	20,505,899	20,471,062	46,219	443

Fiscal Year	<u>Renters</u>			Average Payment
	Appropriation	Expenditure	Number of Applications	
1986	6,355,000	5,302,681	19,456	273
1987	7,000,000	5,547,907	18,278	304
1988	8,500,000	8,287,119	20,651	401
1989	8,900,000	9,131,326	23,464	389
1990	10,050,000	10,050,000	25,063	401
1991	10,500,000	10,500,000	26,257	400
1992	10,575,000	10,294,205	26,800	384
1993	11,400,000	11,400,000	26,054	438
1994	12,200,000	11,947,908	26,799	446
1995	12,450,000	9,924,185	24,685	402
1996	11,500,000	10,017,947	24,434	410
1997	11,000,000	10,180,984	25,110	405
1998	10,675,000	10,666,391	27,039	394
1999	11,100,000	10,972,022	27,809	395
2000	11,760,000	11,270,202	27,300	413
2001	12,112,500	11,554,280	29,782	388
2002	12,250,000	12,186,525	30,635	398
2003	12,800,000	12,869,732	30,718	419
2004	13,808,223	14,078,001	32,505	433
2005	14,530,032	14,916,337	34,093	438

## **DESCRIPTION OF PROPERTY TAX RELIEF PROGRAMS FOR THE ELDERLY AND DISABLED**

The state provides two programs of local property tax relief for the elderly: the tax freeze program and the circuit breaker program for homeowners and renters.

The circuit breaker program which is also available to disabled of any age provides a property tax credit to homeowners and a grant to renters. The state reimburses towns for the tax credit given to homeowners.

The tax freeze program caps a participant's tax benefit to the amount received for the 1985 assessment year for individuals that received \$2,000 or more in the assessment year commencing 10/1/85. If the tax benefit for the assessment year beginning 10/1/85 was less than \$2,000 it will never exceed the \$2,000 amount in any subsequent year. PA 98-262 excludes postal pension income from tax freeze program eligibility determinations.

### **Tax Freeze Program**

Description:

- a. This program is mandated by the State.
- b. It provides a qualified homeowner a freeze on both the assessed value (minus \$1,000) and on the mill rate.
- c. The municipal tax exemption is reimbursed by the state.

Eligibility:

- a. Homeowner must be 65 years of age or over, or the spouse who is living with him/her must be 65 or over.
- b. A surviving spouse over 50 is eligible.
- c. The applicant must occupy the real property as his/her principal place of residence and must have resided in the state for one year before filing a claim. Qualifying income limit is \$6,000 adjusted gross income plus tax exempt interest (but excluding Social Security or Railroad Retirement Income). PA 98-262 excludes postal pension income from tax freeze program eligibility determinations.

Application:

- a. Closed. This grant is available only to elderly persons who applied prior to May 15, 1980.
- b. Reapplication is required every two years.

### **Circuit Breaker Program**

#### **1. Homeowners:**

Description: Homeowners receive a tax credit against their real property tax. The amount of the credit varies inversely with income.

Eligibility:

- a. A homeowner must be 65 years of age or over, or the spouse who is living with him/her must be 65 or over, or be under 65 but eligible for permanent total disability benefits under Social Security requirements or a comparable program. PA 98-244 allows legally separated homeowners and renters to file as single people for the circuit breaker benefits.
- b. A surviving spouse over 50 is eligible.
- c. The applicant must occupy the real property as his/her principal place of residence and must have resided in the state for one year before filing a claim. Have qualifying income for the previous year of not more than \$25,400 for unmarried individuals or if married joint income of not more than \$31,100 for homeowners filing between February 1, and May 15, 2002. (Qualifying income is defined as federal adjusted gross income plus social security income and other income not included in federal adjusted gross income. Qualifying income will be adjusted by October 1 of each year to reflect the Social Security inflation adjustment.) PA 98-262 excludes postal pension income from tax freeze program eligibility

determinations.

Application:

The deadline is May 15 and reapplication is required every two years.

Property tax credit amount is equal to a specified percentage of property tax up to the maximum amount shown on the table below.

## 2. Renters:

Description: Renters are entitled to a state grant based on the percent considered to be paid toward property taxes. PA 98-244 allows legally separated homeowners and renters to file as single people for the circuit breaker benefits.

Eligibility:

Same as for homeowner.

Application:

Renters must apply between May 15 and September 15. Grant amount is equal to 35% of the total of all charges for rent, electricity, gas, water and fuel used during the preceding calendar year less 5% of qualifying income, up to the maximum amount shown in the table below for renters.

