STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

FISCAL YEAR 2014-2015
ANNUAL REPORT

Dannel P. Malloy
Governor

Kevin B. Sullivan
Commissioner

A MESSAGE FROM THE COMMISSIONER

I am pleased to present our Fiscal Year 2015 Annual Report. We continue to work with Governor Malloy to restore fiscal stability, encourage economic growth and make state government leaner, smarter and more responsive.

Our goal is to improve tax collection through better taxpayer services. We are driven by strategic investments, LEAN process improvements and innovations that improve productivity and cut expenses.

During the past year, we focused on tax fraud, more targeted enforcement and support for Governor Malloy's call to align state tax policy with economic growth. Our agency has also become much more active and visible by reaching out to taxpayers with more accessible information, services and assistance.

This Annual Report offers an overview of our activities and summary statistical data for the taxes we administer. More information is available through our website at www.ct.gov/drs and our Research Unit at drs.taxresearch@po.state.ct.us.

We hope you find this report helpful and we welcome any comments or suggestions.

Sincerely,

Kevin B. Sullivan

Kevin B. Sullivan

Commissioner of Revenue Services

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The mission of the Department of Revenue Services is to instill public confidence in the integrity and fairness of tax collection; achieve the highest level of voluntary taxpayer compliance; continuously improve agency performance; contribute to the fiscal and economic well being of the state; and provide a positive and professional workplace.

LEGISLATIVE SUMMARY 2015 GENERAL ASSEMBLY REGULAR & SPECIAL SESSIONS

ADMISSIONS TAX

Public Acts 15-184 & 15-244
Both bills exempt athletic events presented by an Atlantic League team at the Ballpark at Harbor Yard in Bridgeport from July 1, 2015 to June 30, 2017.

CIGARETTE TAX

Public Act 15-244
Increases the cigarette tax rate from 170 mills per cigarette, or $3.40 per pack of twenty, to 182.5 mills per cigarette or $3.65 per pack of twenty on October 1, 2015, and to 195 mills per cigarette, or $3.90 per pack of twenty, on July 1, 2016. A floor tax is imposed at midnight September 30, 2015 and June 30, 2016, respectively.

Public Act 15-5, June Special Session
Adds criminal activity relating to cigarettes to Connecticut's racketeering laws.

CORPORATION BUSINESS TAX

Public Act 15-244

- Extends the current corporation business tax surcharge until January 1, 2016, and phases out the corporate surcharge over two years until completely eliminated in 2019;
- Caps the use of NOLs at 50% of net income;
- Requires mandatory unitary combined reporting (delayed until income years commencing on or after January 1, 2016 in P.A. 15-5, June Special Session); and
- Requires the Department of Revenue Services to study alternative methods of apportionment and income sourcing on CT businesses. DRS must provide recommendations to the Finance Committee by February 1, 2016.

Public Act 15-5, June 2015 Special Session

- Extends the First Five Program for one year until June 30, 2016 and expands the eligibility to an additional three projects;
- Delays implementation of mandatory unitary combined reporting established in P.A. 15-244 until 2016;
- Increases the overall cap on the Neighborhood Assistance Act (NAA) tax credit program from $5 million to $10 million. Effective July 1, 2017;
- Increases the total amount of business tax credits available under the Urban and Industrial Site Reinvestment credit program from $800 million to $950 million; and
- Extends the carry forward for film tax credits from 3 to 5 years

for credits issued after July 1, 2015.

Public Act 15-1, December 2015 Special Session

- Provides for a $2.5 million cap on the additional amount of tax a company would be liable for under the newly enacted mandatory unitary combined reporting requirement. Effective for income years commencing on or after January 1, 2016;
- Makes the election for companies with net operating losses (NOLs) in excess of $6 billion effective for income years commencing on or after January 1, 2015. In addition, cannot use NOLs to reduce a taxpayer's liability to less than $2.5M;
- Mandates single sales factor apportionment for most corporate tax filers. Effective for income years commencing on or after January 1, 2016;
- Expands the enterprise zone credit to certain bioscience, clean technology, and cybersecurity businesses created on or after July 1, 2015 and located in an enterprise zone to qualify for the tax credit. The bill also lowers the employment thresholds for these businesses. Effective for taxable years commencing on or after January 1, 2017; and
- Increases the cap on certain credits for the corporation business tax, incrementally over four years, from the current 50.01% to 70% in 2019. Effective for income years commencing on or after January 1, 2016.

INSURANCE PREMIUMS TAX

Public Act 15-166

This bill clarifies that nonadmiited insurers may open an office in CT. Effective October 1, 2015.

Public Act 15-244

- Delays the expiration of the 30%, 55%, and 70% three tier insurance premiums credit cap levels for two years; and extends the cap on the film credit moratorium for two years; and
- Renames the Insurance Reinvestment Fund the "Invest CT Fund" and increases the overall cap from $200 million to $350 million. The annual $40 million cap remains in place.

MISCELLANEOUS TAXES

Public Act 15-1

Requires state agencies that mandate the electronic filing of applications or forms to allow for a waiver of said requirement if the individual, applicant, or business shows good cause. Effective October 1, 2015.

Public Act 15-61

Allows agencies to use electronic means to provide notifications such as declaratory rulings and final decisions. Effective October 1, 2015.

Public Act 15-142
Makes changes to the Office of Policy & Management's functions and requirements as they pertain to how executive branch agencies collect and store data, and protect the confidentiality of data. Additionally, the bill establishes protocols to protect certain confidential information handled by state contractors. The bill also directs OPM to develop programs to access, link, analyze, and share data maintained by executive branch agencies.

Public Act 15-244
Limits the rental surcharge to individuals or businesses generating at least 51% of their total annual revenue from rentals.

Public Act 15-5, June Special Session

- Changes the due date for the tax incidence study from December 31 to February 15, 2017, and biennially thereafter;
- Requires employers to submit copies of employee W-2s to DRS by no later than January 31 of each year;
- Establishes a registration and renewal requirement for dry cleaners within CT and a nonwaivable $1,000 penalty for failure to register, and a $200 penalty for failure to renew; and
- Establishes a Commission on Economic Competitiveness to analyze the impact of state policy on business and industry, examine the impact of newly enacted legislation on state business and industry, and offer legislative recommendations. The Commissioner of DRS is a member.

PERSONAL INCOME TAX

Public Act 15-244

- Exempts 100% of military retirement pay from the personal income tax. Effective for taxable years commencing on or after January 1, 2015;
- Creates a new top marginal personal income tax rate of 6.99% for Single Filers and Married Filing Separate filers with CT AGIs in excess of $500,000, Head of Household filers with CT AGIs in excess of $800,000, and Joint Filers with CT AGIs in excess of $1,000,000. Effective for taxable years commencing on or after January 1, 2015;
- Defers the scheduled increase in the single filer exemption for the personal income tax from $14,500 to $15,000 until taxable year 2016;
- Delays the increase of the CT Earned Income Tax Credit (EITC) from 27.5% to 30% for the 2015 and 2016 taxable years; and
- Reduces the property credit for personal income tax paid from $300 to $200 effective for taxable years commencing on or after January 1, 2016.

Public Act 15-5, June Special Session
Modifies the standards for the CT "Innocent Spouse" relief provisions to more closely match those for federal "innocent spouse" relief.

Public Act 15-1, December 2015 Special Session
Establishes a "15 day rule" by excluding from the personal income tax the compensation for personal services rendered by a nonresident in CT for services of 15 days or less. Specifically does not apply to athletes and entertainers. Effective for taxable years commencing on or after January 1, 2016.

PETROLEUM PRODUCTS GROSS EARNINGS TAX

Public Act 15-244
Requires all petroleum gross earnings tax revenue to be deposited into the Special Transportation Fund (STF) effective July 1, 2015, and eliminates the requirement that DRS calculate biennially the percentage of petroleum gross earnings tax revenue from gasoline sold, and use this ratio to determine transfers from the General Fund to the STF.

Public Act 15-1, December 2015 Special Session
Modifies the petroleum gross earnings tax exemption for propane used for home heating purposes: changes the exemption from propane used exclusively for heating purposes to propane used primarily for heating purposes. Effective for first sales made on or after December 1, 2015.

PUBLIC SERVICE COMPANIES TAX

P.A. 15-244
Imposes a 6% gross receipts tax on ambulatory surgical centers licensed by the Department of Public Health. Effective October 1, 2015.

Public Act 15-5, June Special Session
Exempts the first $1 million of gross receipts from the 6% ambulatory surgical center tax enacted under P.A. 15-244.

P.A. 15-1, December 2015 Special Session
Increases the cap on tax certain credits for the ambulatory surgical centers, and hospitals tax, incrementally over four years, from current 50.01% to 70% in 2019. Effective for calendar quarters commencing on or after January 1, 2016 (P.A. 15-244, previously enacted, had placed a 50.01% limit on credits under the hospitals net patient revenue tax.)

SALES AND USE TAXES

Public Act 15-244

- Expands the sales tax to car wash services. Effective for sales occurring on or after July 1, 2015;
- Repeals the sales tax exemption for certain motor vehicle parking services. Effective for sales occurring on or after July 1, 2015;
- Lowers the amount exempt under the sales tax holiday from clothing and footwear under $300 to clothing and footwear under $100. Effective for sales occurring on or after July 1, 2015;

- Increase the sales tax on luxury items from 7% to 7.75%. Effective for sales occurring on or after July 1, 2015; and
- Repeals the sales tax exemptions for water companies and clothing and footwear under $50. Effective for sales occurring on or after July 1, 2015.

Public Act 15-5, June Special Session

- Changes the due date for the sales tax to the last day of the following month back from the 20th day of the following month. Effective for periods ending on or after December 31, 2015;
- Subjects World Wide Web services to a 1% sales tax. Effective October 1, 2015;
- Eliminates the sunset on the current sales tax exemption for sole community hospitals, making the exemption permanent. Effective for sales occurring on or after July 1, 2015; and
- Makes a change to the sales tax on car washes established in P.A. 15-244 by including coin-operated car washes.

Public Act 15-1, December 2015 Special Session

Eliminates the sales tax exemption under Conn. Gen. Stat. §12-412k for residential weatherization products and compact fluorescent light bulbs. Effective for sales occurring on or after January 1, 2016.

UNIFIED GIFT AND ESTATE TAX

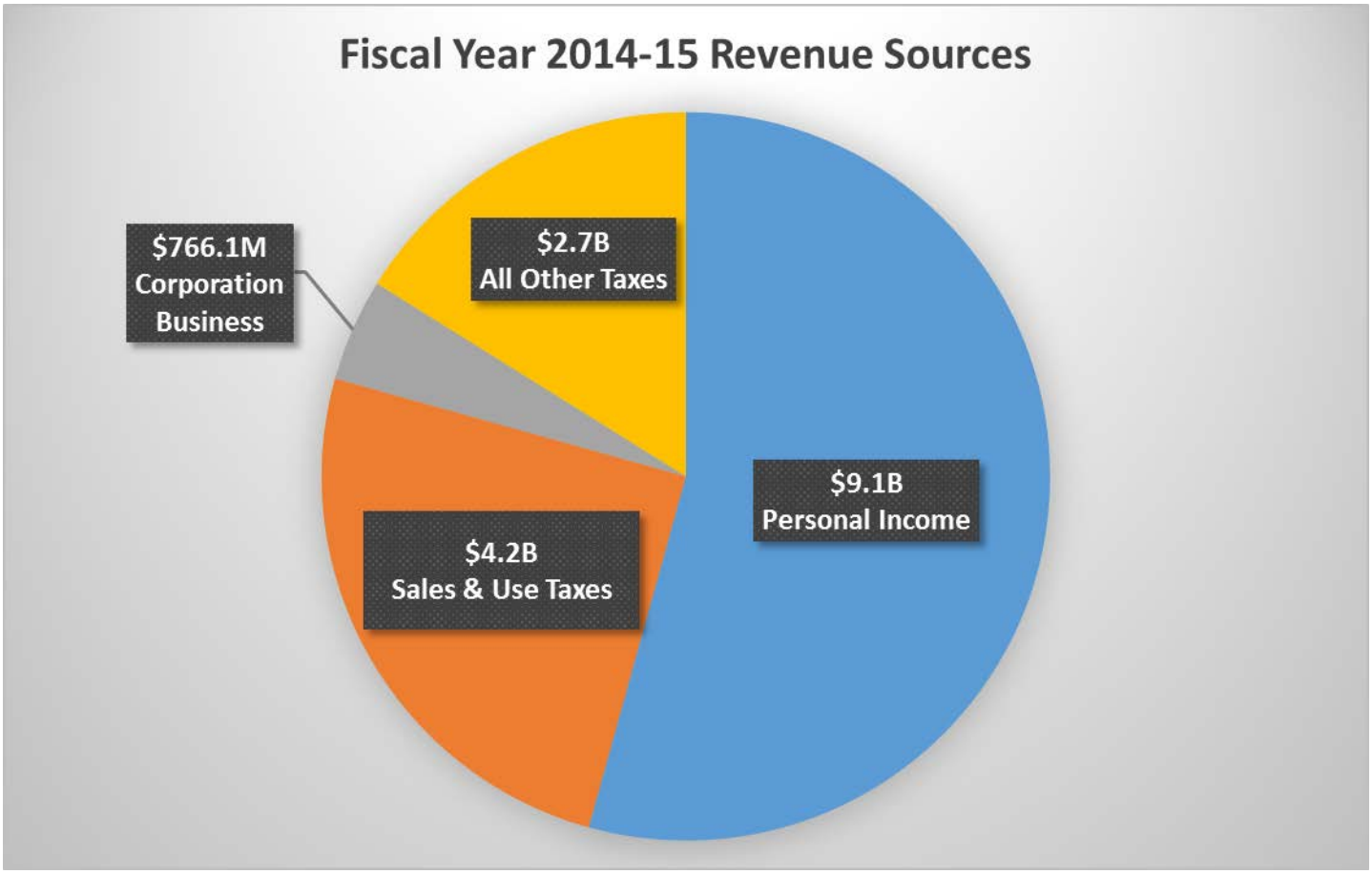
Public Act 15-244

Places a $20 million lifetime cap on the maximum amount of unified gift and estate tax paid. Effective for taxes imposed on estates of decedents dying, and, taxable gifts made, on or after January 1, 2016.

CONNECTICUT TAXES

The Department collected $16.8 billion in state taxes for fiscal year 2014-15.

The Personal Income, Sales and Use and Corporation Business Taxes comprised 84% of all collections.