## 3. Resident of a Continuing Care Community:

Description: The program is open to residents of continuing care communities only if a residents contract: (1) does not confer any ownership interest in the complex or dwelling unit or (2) is not a lease. Residents are entitled to a state grant equal to the product of the portion of the assessed value of the entire complex that is attributable to the dwelling unit and the town's mill rate.

Eligibility:

Same as for homeowners.

Application:

Residents must apply to municipal assessors between February 1, and May 15.

Grant amount is equal to a specified percentage of property tax (see Residents chart).

The schedules on the following page indicate the amount of benefit individuals at the various qualifying income levels may be eligible for under these programs for FY 1999-2000. The tables are based on a sliding scale, in which benefits decrease as income increases.

### **Elderly Renter and Homeowner Rebate for 1998**

Special Act 98-6 (the Appropriations Act) included \$8 million to provide a supplemental \$100 rebate to the low-income elderly renters and homeowners participating in the three elderly tax relief programs administered by the Office of Policy and Management (OPM).

#### **Eligibility:**

Renters who received rebates under OPM's Tax Relief for Elderly Renters program, beginning October 1997 based on income year 1996.

Homeowners who received credits on their July 1, 1997 property tax bills under OPM's Circuit Breaker and Freeze Programs.

Under the Renter and Circuit Breaker Programs, a claimant's qualifying income must not exceed \$23,100 if single, or \$28,300 if married (income year 1996). The Freeze Program is a closed program whose participants had to have been granted a frozen tax benefit on or before the Grand List of 1979. In order to continue to receive a frozen tax benefit, claimants (whether single or married) cannot have received more than \$6,000 in qualifying income.

#### **Payment Date:**

All payments are to be made no later than September 30, 1998.

**PROPERTY TAX RELIEF PROGRAMS FOR THE ELDERLY & DISABLED**

**2005 Grand List Homeowner and Renter Applications  
Filing Period February 1 - May 15, 2006**

**Residents of Continuing Care Communities & Homeowner Benefits**

<u>Qualifying Income</u>		Tax Reduction as a % of Property Tax	<u>Tax reduction for any Year</u>	
Over	Not Exceeding		Maximum	Minimum
<u>Married Homeowners</u>				
\$0	\$13,800	50%	\$1,250	\$400
13,800	18,600	40	1,000	350*
18,600	23,200	30	750	250*
23,200	27,700	20	500	150*
27,700	33,900	10	250	150*
33,900		None	None	None
<u>Unmarried Homeowners</u>				
\$0	\$13,800	40%	\$1,000	\$350*
13,800	18,600	30	750	250*
18,600	23,200	20	500	150*
23,200	27,700	10	250	150*
27,700		None	None	None

**Renter Benefits**

<u>Qualifying Income</u>		<u>Amount of Grant</u>	
Over	Not Exceeding	Maximum	Minimum
<u>Married Renters</u>			
\$0	\$13,800	\$900	\$400
13,800	18,600	700	300
18,600	23,200	500	200
23,200	27,700	250	100
27,700	33,900	150	50
33,900		None	None
<u>Unmarried Renters</u>			
\$0	\$13,800	\$700	\$300
13,800	18,600	500	200
18,600	23,200	250	100
23,200	27,700	150	50
27,700		None	None

\*PA 99-1 of the June Special Session increased the minimum tax reduction levels by \$50.

## **LOCAL OPTION PROPERTY TAX RELIEF FOR THE ELDERLY**

The local option property tax relief for the elderly program was established in 1973 by PA 73-628. The program allows municipalities upon vote of its legislative body on recommendation of its board of finance or equivalent body to provide property tax relief for elderly homeowners.

Prior to approval by the legislative body, the executive authority of the town must appoint a committee of not less than five resident taxpayers to study and report within 60 days the fiscal effect of the relief on the property tax revenue of the town and recommendations on the form and extent of such relief. After initial approval of the relief by the legislative body, any changes may be made by vote of the legislative body without appointment of a study committee. The total abatement of property tax revenue cannot exceed 10 per cent of the total real property tax assessed in the preceding tax year.

The property tax relief for a principal residence may be provided to any resident who:

- (1) is 65 years of age or over, or has a spouse, age 65 or over living in the household, or is a surviving spouse, age 60 or over;
- (2) has been a taxpayer in the town for one year immediately preceding receipt of tax benefits; and
- (3) meets any income criteria which the town may have adopted.