State Revenue Sources

Tax Type & Citation	Fiscal Year Ending June 30, 2013	June 30, 2014	June 30, 2015
Admissions & Dues Tax *Ch. 225*	$36,578,471	$39,739,857	$38,606,444
Alcoholic Beverages Tax *Ch. 220*	60,405,646	60,685,777	61,611,937
Beverage Container Deposits *Ch. 446d*	27,528,488	27,384,746	30,599,746
Business Entity Tax *Ch. 213a*	44,634,817	9,011,496	43,917,190
Cable, Satellite & Video Companies Tax *Ch. 211*	56,439,345	63,574,938	73,925,969
Cigarette Tax *Ch. 214*	384,381,769	364,655,595	348,169,977
Connecticut Estate Tax *Ch. 217 (repealed)*	17,214	154,134	0
Controlled Substances Tax *Ch. 228d*	35,295	37,921	50,978
Controlling Interest Transfer Tax *Ch. 228b*	6,322,814	8,310,899	9,058,982
Corporation Business Tax *Ch. 208 & 209*	697,050,288	768,501,652	766,105,922
Dry Cleaning Surcharge *Ch. 211b*	689,063	654,782	833,935
Electric and Power Companies *Ch. 212*	157,298,145	171,536,153	144,615,302
Electric Generators Tax *Ch. 212b (repealed)*	66,823,140	15,315,188	7,269
Gas Companies *Ch. 212*	56,791,906	60,553,567	61,278,960
Gasoline Motor Vehicle Fuels Tax *Ch. 221*	359,279,779	355,677,079	361,445,078
Gift and Estate Tax *Ch. 217& 228c*	439,518,640	169,635,635	176,763,127
Gift Tax *Ch. 228c (repealed)*	2,057,611	(219,586)	258,477
Health Care Centers Tax *Ch. 207*	20,304,763	8,476,434	6,304,926
Hospital Net Patient Revenue Tax *Ch. 211a*	347,294,200	321,208,807	300,060,728
Income Tax *Ch. 229*	8,720,684,753	8,721,296,135	9,148,678,853
Insurance Premiums Tax, Domestic *Ch. 207*	51,780,056	52,511,626	44,052,248
Insurance Premiums Tax, Foreign *Ch. 207*	160,644,073	155,690,959	143,708,618
Insurance: Nonadmitted/Unauthorized *Ch.* 698d	9,718,951	5,066,139	6,354,243
Intermediate Care Facility User Fee *Ch. 319y*	4,075,202	9,347,809	8,774,012
Motor Carrier Road Tax *Ch. 222*	17,671,307	19,565,965	19,322,938
Nursing Home User Fee *Ch. 319x*	150,500,232	149,569,948	146,173,499
Occupational Tax *Ch. 876*	9,352,916	8,655,040	9,407,881
Petroleum Products Gross Earnings Tax *Ch. 227*	374,925,895	416,109,657	337,903,492
Prepaid Wireless E-9-1-1 Fee *Ch. 518b*	644,210	1,965,399	1,979,765
Public, Educational & Gov. Programming Tax *Ch. 289*	3,452,386	4,168,579	3,034,630
Railroad Companies Tax *Ch. 210*	115,320	138,565	212,580
Real Estate Conveyance Tax *Ch. 223*	147,184,519	172,196,438	176,896,115
Rental Surcharge *Ch. 228h*	259,791	274,934	237,191
Sales and Use Taxes *Ch. 219*	3,961,559,358	4,107,784,578	4,217,708,383
Solid Waste Tax *Ch. 446d*	3,417,632	3,459,416	3,454,245
Special Fuel Tax *Ch. 221*	124,601,098	133,074,125	136,096,381
Succession Tax *Ch. 216 (repealed)*	984,049	843,453	301,174
Tobacco Products Tax *Ch. 214a*	16,419,338	12,446,636	10,883,016
Tourism Surcharge *Ch. 228e*	4,976,715	4,997,092	5,232,982
Unrelated Business Income Tax *Ch. 208a*	2,106,930	4,707,536	4,715,550
Total	**$16,528,526,125**	**$16,428,765,101**	**$16,848,742,742**

ADMISSIONS AND DUES TAX

Revenue	
FY 2014-15	$38,606,444
2013-14	39,739,857
2012-13	36,578,471

Exemptions:

Admissions

- under $1
- Non-profit organization
- Motion pictures at not more than $5.00
- Live performances at non-profit theaters or playhouses, Gateway's Candlewood Playhouse, and Ocean Beach Park
- Sporting or athletic activities in which patrons participate
- Carnival or amusement rides
- Cabarets
- Interscholastic athletic events held at Rentschler Field
- Events at the XL Center in Hartford
- Events at the Webster Bank Arena in Bridgeport
- Athletic events at the Ballpark at Harbor Yard in Bridgeport presented by an Atlantic League team from July 1, 2015 to June 30, 2017

Dues:

- $100 or less;
- Lawn Bowling Clubs
- Locker Rental Fees
- Additional charges used to acquire open space land
- Charitable, religious, governmental or non-profit educational institution
- Society, order or association operating under the lodge system or local fraternal organizations among students of a college or university

Number of Taxpayers / Filing Frequency

Admissions	267 taxpayers / Monthly
Dues	286 taxpayers / Monthly

ADMISSIONS AND DUES TAX (cont.)

Basis and Rate

Admissions 6% of the admissions charge to motion picture shows.

10% of the admission charge to any other place of amusement, entertainment, or recreation.

Dues 10% of membership dues or initiation fees to any social, athletic or sporting club organization.

Comparative Data

Tax Due	FY 2012-13	FY 2013-14	FY 2014-15
Motion Picture Admissions	$4,354,920	$5,428,268	$5,246,035
Other Admissions	8,793,227	10,468,040	8,413,330
Dues	23,430,324	23,843,549	24,947,079
Total	**$ 36,578,471**	**$39,739,857**	**$38,606,444**

ALCOHOLIC BEVERAGES TAX

A tax is imposed on all distributors of alcoholic beverages on the sale of alcoholic beverages within Connecticut. Distributors must report the total number of gallons of each alcoholic beverage sold during the month, the opening and closing inventories and the amount of tax due. Sales of alcoholic beverages are also subject to the Sales and Use Tax.

	Revenue	
FY	2014-15	$61,611,937
	2013-14	60,685,777
	2012-13	60,405,645

Exemption

Sales of malt beverages which are consumed on the premises of an establishment covered by a manufacturer's permit.

Number of Taxpayers/Filing Frequency

625 distributors/ Monthly

Basis and Rate

Beer	$7.20 per barrel (31 gallons)
Beer	24¢ per gallon
Still Wines	72¢ per gallon
Small Wineries	18¢ per gallon
Sparkling Wines	$1.80 per gallon
Alcohol	$5.40 per proof gallon
Distilled Liquor	$5.40 per gallon
Liquor Coolers	$2.46 per gallon

Comparison of Gallonage

TYPE	FY 2012-13 (gallons)	FY 2013-14 (gallons)	FY 2014-15 (gallons)
Beer - barrels	200,042	205,788	211,540
Beer - gallons	50,570,000	50,236,606	49,714,52
Still Wine	13,483,942	13,443,147	13,370,257
Small Wineries	204,621	218,393	229,331
Sparkling Wine	533,487	547,852	586,406
Distilled Liquor	6,593,034	6,611,609	6,773,312
Liquor Cooler	11,824	10,394	9,902
Alcohol	65,742	70,706	68,298

BEVERAGE CONTAINER DEPOSITS

Connecticut requires all deposit initiators, certain distributors or manufacturers who engage in the sale of beverages subject to the Connecticut bottle bill, to collect the five cent deposit per beverage container sold to any person within Connecticut. These deposit initiators must maintain a separate bank account in which to deposit the monies collected. The unclaimed amount is the amount left in the account after refunds paid to customers and bank fees have been deducted. Each deposit initiator files a quarterly report and remits the unclaimed deposits amount to the state.

Revenue	
FY 2014-15	$30,599,746
2013-14	27,384,746
2012-13	27,528,488

Exemptions

- Any manufacturer which, on an annual basis, bottles and sells less than 250,000 noncarbonated beverage containers

Number of Taxpayers/Filing Frequency

90 Entities/Quarterly

BUSINESS ENTITY TAX

The following business entities are subject to a Business Entity Tax if they were formed under Connecticut law or are foreign entities that are transacting business in Connecticut and required to register with or obtain a certificate of authority from the Connecticut Secretary of the State:

- *S corporations (Qualified subchapter S subsidiaries (QSSS) are not liable);*
- *Limited liability companies (LLCs or SMLLCs) that are, for federal income tax purposes, either:*
  - *Treated as a partnership, if it has two or more members*; **or**
  - *Disregarded as an entity separate from its owner, if it has a single member*;
- *Limited liability partnerships (LLPs); and*
- *Limited partnerships (LPs).*

Revenue	
FY 2014-15	$ 43,917190
2013-14	9,011,496
2012-13	44,634,817

Exemptions

- LLCs and SMLLCs that have elected to be taxed as a corporation for federal tax purposes; and
- Any domestic LP that is not formed under Chapter 610 of the Connecticut General Statutes.

Number of Taxpayers/Filing Frequency

161,925 Entities/Biennially*

* Effective for taxable years commencing on or after January 1, 2013, this tax is payable every other year. Tax returns for a biennial period that began January 1, 2013 and ended December 31, 2014 were due on April 15, 2015.

Basis and Rate

$250 per biennial period.

CIGARETTE TAX

An excise tax is imposed on all cigarettes sold in Connecticut. Payment is indicated by affixing stamps or heat applied decals to each pack of cigarettes. The stamps are sold to licensed dealers and licensed distributors. Sales of cigarettes are also subject to the Sales and Use Tax.

Revenue	
FY 2014-15	$347,857,315
2013-14	364,537,545
2012-13	384,381,769

Exemption

Cigarettes sold to any state institution other than a correctional institution.

Number of Taxpayers/ Filing Frequency

34 taxpayers/ Monthly

Basis and Rate

The cigarette tax is 170 mills per cigarette or $3.40 per pack of twenty. The rate increases to 182.5 mills per cigarette or $3.65 per pack of twenty on October 1, 2015, and to 195 mills per cigarette or $3.90 per pack of twenty on July 1, 2016.