Prior to October 1, 1987, the total amount of tax relief was limited to 75% of the total due. Commencing with the October 1, 1987 assessment year, PA 87-116 expanded the allowable tax relief to 100% provided that when total tax relief exceeds 75% of the tax due, the town must file a lien against the property and charge interest, at a rate determined by the town.

It should be noted that the local option elderly homeowner tax relief benefits program was extended by PA 87-91 of permanently and totally disabled persons, regardless of age commencing with the October 1, 1987 assessment year.



**VETERAN'S PROPERTY TAX EXEMPTION  
 DATES OF WARS AND OTHER RECOGNIZED MILITARY  
 CAMPAIGNS AND OPERATIONS  
 CGS Section 12-81(19)**

Spanish-American War	April 21, 1898 to August 13, 1898
Philippine Insurrection	August 13, 1898 to July 4, 1902
Moro Province Engagement	August 13, 1898 to July 15, 1903
Boxer Rebellion	June 20, 1900 to May 12, 1901
Cuban Pacification	September 12, 1906 to April 1, 1909
Nicaraguan Campaign	August 28, 1912 to November 2, 1913
Haitian Campaign	July 9, 1915 to December 6, 1915
Punitive Expedition to Mexico	March 10, 1916 to April 6, 1917
World War I	April 6, 1917 to November 11, 1918
Service in Russia	April 6, 1917 to April 1, 1920
World War II	December 7, 1941 to December 31, 1946 (1)
Korean Hostilities	June 27, 1950 to January 31, 1955
South Korea Demilitarized Zone	After February 1, 1955
Lebanon Conflict	July 1, 1958 to November 1, 1958
Vietnam Era	February 28, 1961 to July 1, 1975
Berlin Airlift	August 14, 1961 to June 1, 1962
Lebanon Peace-Keeping Mission	September 29, 1982 to March 30, 1984
Invasion of Grenada	October 25, 1983 to December 15, 1983 (2)
Operation Earnest Will	February 1, 1987 to July 23, 1987
Invasion of Panama	December 20, 1989 to January 31, 1990 (2)
Operation Desert Shield/Desert Storm	August 2, 1990 to June 30, 1994 (3)
Somalia	After December 2, 1992
Bosnia	After December 20, 1995

- (1) Pursuant to 12-86, twelve o'clock midnight on December 31, 1947 is the World War II termination date for purposes of granting a property tax exemption.
- (2) A person must serve in a combat or combat support role for the duration of any campaign lasting less than 90 days in order to qualify for a property tax exemption. An Armed Forces Expeditionary Medal is awarded to such individuals.
- (3) Active duty service personnel first became eligible for an exemption based on service in Operation Desert Shied/Desert Storm, while that campaign was ongoing. Individuals who received an exemption based on receipt of an Armed Forces Expeditionary Medal for service in Operation Desert Shield/Desert Storm continue to be eligible even though they do not meet the 90-day service requirement.

## VETERAN'S EXEMPTION CHART

<b>Statute Summary:</b>	<b>Benefits with Income Requirement</b> PA 85-573 (12-81g)			<b>Benefits with no Income Requirement</b> PA 85-573 (12-81g)		
	Unreimbursed	Additional	Total	Unreimbursed	Additional	Total
	Entitlement	Reimbursed	Entitlement	Entitlement	Reimbursed	Entitlement
<b>Sec. 12-81 (19)</b>						
90 Day service during time of war, or discharge was recorded Prior to Oct., 1977	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81 (20)</b>						
V.A. Rating						
10% - 25%	\$1,500	\$3,000	\$4,500	\$1,500	\$750	\$2,250
26% - 50%	\$2,000	\$4,000	\$6,000	\$2,000	\$1,000	\$3,000
51% - 75%	\$2,500	\$5,000	\$7,500	\$2,500	\$1,250	\$3,750
76% - 100% or Over 65 yrs. and > 10%	\$3,000	\$6,000	\$9,000	\$3,000	\$1,500	\$4,500
<b>Sec. 12-81 (21a)</b>						
Severe disability: VA Rated *	\$10,000	\$20,000	\$30,000	\$10,000	\$5,000	\$15,000
Service-Connectec	\$5,000	\$10,000	\$15,000	\$5,000	\$2,500	\$7,500
* Real Property exemption to be applied on domicile.						
<b>Sec. 12-81 (22)</b>						
Surviving Spouse or minor child if service related death	\$1,000 \$3,000	\$2,000 \$6,000	\$3,000 \$9,000	\$1,000 \$3,000	\$500 \$1,500	\$1,500 \$4,500
<b>Sec. 12-81 (23)</b>						
Surviving Spouse receives annuities or compensation from U. S. (Federal)	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81 (24)</b>						
Active duty service-connected death, surviving spouse receives compensation from V.A.	\$3,000	\$6,000	\$9,000	\$3,000	\$1,500	\$4,500
<b>Sec. 12-81 (25)</b>						
Benefits to single parent of one who left no surviving spouse or when spouse remarried	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81 (26)</b>						
Parents of serviceman receiving pension annuity or compensation from U.S. (Federal)	\$1,000	\$2,000	\$3,000	\$1,000	\$500	\$1,500
<b>Sec. 12-81(l)      Income requirements for above benefits (2006 Grand List Year):</b>						
General:	Less Than: \$33,900 (married) & \$27,700 (single) Income includes: Adjusted gross + any other income. Income levels also applicable to local option exemption.			Sec. 12-90(a) No individual entitled to exemption under two or more of subdivisions (19), (20), (22), (23), (25), (26), and (28) of section 12-81 shall receive more than one exemption.		
<b>Sec. 12-81(g)      Income requirements for above benefits:</b>						
100% VA Rating:	Less Than: \$21,000 (married) & \$18,000 (single) Income includes: Adjusted gross income					