CONTROLLED SUBSTANCES TAX

A tax is levied on marijuana and controlled substances which creates an economic burden on drug dealers. Payment of the tax is indicated by the affixing of stamps to the marijuana or controlled substance. The tax is due and payable immediately upon acquisition or possession of the drug in Connecticut by a dealer.

Revenue	
FY 2014-15	$50,978
2013-14	37,921
2012-13	35,295

Basis and Rate

$3.50 per gram of marijuana;
$200 per gram of controlled substance; and
$2,000 per 50-dosage unit of controlled substance not sold by weight.

CONTROLLING INTEREST TRANSFER TAX

A tax is imposed on the transfer of a controlling interest in a corporation, partnership, association, trust or other entity, where an entity owns an interest, directly or indirectly, in Connecticut real property with a value of at least $2,000. In a corporation, "controlling interest" means more than 50% of the combined voting power of all classes of stock in the corporation. For all other entities, "controlling interest" is an amount greater than 50% of the capital, profits or beneficial interest in that entity.

Revenue	
FY 2014-15	$ 9,058,982
2013-14	8,310,899
2012-13	6,322,814

Exemptions

- Sales or transfers that effectuate a mere change of identity or form of ownership or organization where there is no change in the beneficial ownership of the entity;
- Sale or transfer of a controlling interest in any entity which possesses an interest in real property located in an enterprise zone;
- Transfers of land resulting from eminent domain proceedings;
- Deeds releasing any property which is a security for a debt or other obligation;
- Mortgage deeds;
- Deeds to or by the United States of America, State of Connecticut or any political subdivision or agency thereof;
- Tax deeds; and
- Deeds to any corporation, trust or other entity, of land to be held in perpetuity for educational, scientific, aesthetic or other equivalent passive uses (pending determination by the Internal Revenue Service).

Filing Frequency / Number of Taxpayers

The month following the month in which the transfer was made.
43 transfers in FY 2014-15

Basis and Rate

1.11% on the sale or transfer of a controlling interest. Also, an additional tax not to exceed 10% on the value of open space land, farmland, forestland, and maritime heritage land depending on the holding period, may be levied.

CORPORATION BUSINESS TAX

A corporation carrying on or doing business in Connecticut is subject to the Corporation Business Tax. Most corporations in Connecticut must file returns and pay corporation business tax although some corporations are exempt.

Corporations must calculate their tax under two alternate methods and remit the higher tax. If a corporation owes less than $250 under both methods, it pays the minimum tax of $250.

Revenue	
FY 2014-15	$766,105,922
2013-14	768,501,652
2012-13	697,050,288

Basis and Rate

Net Income Base Method

The method under which most Corporation Business Tax revenue is derived is the Net Income Base. Corporations compute their Connecticut Net Income by applying the adjustments allowed or required by Connecticut law to the federal taxable income of the corporation. Additions to the base include interest income wholly exempt from federal tax, deductions taken for qualified domestic production activities under I.R.C. §199, and unallowable deductions for corporation or franchise taxes paid to other states. Deductions from the federal base include 70% of the dividends received from domestic corporations in which ownership is less than 20% and capital loss carryover, if not deducted in computing federal capital gain.

Connecticut uses an apportionment method to determine the portion of income taxable in the state. This method isolates what percentage of a corporation's economic activity takes place in Connecticut. Three factors: sales, payroll and property compare Connecticut to the nation to arrive at this percentage. The sales factor is double weighted. Special single-factor apportionment rules are currently provided for financial service companies, manufacturers and broadcasters.

Apportioned net operating losses incurred for income years beginning on or after January 1, 2000, may be carried forward for 20 successive income years. Effective for income years beginning on or after January 1, 2015, a taxpayer's net operating loss (NOL) deduction may not exceed 50% of its net income.

Connecticut Net Income is taxed at the rate of 7.5%.

CORPORATION BUSINESS TAX (cont.)

Capital Base Method

The second and alternate method corporations must compute their tax under is the Capital Base. The capital base is the total value of the average capital stock, surplus and undivided profits, and surplus reserves, less the average values of deficits and stockholdings in private corporations. Multi-state corporations multiply their capital base by an apportionment fraction.

The capital base is taxed at a rate of 3.1 mils ($0.0031) per dollar. Under the capital base method, a corporation is limited to a maximum tax of $1,000,000. Financial service companies are excluded from the capital base method, but are subject to the minimum tax.

Minimum Tax

If a corporation's calculation of the tax is less than $250 under both of the two previous methods, it pays a minimum tax, which is currently $250. The majority of corporations pay the minimum tax.

Surtax

For income years beginning between 2012 and 2017, corporations, except those paying the minimum tax of $250, pay a surtax in an amount equal to 20% of the tax due before credits are applied. The surtax rate is reduced to 10% in income year 2018.

Companies whose gross income is less than $100 million are exempt from the surtax unless they file as part of a combined or elective unitary return (through income year 2015) or as part of a mandatory unitary combined return after income year 2015.

The total amount of surtax reported on Income Year 2013 returns was $84.5M.

Combined Returns

If a corporation is permitted to file a federal consolidated return, it may elect to file a combined return in Connecticut. Filing a combined return allows a group of corporations engaged in business in Connecticut to file jointly. Their combined Connecticut tax liability is determined after each corporation individually apportions its income to Connecticut.

Taxpayers may no longer file combined returns for income years beginning on or after January 1, 2016.

CORPORATION BUSINESS TAX (cont.)

Preference Tax

A preference tax is imposed on corporations filing a combined return. These corporations are not entitled to the first $500,000 of tax savings over what they would pay if they filed separately. Combined filers must determine the total tax due as if they were filing separately. The difference, up to $500,000, between this amount and the total combined tax is the preference tax and must be added to the total combined tax.

The total tax due for income year 2013 combined filers had they filed separate single returns would have been $561.0M. The preference tax due by these filers was $33.6M. The total tax due before credits for combined filers was $250.3M, including the $33.6M in preference tax.

Elective Unitary Returns

Elective unitary tax returns measure the entire net income of all of the corporations included in the unitary group as if they were one corporation. Corporations that are subject to the add back of interest expenses paid to related members may elect to calculate their tax on a unitary basis provided there are substantial inter-corporate business transactions among the included corporations. Taxpayers may otherwise petition DRS for approval. The combined entire net income of the unitary group is apportioned to Connecticut as if it was one corporation.

Taxpayers may no longer file elective unitary returns for income years beginning on or after January 1, 2016.

Mandatory Unitary Combined Reporting

Effective for income years beginning on or after January 1, 2016, commonly owned corporations that are engaged in a unitary business, where at least one corporation is subject to the Corporation Business Tax, are required to file their Corporation Business Tax returns on a unitary basis. Taxpayers may no longer file combined returns or elective unitary returns for income years beginning on or after January 1, 2016.

CORPORATION BUSINESS TAX (cont.)

Exemptions

- Cooperative housing corporations;
- Homeowners associations;
- Domestic international sales corporations;
- Insurance companies;
- Certain political organizations or associations exempt from federal income taxes under §527 of the Internal Revenue Code;
- Railroad companies subject to the gross earnings tax;
- Companies whose corporate headquarters are located in the insurance and financial services export zone in the City of Hartford and are conducting all of their business outside the United States;
- Connecticut passive investment companies formed by financial service companies to hold and manage loans secured by real property;
- Non-United States corporations whose sole activity conducted in Connecticut is the trading of stocks, commodities and securities; and
- Subchapter S corporations.

Filing Frequency

Annually with four estimated installments.

CORPORATION BUSINESS TAX (cont.)

Number of Taxpayers

2013 Corporation Business Tax Returns

	Number of Taxpayers	Tax Due Before Tax Credits	Tax Due After Tax Credits
Single Filers			
Net Income	8,340	296,574,852	255,681,893
Capital Base	4,616	37,040,116	26,888,858
Minimum Tax	23,112	5,772,237	5,771,178
Exempt	4,024	0	0
Combined Filers			
Net Income	293	193,917,859	105,364,988
Capital Base	289	41,261,696	23,780,894
Minimum Tax	420	15,125,352	9,239,873
Unitary Filers			
Net Income	128	66,899,585	48,086,934
Capital Base	51	7,305,084	3,840,759
Minimum Tax	90	293,250	293,250
Total	**41,363**	**$664,190,032**	**$478,948,626**

CORPORATION BUSINESS TAX (cont.)

2013 Corporation Business Tax Returns

Industry Sector	Number of Returns	Tax Due Before Credits	Tax Due After Credits
11 Agriculture, Forestry, Fishing and Hunting	143	625,889	484,730
21 Mining	47	812,891	793,209
22 Utilities	97	27,005,091	9,125,460
23 Construction	2,971	6,568,121	6,353,785
31-33 Manufacturing	3,884	153,863,678	103,171,559
42 Wholesale Trade	2,579	36,296,237	30,550,943
44-45 Retail Trade	3,433	53,727,237	44,196,558
48-49 Transporting and Warehousing	747	9,968,807	8,038,553
51 Information	929	79,435,338	43,170,522
52 Finance and Insurance	2,814	61,714,756	54,253,045
53 Real Estate and Rental and Leasing	3,785	13,721,517	13,364,344
54 Professional, Scientific and Tech Services	6,316	50,948,510	43,890,064
55 Management of Companies and Enterprises	937	55,913,259	35,389,266
56 Administrative and Support Services	1,291	17,325,936	9,452,623
61-62 Education, Health Care and Social Assistance	1,740	8,692,665	7,272,030
71 Arts, Entertainment, and Recreation	424	1,850,390	959,536
72 Accommodation and Food Services	934	3,750,218	3,551,672
81-92 Other Services	3,635	8,626,408	7,359,221
99 Not Yet Assigned	4,657	73,343,083	57,571,506
Total	**41,363**	**$664,190,032**	**$478,948,626**

CORPORATION BUSINESS TAX (cont.)

2013 Corporation Business Tax Returns

Tax Due Before Credits	Number of Returns	Tax Due Before Credits	Tax Due After Credits
Exempt	4,024	0	0
$250 or less	23,103	5,768,603	5,768,603
$251 to $999	4,961	2,708,345	2,591,675
$1000 to $24,999	7,222	40,897,690	37,706,693
$25,000 to $49,999	701	25,037,473	22,695,929
$50,000 to $99,999	518	36,923,944	32,634,675
$100,000 to $249,999	421	64,812,506	55,174,517
$250,000 to $499,999	180	63,166,358	52,158,038
$500,000 to $999,999	132	87,870,346	67,119,585
$1 million to $2 million	61	84,865,429	64,004,174
$2 million to $5 million	26	76,030,227	54,600,049
$5 million and over	14	176,109,110	84,494,688
Total	**41,363**	**$664,190,032**	**$478,948,626**

CORPORATION BUSINESS TAX CREDITS

The State of Connecticut offers many Corporation Business Tax credits which a corporation may take advantage of to reduce its liability to the state. The amount of tax credits allowable generally cannot exceed 70% of the amount of tax due or reduce the amount of tax to less than $250. Effective for the 2015 income year, tax credits cannot exceed 50.01% of the amount of tax due.

Apprenticeship Training

Reference: Conn. Gen. Stat. §12-217g as amended by 2015 Conn. Pub. Acts 1 (Dec. Spec. Sess.)

A corporation that hires apprentices in the manufacturing or plastics trades may apply for a credit of up to $4,800 per apprenticeship. The amount of the credit is computed by multiplying the total number of apprentice work hours by $4. The credit may not exceed 50% of the actual wages paid or $4,800, whichever is less.

Beginning in income year 2015, the calculation for manufacturing trades apprenticeships increases the credit to $6 per hour up to a maximum of either $7,500 or 50% of the total wages paid during the first half of a two-year program or three-quarters of a four year program.

Pass-through entities may also earn this tax credit for apprenticeships in manufacturing. Their credits may be sold, assigned or transferred in whole or part no more than 3 times and may be used to offset the Corporation Business Tax beginning in income year 2015. These may be applied against the Utilities Companies and Petroleum Products Gross Earnings taxes beginning in 2016.

Corporations that hire apprentices in the construction trades may apply for a credit of up to $4,000 per apprenticeship completed. The amount of the credit is computed by multiplying the total number of apprentice work hours by $2. The credit may not exceed $4,000 or 50% of the actual wages paid over the first four years of the apprenticeship, whichever is less.

Digital Animation Production

Reference: Conn. Gen. Stat. §12-217ll

A credit is available for digital animation production activity in the state. Any state-certified digital animation production company incurring production expenses or costs from $100,000 up to $500,000 will be eligible for a credit equal to 10% of the production expenses or costs. This credit percentage increases to 15% for costs more than $500,000 up to $1 million and a 30% credit for costs over $1 million.

This tax credit is administered by the Department of Economic and Community Development (DECD). Credits may be claimed in the year the costs were incurred or the three succeeding years after the year the cost were incurred.

CORPORATION BUSINESS TAX CREDITS (cont.)

Donation of Land

Reference: Conn. Gen. Stat. §§ 12-217dd and 12-217ff

This credit is available in an amount equal to 50% of the use value of the donation of land to be permanently preserved as protected open space or for educational use. Donations of land must be made to the state, a political subdivision of the state, or a nonprofit land conservation organization and may include any discount in the sales price.

Unused credit for donations of land for educational use made prior to the 2013 income year may be carried forward for 15 succeeding income years. All other unused credits for donations of land may be carried forward for up to 25 years.

Electronic Data Processing Equipment

Reference: Conn. Gen. Stat. §12-217t

The Electronic Data Processing Equipment Property Tax credit provides a 100% credit for property tax owed and paid on electronic data processing equipment. Unused credits may be carried forward for five succeeding income years.

Enterprise Zone Credit for Qualifying Corporations

Reference: Conn. Gen. Stat. §12-217v

A credit is allowed to any qualifying corporation which hires at least 150 local employees qualifying under the Job Training Partnership Act to work within a designated Enterprise Zone. This credit is 100% of the corporation's tax liability for its first three years and 50% of its liability for the next seven.

Film Production

Reference: Conn. Gen. Stat. §12-217jj as amended by 2015 Conn. Pub. Acts 244 and 2015 Conn. Pub. Acts 5 (June Spec. Sess.)

Any eligible film production company incurring qualified production expenses or costs from $100,000 up to $500,000 is eligible for a credit equal to 10% of the production expenses or costs. This credit percentage increases to 15% for costs more than $500,000 up to $1 million and a 30% credit for costs over $1 million. This tax credit is administered by the Department of Economic and Community Development (DECD).

Credit vouchers may be claimed in the year the costs were incurred or the three succeeding years after the year the costs were incurred. Tax credit vouchers issued on or after July 1, 2015 may be claimed in the year the expenses were incurred or in the next five income years. These may be sold, assigned or transferred in whole or part no more than 3 times.

CORPORATION BUSINESS TAX CREDITS (cont.)

Film Production Infrastructure
Reference: Conn. Gen. Stat. §12-217kk

A tax credit is available to any taxpayer that invests in a capital project to provide basic buildings, facilities, or installations needed for the functioning of the digital media and motion picture industry in this state, provided that the project has been approved by DECD.

For income years beginning on or after January 1, 2010, a 20% credit is allowed for costs $3 million and over. Credits may be claimed in the year the costs were incurred or the next three succeeding income years. These may be sold, assigned or transferred in whole or part no more than 3 times.

Fixed Capital Investments
Reference: Conn. Gen. Stat. §12-217w

This credit is based on 5% of the amounts paid or incurred for any new tangible personal property that has a class life of more than four years, is not sold or leased within 12 months, and will be held and used in Connecticut for at least five years. Inventory, land, buildings and mobile transportation equipment are not included. Unused credits may be carried forward for five succeeding income years.

Green Buildings
Reference: Conn. Gen. Stat. §12-217mm

Up to $25 million in tax credits are available for eligible construction, renovation, or rehabilitation projects that are designed to meet the applicable requirements for LEED Green Building Rating System gold or platinum certification or another equivalent certification determined by DEEP.

Credit percentages range between 5% and 11% and depend on the location and certification level of the project. Credits may be assigned to another taxpayer or taxpayers. Unused credits may be carried forward for five succeeding income years.

CORPORATION BUSINESS TAX CREDITS (cont.)