PA 03-44 allows municipalities to increase the local option, if they choose to do so, from \$1,000 to \$10,000 or 10% of assessed value. It should be noted that 12-62g allows the amount of veterans exemption to be increased by the amount of change in the grand list in the year of a general revaluation.

[1] Real property exemption to be applied on domicile.

**PROPERTY TAXATION OF FARM, FOREST AND OPEN SPACE LAND**

Enacted in 1963, PA 490 (C.G.S. 12-107a-107c) represents the state's policy of preserving farm, forest, and open space land by preferential taxation by allowing such land to be assessed for tax purposes according to its current use as opposed to its market value. In an attempt to prevent abuse and to help recover abated taxes, a declining conveyance tax was placed on sales occurring during the first ten years.

The classification of land as farm land and forest land is made by the town assessor and the state forester respectively following the submission of a written request from the property owners. The municipal planning commission, in preparing a development plan, may designate areas as open space. The legislative body of the municipality must approve the designation by a majority vote.

For purposes of classification farm land means any tract of land, including woodland and wasteland, constituting a farm unit. Forest land is any tract of land of at least 25 acres or more in an area bearing tree growth. Open Space land means any area of land including forest lands and designated wetlands, the preservation of which would:

1. Maintain and enhance the conservation of natural or scenic resources
2. Protect natural streams or water supply
3. Promote conservation of soils, wetlands, beaches or tidal marshes
4. Enhance the value to the public of abutting or neighboring parks, forests, etc.
5. Enhance public recreation opportunities
6. Preserve historic sites or
7. Promote orderly urban or suburban development

Conveyance taxes are levied on the sale of land which has been classified by the owner as farm, forest or open space as follows:

Land classified as Open Space:

	Number of years following classification:										
	1	2	3	4	5	6	7	8	9	10	10+
	% Total Sales Price:										
	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

Land classified as Farm or Forest:

	Number of years following classification:										
	1	2	3	4	5	6	7	8	9	10	10+
	% Total Sales Price:										
	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

**MUNICIPAL PROPERTY TAX EXEMPTIONS**  
**C. G. S. Section 12-81**

The following property is exempt from taxation (C.G.S. Section 12-81).