Historic Homes Rehabilitation
Reference: Conn. Gen. Stat. §10-416

The Department of Economic and Community Development (DECD) may allocate up to $3 million in vouchers for this credit during any fiscal year. Owners of historic homes must incur qualified rehabilitation expenditures that exceed $25,000 in order to qualify. Effective for income years that begin in 2015, the minimum amount of qualified rehabilitation expenditures is reduced to $15,000.

After the work is performed and verified, a tax credit is allowed for 30% of the qualified rehabilitation expenditures. The credit is limited to $30,000 per dwelling. Effective for income years that begin in 2015, this maximum is increased to $50,000 for owners that are nonprofit corporations.

Unused credits may be carried forward for four succeeding income years.

Historic Preservation
Reference: Conn. Gen. Stat. §10-416b

This tax credit is available to owners rehabilitating certified historic buildings that will have mixed residential and nonresidential uses. After the rehabilitation work is performed and verified, a tax credit is allowed for 25% of the qualified rehabilitation expenditures. The amount of the available credit increases to 30% of the qualified expenditures if the rehabilitated building contains affordable housing. Unused credits may be carried forward for five succeeding income years.

The creation of the new Historic Rehabilitation tax credit effectively consolidates the provisions of the Historic Preservation and the Historic Structures Rehabilitation tax credits. Effective July 1, 2014, DECD may no longer reserve Historic Preservation tax credits.

CORPORATION BUSINESS TAX CREDITS (cont.)

Historic Rehabilitation
Reference: Conn. Gen. Stat. §10-416c

This new tax credit effectively consolidates the provisions of the Historic Preservation and the Historic Structures Rehabilitation tax credits. A 25% tax credit is available for income years beginning on or after January 1, 2014 on the qualified rehabilitation expenditures associated with the rehabilitation of a Certified Historic Structure for either 1) residential use of five units or more, 2) mixed residential and nonresidential use or 3) nonresidential use consistent with the historic character of such property or the district in which such property is located.

The amount of the available credit increases to 30% of the qualified expenditures if at least 20% of the units are rental units and qualify as affordable housing or at least 10% of the units are individual homeownership units and qualify as affordable housing.

Unused credits may be carried forward for five succeeding income years or may be sold, assigned or transferred in whole or part no more than 3 times.

Historic Structures Rehabilitation
Reference: Conn. Gen. Stat. §10-416a

This tax credit is available to owners rehabilitating certified historic structures for residential use. DECD may allocate up to $15 million in vouchers for this credit during any fiscal year. After the rehabilitation work is performed and verified, a tax credit is allowed for 25% of the qualified rehabilitation expenditures not to exceed $2.7 million. Unused credits may be carried forward for five succeeding income years.

The creation of the new Historic Rehabilitation tax credit effectively consolidates the provisions of the Historic Preservation and the Historic Structures Rehabilitation tax credits. Effective July 1, 2014, DECD may no longer reserve Historic Structures Rehabilitation tax credits.

CORPORATION BUSINESS TAX CREDITS (cont.)

Housing Program Contribution

Reference: Conn. Gen. Stat. §8-395

This tax credit program enables corporations to contribute to housing programs that benefit low and moderate income individuals and families. These programs are sponsored, developed or managed by nonprofit corporations and must be approved by the Connecticut Housing Finance Authority. The credit is the amount of the contribution, not to exceed $75,000 per business. Unused credits may be carried back to the five preceding income years and forward for five succeeding income years.

Human Capital Investments

Reference: Conn. Gen. Stat. §12-217x

The Human Capital Investments credit is based on 5% of the amounts paid or incurred for various job training and work education programs, child care subsidies to Connecticut employees, day care facility establishment costs and donations to institutions of higher education for improvements to technology. Unused credits may be carried forward for five succeeding income years.

Insurance Reinvestment Fund

Reference: Conn. Gen. Stat. §38a-88a

A credit may be applied against the corporation business tax for investments made through a fund manager registered with the Commissioner of Economic and Community Development (DECD). These investments must be specifically earmarked for insurance businesses incorporated in Connecticut that occupy new facilities and create new jobs. The credit is 10% of amounts invested in qualified insurance businesses, beginning 3 years but not later than 7 years from the date of investment. For years 7 through 10, the credit increases to 20% of the invested amounts. Unused credits may be carried forward for five succeeding income years or assigned to another taxpayer.

New eligibility certificates for insurance businesses which enable investors to claim a corporation tax credit cannot be issued on or after July 1, 2010. Any new eligibility certificates issued on or after July 1, 2010 now qualify investors for the Second Insurance Reinvestment Fund tax credit applicable against the insurance premiums tax (Chapter 207); health care centers tax (Chapter 207); and surplus lines brokers tax (Section 38a-743).

CORPORATION BUSINESS TAX CREDITS (cont.)

Job Expansion

Reference: Conn. Gen. Stat. §12-217pp

This tax credit program was established for taxpayers that hired new employees who reside in Connecticut to fill new jobs after January 1, 2012 and before January 1, 2014. The amount of the tax credit is $500 per month for a new full-time employee and $900 per month for an armed forces veteran or a qualifying employee. A qualifying employee is one who at the time of hiring is receiving unemployment compensation or has exhausted unemployment compensation benefits without an intervening job, is receiving employment services from the Department of Mental Health and Addiction Services, is receiving vocational rehabilitation services from the Department of Rehabilitation Services or is participating in employment opportunities and day services provided by the Department of Developmental Services.

A business had to apply to DECD for this tax credit and cannot claim any other tax credit with respect to the same employees. A taxpayer can claim this tax credit in the income year the credit is earned and the next two income years.

Machinery and Equipment

Reference: Conn. Gen. Stat. §12-217o

This credit is based upon the incremental increase in expenditures for machinery and equipment acquired for and installed in Connecticut. The rate of credit is either 5% or 10% depending on the number of full time employees in Connecticut.

Manufacturing Facility in a Targeted Investment Community/Enterprise Zone

Reference: Conn. Gen. Stat. §12-217e

A business may earn a credit of 50% of its allocable tax for operating a manufacturing facility which meets certain employment criteria and is located within a designated enterprise zone or other area designated as having enterprise zone level benefits. A credit of 25% may be applied against the portion of the Corporation Business tax allocable to a manufacturing facility located within a Targeted Investment Community, but not in an Enterprise Zone.

Certification is required from the Department of Economic and Community Development. Corporations may claim this credit for 10 years beginning with the first year following the year of certification.

CORPORATION BUSINESS TAX CREDITS (cont.)

Neighborhood Assistance Act Program

Reference: Chapter 228a of the Conn. Gen. Stat. as amended by 2015 Conn. Pub. Acts 5 (June Spec. Sess.)

The Connecticut Neighborhood Assistance Act (NAA) tax credit program is designed to provide funding for municipal and non-profit organizations. Businesses are granted a tax credit of 60% of the amount contributed to certain approved programs (or 100% in the case of energy conservation programs) conducted by municipal and non-profit organizations. Unused credits may be carried back to the two preceding income years.

The NAA program has several statutory limits. A business is limited to receiving $150,000 in tax credit annually. A non-profit organization is limited to receiving $150,000 in contributions in the aggregate. The minimum contribution on which credit can be granted is $250. The program has a $5M cap, which if exceeded, results in proration of approved donations. Effective with the 2017 program year, this cap increases from $5 million to $10 million.

New Jobs Creation

Reference: Conn. Gen. Stat. §12-217ii

The tax credit was available to businesses that created at least 10 new jobs. To qualify, the taxpayer must have submitted an application with the Department of Economic and Community Development. The credit allowed is an amount up to 60% of the Connecticut income tax deducted and withheld from the wages of new employees. For each new employee, credits may be granted for five successive income years.

As of January 1, 2012, the Commissioner of Economic and Community Development may no longer issue eligibility certificates for this tax credit.

Qualified Small Business Job Creation

Reference: Conn. Gen. Stat. §12-217nn

An employer with less than 50 employees in Connecticut could earn a tax credit equal to $200 per month for hiring a Connecticut resident after May 6, 2010. The new employee had to have been hired to fill a full time job during the income years beginning on or after January 1, 2010, and before January 1, 2013. The tax credit can be claimed in the income year of the hire and the next two income years if the new employee remains employed by the employer at the close of that income year. The tax credit was administered by the Department of Economic and Community Development.

CORPORATION BUSINESS TAX CREDITS (cont.)

Research and Development Expenditures
Reference: Conn. Gen. Stat. §12-217n

A credit may be applied against the Corporation Business Tax for expenses of research and development conducted in Connecticut. The amount allowed as credit increases ratably from 1% of the annual research and development expenses paid or incurred, where such expenses equal $50 million or less, to 6% where expenses exceed $200 million. The 6% credit is extended to qualified small businesses with a gross income that does not exceed $100 million.

Qualified small businesses may exchange unused amounts of this credit with the state for a cash payment of 65% of the value of the credit or carry these amounts forward at full value. Credit refunds are limited to $1.5 million in any one income year. Unused credits may be carried forward until fully taken.

Research and Development Grants to Institutions of Higher Education
Reference: Conn. Gen. Stat. §12-217l

This credit was available for 25% of the incremental increase in amounts spent by a corporation for a qualifying grant or combination of grants to any institution of higher education in Connecticut for the purposes of research and development related to advancements in technology.

This tax credit was repealed effective July 1, 2013.

Research and Experimental Expenditures
Reference: Conn. Gen. Stat. §12-217j

This is a tax credit based on the incremental increase in expenditures for research and experiments conducted in Connecticut. The amount of the credit equals 20% of the amount spent by the corporation directly on research and experimental expenditures that exceeds the amount spent in the preceding income year. Unused credits may be carried forward for fifteen succeeding income years.

Qualified small businesses may exchange unused amounts of this credit with the state for a cash payment of 65% of the value of the credit or carry these amounts forward at full value. Credit refunds are limited to $1.5 million in any one income year.

CORPORATION BUSINESS TAX CREDITS (cont.)

Service Facility
Reference: Conn. Gen. Stat. §12-217e

This credit is available to companies with a service facility located in a Connecticut targeted investment community which hire new employees and have an eligibility certificate issued by the Commissioner of Economic and Community Development (DECD). The credit is based on the portion of tax allocable to such facility and the number of new employees working there. Credit percentages range from 15% to 50% depending on the number of new employees. The credit period is ten years.

Traffic Reduction Programs
Reference: Conn. Gen. Stat. §12-217s

This is a 50% credit for traffic reduction program expenses related to the attainment of federal Clean Air Act standards. The credit cannot exceed $250 per participating employee. This credit is available for corporations employing 100 or more people located in a severe non-attainment area. Currently, no such area is designated in Connecticut.

Urban and Industrial Site Reinvestment
Reference: Conn. Gen. Stat. §32-9t

This credit is available for investments in eligible urban reinvestment projects and industrial site investment projects. Investments may be made directly or through a registered fund manager and must be certified by the Commissioner of Economic and Community Development. The credit is 10% of the qualified investments, beginning 4 years but not later than 7 years from the date of investment. For years 8 through 10, the credit increases to 20% of the invested amounts. Unused credits may be carried forward for five succeeding income years or assigned to another taxpayer.

CORPORATION BUSINESS TAX CREDITS (cont.)

The table below shows the number of corporation tax credits claimed and the amounts taken for each of the corporation credit programs utilized by businesses. The figures represent credit claimed on 2013 returns and any credits carried forward from prior years and used in 2013.

Tax Credits Claimed on 2013 Corporation Business Returns

Type of Credit	Number of Credits	Amount Claimed
Apprenticeship Training	13	$125,303
Digital Animation	3	1,334,127
Donation of Land	3	6,029
Electronic Data Processing	1,108	14,271,589
Film Production	29	20,631,231
Film Production Infrastructure	4	15,351,283
Fixed Capital Investments	1,689	78,900,661
Green Buildings	1	3,974,961
Historic Homes Rehabilitation	6	730,074
Housing Program Contribution	3	702,374
Human Capital Investments	105	2,931,706
Job Expansion	41	4,894,935
Machinery and Equipment	71	1,312,248
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	18	1,102,176
Neighborhood Assistance	66	2,330,232
New Jobs Creation	5	167,963
Qualified Small Business Job Creation	2	11,054
Research & Development Expenditures	163	7,003,450
Research & Development Grants to Institutions of Higher Education	1	205
Research & Experimental Expenditures	205	19,113,361
Urban and Industrial Site Reinvestment	15	10,346,444
Total	**3,551**	**$185,241,406**

CORPORATION BUSINESS TAX CREDITS (cont.)

The table below shows the unused credit amounts reported on 2013 corporation business tax returns as being carried forward to the 2014 income year.

Credits Carried Forward to 2014 Income Year

Type of Credit	Carryforward Amount
Donation of Land	$4,307,785
Electronic Data Processing	76,123,674
Fixed Capital Investments	274,962,333
Historic Homes	476,916
Human Capital Investments	6,035,195
Research & Development	1,651,232,830
Research & Experimental Expenditures	567,695,438
SBA Guaranty Fee	179,720
Urban and Industrial Site Reinvestment	9,569,620
Total Carryforward Credits	**$2,590,583,511**

DRY CLEANING SURCHARGE

The Dry Cleaning Surcharge is used to provide grants to dry cleaning establishments for the containment and removal or mitigation of environmental pollution resulting from dry cleaning activity. Revenue is deposited into the Dry Cleaning Remediation Account, which is used to provide these grants and fund other measures undertaken to prevent pollution.

Dry cleaning establishments are required to renew their registration with DRS each October 1, starting October 1, 2015. Establishments that fail to register or renew their registration are subject to a penalty.

Revenue		
FY	2014-15	$833,935
	2013-14	654,782
	2012-13	689,063

Basis and Rate

1% of gross receipts at retail.

Number of Taxpayers/Filing Frequency

442 taxpayers/Quarterly

GIFT AND ESTATE TAX

Resident and nonresident estates of decedents dying on or after January 1, 2011 are liable for the Connecticut Estate Tax on the amount of their Connecticut taxable estate that exceeds $2 million. For estates of decedents dying during 2010, this threshold was $3.5 million.

For estates of decedents dying on or after January 1, 2005, but prior to January 1, 2010 the threshold was $2 million. If the threshold for these estates was exceeded, the tax was payable on the entire amount, including the first $2 million.

"Connecticut taxable estate" is defined as the sum of the total value of the decedent's federal gross estate, less allowable deductions, plus the aggregate amount of Connecticut taxable gifts made on or after January 1, 2005. A credit is granted for gift taxes paid on Connecticut taxable gifts made on or after January 1, 2005; however, the credit cannot exceed the amount of the Connecticut estate tax.

For Connecticut taxable gifts, a donor must pay Connecticut gift tax if the aggregate amount of Connecticut taxable gifts made on or after January 1, 2005, exceeds $2 million. A credit is allowed against the Connecticut gift tax for Connecticut gift taxes paid on Connecticut taxable gifts made during calendar years beginning on or after January 1, 2005; however, the credit cannot exceed the amount of the Connecticut gift tax.

For Connecticut taxable gifts made during 2010, a donor paid Connecticut gift tax if the aggregate amount of the Connecticut taxable gifts during all calendar years beginning on or after January 1, 2005, exceeded $3.5 million.

"Connecticut taxable gifts" are defined as taxable gifts as determined for federal gift tax purposes. They include:

- *Gifts of Connecticut real property;*
- *Gifts of tangible personal property situated within Connecticut; or*
- *Gifts of intangible personal property made by Connecticut residents.*

Taxpayers are required to file a Connecticut Estate and Gift Tax return to report all Connecticut taxable gifts, even if no Connecticut gift tax is due.

	Gift Tax Revenue*	Connecticut Estate Tax Revenue*	Gift and Estate Tax Revenue
FY 2014-15	$ 258,477	0	$176,763,127
2013-14	(219,586)	$154,134	169,635,635
2012-13	2,057,611	17,214	439,518,640

* Revenues from late returns and audit activity for taxes in effect prior to 1/1/2005.

GIFT AND ESTATE TAX (cont.)