- 1) Property of the United States.
- 2) State property, reservation land held in trust by the state for an Indian tribe.
- 3) County property. (REPEALED)
- 4) Municipal property.
- 5) Property held by trustees for public purposes.
- 6) Property of volunteer fire companies and property for public use.
- 7) Property used for scientific, educational, literary, historical or charitable purposes.
- 8) College property.
- 9) Personal property loaned to tax-exempt educational institutions.
- 10) Property belonging to agricultural or horticultural societies.
- 11) Property held for cemetery use.
- 12) Personal property of religious organizations devoted to religious or charitable use.
- 13) Houses of religious worship.
- 14) Property of religious organizations used for certain purposes.
- 15) Houses used by officiating clergymen as dwellings.
- 16) Hospitals and sanitariums.
- 17) Property of blind persons up to \$3,000.
- 18) Property of veterans' organizations.
  - (a) Property of bona fide war veterans' organization.
  - (b) Property of the Grand Army of the Republic.
- 19) Veteran's exemptions upto \$1,000.
- 20) Servicemen and veterans having disability ratings up to \$3,000.
- 21) Disabled veterans with severe disability.
  - (a) Disabilities.
  - (b) Exemptions hereunder additional to others. Surviving spouse's rights.
  - (c) Municipal option to allow total exemption for residence with respect to which veteran has received assistance for special housing under Title 38 of the United States Code.
- 22) Surviving spouse or minor child of servicemen and veterans.
- 23) Serviceman's surviving spouse receiving federal benefits.
- 24) Surviving spouse and minor child of veteran receiving compensation from Veteran's Administration.
- 25) Surviving parent of deceased serviceman or veteran.
- 26) Parents of veterans.
- 27) Property of grand army posts.
- 28) Property of United States army instructors.
- 29) Property of American National Red Cross.
- 30) Fuel and provisions.
- 31) Household furniture.
- 32) Private libraries.
- 33) Musical instruments.
- 34) Watches and jewelry.
- 35) Wearing apparel.
- 36) Commercial fishing vessels and fishing apparatus up to \$500.
- 37) Mechanic's tools.
- 38) Farming tools.
- 39) Farm produce, livestock and poultry.
- 40) Sheep, goats and swine.
- 41) Dairy and beef cattle and oxen.
- 42) Poultry.
- 43) Cash.
- 44) Nursery products.
- 45) Property of units of Connecticut National Guard.
- 46) Watercraft owned by nonresident. (REPEALED)
- 47) Carriages, wagons and bicycles.

**MUNICIPAL PROPERTY TAX EXEMPTIONS**  
**C. G. S. Section 12-81**

The following property is exempt from taxation (C.G.S. Section 12-81).

- 48) Airport improvements.
- 49) Nonprofit camps or recreational facilities for charitable purposes.
- 50) Exemption of manufacturers' inventories.
- 51) Water pollution control structures and equipment exempt.
- 52) Structures and equipment for air pollution control.
- 53) Motor vehicle of serviceman.
- 54) Wholesale and retail business inventory.
- 55) Property of totally disabled persons up to \$1,000.
- 56) Active solar energy systems.
- 57) Solar energy electricity generating systems.
- 58) Property leased to a charitable, religious or nonprofit organization.
- 59) Manufacturing or service facility in a distressed municipality or a targeted investment community.
- 60) Machinery and equipment in a manufacturing facility in a distressed municipality or a targeted investment community.
- 61) Vessels used primarily for commercial fishing.
- 62) Passive solar energy systems.
- 63) Solar energy electricity generating and cogeneration systems.
- 64) Vessels in the assessment year beginning on or after October 1, 1981..
- 65) Vanpool vehicles.
- 66) Motor vehicles leased to state agencies on or after June 4, 1982.
- 67) Beach property belonging to or held in trust for cities.
- 68) Any livestock used in farming or any horse or pony assessed at less than \$1,000.
- 69) Property of the Metropolitan Transportation Authority.
- 70) Manufacturing and equipment acquired as part of the technological upgrading of a manufacturing process in a distressed municipality or a targeted investment community.
- 71) Any motor vehicle owned by a member of an indigenous Indian tribe or their spouse, and garaged on the reservation of the tribe.
- 72) New machinery and equipment in manufacturing facilities, including machinery and equipment used in the biotechnology industry.
- 73) Temporary structures used in seasonal agricultural production, including hoop houses, poly houses, high tunnels, overwintering structures and shade houses
- 74) Certain vehicles used to transport freight for hire (GRW in excess of 26,000.)
- 75) Certain health care institutions (UCONN Dempsey Hospital)

**STATE GRAND LEVIES  
FISCAL YEARS 1997-2004  
(\$ Millions)**

<b>Category</b>	<b>FY 97 Levies</b>	<b>% Total</b>	<b>FY 98 Levies</b>	<b>% Total</b>	<b>FY 99 Levies</b>	<b>% Total</b>	<b>FY 00 Levies</b>	<b>% Total</b>
Industrial	\$218.0	4.4%	\$210.2	4.2%	\$212.3	4.1%	\$213.9	4.0%
Commercial	784.6	15.7%	756.8	15.2%	762.9	14.9%	787.8	14.7%
Public Utility	34.6	0.7%	29.2	0.6%	29.2	0.6%	29.8	0.6%
Bus. Per. Property	<u>402.2</u>	<u>8.1%</u>	<u>402.0</u>	<u>8.1%</u>	<u>423.9</u>	<u>8.3%</u>	<u>465.5</u>	<u>8.7%</u>
<b>Total</b>	<b>1,439.4</b>	<b>28.8%</b>	<b>1,398.2</b>	<b>28.1%</b>	<b>1,428.3</b>	<b>27.9%</b>	<b>1,497.0</b>	<b>28.0%</b>
Residential	3,078.6	61.7%	3,100.4	62.2%	3,197.1	62.4%	3,300.7	61.8%
Motor Vehicles	384.1	7.7%	397.5	8.0%	412.4	8.0%	452.3	8.5%
Land Use	6.9	0.1%	7.0	0.1%	7.1	0.1%	11.5	0.2%
Vacant Land	<u>83.0</u>	<u>1.7%</u>	<u>79.0</u>	<u>1.6%</u>	<u>79.5</u>	<u>1.6%</u>	<u>81.9</u>	<u>1.5%</u>
<b>Total</b>	<b>474.0</b>	<b>9.5%</b>	<b>483.5</b>	<b>9.7%</b>	<b>499.0</b>	<b>9.7%</b>	<b>545.7</b>	<b>10.2%</b>
<b>Gross Grand Levy</b>	<b>\$4,992.0</b>	<b>100%</b>	<b>\$4,982.1</b>	<b>100%</b>	<b>\$5,124.4</b>	<b>100%</b>	<b>\$5,343.4</b>	<b>100%</b>
Exemptions (1)	<b>(\$184.0)</b>		<b>(\$124.0)</b>		<b>(\$116.8)</b>		<b>(\$118.5)</b>	
<b>Net Grand Levy</b>	<b>\$4,808.0</b>		<b>\$4,858.1</b>		<b>\$5,007.6</b>		<b>\$5,224.9</b>	
<b>Category</b>	<b>FY 01 Levies</b>	<b>% Total</b>	<b>FY 02 Levies</b>	<b>% Total</b>	<b>FY 03 Levies</b>	<b>% Total</b>	<b>FY 04 Levies</b>	<b>% Total</b>
Industrial	\$217.6	3.9%	\$219.0	3.6%	\$221.2	3.4%	\$223.4	3.3%
Commercial	706.8	12.6%	710.2	11.6%	802.1	12.5%	830.9	12.2%
Public Utility	30.7	0.5%	30.7	0.5%	30.8	0.5%	28.4	0.4%
Bus. Per. Property	<u>503.5</u>	<u>8.9%</u>	<u>506.5</u>	<u>8.2%</u>	<u>519.6</u>	<u>8.1%</u>	<u>519.3</u>	<u>7.6%</u>
<b>Total</b>	<b>1,458.6</b>	<b>25.9%</b>	<b>1,466.4</b>	<b>23.9%</b>	<b>1,573.7</b>	<b>24.5%</b>	<b>1,602.0</b>	<b>23.6%</b>
Residential	3,556.6	63.2%	4,023.8	65.5%	4,189.0	65.1%	4,514.1	66.4%
Motor Vehicles	516.3	9.2%	550.4	9.0%	560.0	8.7%	563.2	8.3%
Land Use	15.3	0.3%	17.3	0.3%	18.8	0.3%	25.6	0.4%
Vacant Land	<u>81.5</u>	<u>1.4%</u>	<u>83.8</u>	<u>1.4%</u>	<u>91.4</u>	<u>1.4%</u>	<u>92.5</u>	<u>1.4%</u>
<b>Total</b>	<b>613.1</b>	<b>10.9%</b>	<b>651.5</b>	<b>10.6%</b>	<b>670.2</b>	<b>10.4%</b>	<b>681.3</b>	<b>10.0%</b>
<b>Gross Grand Levy</b>	<b>\$5,628.3</b>	<b>100%</b>	<b>\$6,141.7</b>	<b>100%</b>	<b>\$6,432.9</b>	<b>100%</b>	<b>\$6,797.4</b>	<b>100%</b>
Exemptions (1)	<b>(\$122.5)</b>		<b>(\$308.8)</b>		<b>(\$208.6)</b>		<b>(\$72.2)</b>	
<b>Net Grand Levy</b>	<b>\$5,505.8</b>		<b>\$5,832.9</b>		<b>\$6,224.3</b>		<b>\$6,725.2</b>	

Note: (1) Includes assessed values subject to phase-in schedules for certain municipalities.