Basis and Rate

For gifts made, or the estates of decedents dying **on or after January 1, 2011** the table below is used to compute the Gift and Estate tax:

Aggregate Amount of Connecticut Taxable Gifts or Connecticut Taxable Estate	Tax
Not over $2,000,000	None
Over $2,000,000 but not over $3,600,000	7.2% of the excess over $2,000,000
Over $3,600,000 but not over $4,100,000	$115,200 plus 7.8% of the excess over $3,600,000
Over $4,100,000 but not over $5,100,000	$154,200 plus 8.4% of the excess over $4,100,000
Over $5,100,000 but not over $6,100,000	$238,200 plus 9.0% of the excess over $5,100,000
Over $6,100,000 but not over $7,100,000	$328,200 plus 9.6% of the excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$424,200 plus 10.2% of the excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$526,200 plus 10.8% of the excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$634,200 plus 11.4% of the excess over $9,100,000
Over $10,100,000	$748,200 plus 12% of the excess over $10,100,000

Detail of Revenue

For Fiscal Year 2014-15, total Gift and Estate Tax revenue collected was $176,763,127. Much of this revenue is attributable to prepayments that apply against upcoming tax returns. A breakdown of returns from estates received during Fiscal Year 2014-15 follows.

GIFT AND ESTATE TAX (cont.)

GIFT AND ESTATE TAX RETURNS
FROM ESTATES OF DECEDENTS
RECEIVED DURING FY 2014-15

Amount of Taxable Estate		# of Returns	Tax Due	Tax Due After Credits *
More Than	Not Over			
$2 Million	$3 Million	240	$6,311,021	$6,211,558
$3 Million	$4 Million	103	9,723,909	9,075,267
$4 Million	$5 Million	61	10,276,132	9,416,247
$5 Million	$6 Million	52	12,537,623	11,377,014
$6 Million	$7 Million	16	4,366,019	3,777,620
$7 Million	$ 8 Million	23	9,812,515	8,153,125
$ 8 Million	$10 Million	24	12,094,440	11,501,141
$ 10 Million	$15 Million	21	15,622,578	15,064,915
$15 Million	$25 Million	12	17,670,270	16,207,199
$25 Million		9	27,425,309	24,410,512
Total		**561**	**$125,839,816**	**$115,194,598**

* Reflects credits for real or tangible personal property located in other jurisdictions and prior gift tax payments.

For Fiscal Year 2014-15, an additional amount of the gift and estate tax was attributable to gift tax returns filed by non-decedents. A breakdown of calendar year 2014 returns is shown below.

GIFT AND ESTATE TAX RETURNS
2014 GIFT TAX ONLY

Amount of 2014 Taxable Gifts		# of Returns	Tax Due
More Than	Not Over		
	$2 Million	374	$6,117,259
$2 Million	$3 Million	13	1,201,763
$3 Million		8	2,786,293
Total		**395**	**$10,105,315**

HOSPITAL NET PATIENT REVENUE TAX

A tax is imposed on each health care facility or institution, which is licensed as a short-term general hospital by the Department of Public Health.

	Revenue
FY 2014-15	$300,060,728
2013-14	321,208,807
2012-13	347,294,200

Exemptions

- Hospitals which are licensed by the Department of Public Health as children's general hospitals;
- Short-term acute hospitals operated exclusively by the State of Connecticut (other than short-term acute hospitals operated by the state as a receiver).

Basis and Rate

The Department of Social Services determines the amount of net patient revenue and net patient revenue tax for each hospital.

Number of Taxpayers/Filing Frequency

27 taxpayers/Quarterly

Urban and Industrial Site Reinvestment Tax Credit

$51,080,000 in credits were applied against the Hospital Net Patient Revenue tax in Fiscal Year 2014-15.

Credit Limitation

Public Act 15-244 imposes a 50.01% limit on the amount of tax liability hospitals may reduce through the use of tax credits effective for calendar quarters commencing on or after July 1, 2015.

INCOME TAX

Connecticut imposes a tax on income earned by resident individuals, trusts, and estates. Nonresidents and part-year resident individuals, trusts and estates are also subject to the tax on income derived from or connected with sources within the State. Connecticut taxable income is defined as adjusted gross income for federal tax purposes with certain modifications and exemptions described below.

Revenue

FY	2014-15	$9,148,678,853
	2013-14	8,721,296,135
	2012-13	8,720,684,753

Number of Taxpayers/Filing Frequency

1.84 million taxpayers/Annually
Taxpayers who expect to owe more than $1,000 in income tax, in addition to income tax withheld, are required to file four estimated tax payments.

Basis and Rate

Connecticut's tax is levied upon Connecticut taxable income, as defined above.

Effective for taxable years prior to January 1, 2015:

Filing Status	Rate and Basis
Single and Married Filing Separately	3% on the first $10,000 of Connecticut Taxable Income
	5% on the excess over $10,000, but not over $50,000
	5.5% on the excess over $50,000, but not over $100,000
	6% on the excess over $100,000, but not over $200,000
	6.5% on the excess over $200,000, but not over $250,000
	6.7% on the excess over $250,000
Head of Household	3% on the first $16,000 of Connecticut Taxable Income
	5% on the excess over $16,000, but not over $80,000
	5.5% on the excess over $80,000, but not over $160,000
	6% on the excess over $160,000, but not over $320,000
	6.5% on the excess over $320,000, but not over $400,000
	6.7% on the excess over $400,000
Joint Filers	3% on the first $20,000 of Connecticut Taxable Income
	5% on the excess over $20,000, but not over $100,000
	5.5% on the excess over $100,000, but not over $200,000
	6% on the excess over $200,000, but not over $400,000
	6.5% on the excess over $400,000, but not over $500,000
	6.7% on the excess over $500,000

INCOME TAX (cont.)

Effective for taxable years commencing on or after January 1, 2015:

Filing Status	Rate and Basis
Single and Married Filing Separately	3% on the first $10,000 of Connecticut Taxable Income
	5% on the excess over $10,000, but not over $50,000
	5.5% on the excess over $50,000, but not over $100,000
	6% on the excess over $100,000, but not over $200,000
	6.5% on the excess over $200,000, but not over $250,000
	6.9% on the excess over $250,000, but not over $500,000
	6.99% on the excess over $500,000
Head of Household	3% on the first $16,000 of Connecticut Taxable Income
	5% on the excess over $16,000, but not over $80,000
	5.5% on the excess over $80,000, but not over $160,000
	6% on the excess over $160,000, but not over $320,000
	6.5% on the excess over $320,000, but not over $400,000
	6.9% on the excess over $400,000, but not over $800,000
	6.99% on the excess over $800,000
Joint Filers	3% on the first $20,000 of Connecticut Taxable Income
	5% on the excess over $20,000, but not over $100,000
	5.5% on the excess over $100,000, but not over $200,000
	6% on the excess over $200,000, but not over $400,000
	6.5% on the excess over $400,000, but not over $500,000
	6.9% on the excess over $500,000, but not over $1,000,000
	6.99% on the excess over $1,000,000

Generally, one's filing status for Connecticut must be the same as his or her federal filing status. However, under Connecticut law taxpayers who are in a same sex marriage were allowed to file jointly for Connecticut only prior to January 1, 2013. Effective January 1, 2013, the U.S. Supreme Court decision in *U.S. v. Windsor* 12-307 (U.S. 6-26-2013) 133 S. Ct. 2675 resulted in taxpayers being allowed to claim the same filing status options on their federal return as they claim on their state return.

INCOME TAX (cont.)

Exemptions

- $14,500 for taxable years commencing on or after January 1, 2015 but prior to January 1, 2016. For taxpayers with Connecticut AGI in excess of $29,000, the exemption decreases by $1,000 for each $1,000 increase in Connecticut AGI. The exemption is phased out at $43,000;
- $12,000 for married persons filing separately and filing separately for Connecticut only. For taxpayers with Connecticut AGI in excess of $24,000, the exemption decreases by $1,000 for each $1,000 increase in Connecticut AGI. The exemption is phased out at $35,000;
- $19,000 for heads of household. For taxpayers with a Connecticut AGI in excess of $38,000, the exemption decreases by $1,000 for each additional $1,000 of Connecticut AGI. There is no exemption if the taxpayer earns more than $56,000;
- $24,000 for married persons filing jointly, filing jointly for Connecticut only, or qualifying widow(er) with dependent child. The exemption for joint filers decreases by $1,000, for taxpayers whose Connecticut AGI exceeds $48,000, for each $1,000 increase in Connecticut AGI. The exemption is phased out at $71,000;
- Social Security benefits for single filers and married individuals filing separately whose federal adjusted gross income for the taxable year is less than $50,000. Social Security benefits for married individuals filing jointly and head of household filers whose federal adjusted gross income for the taxable year is less than $60,000; and
- Fifty percent of federally taxable military retirement pay is exempted through a subtraction from federally adjusted gross income for fifty percent of income received from the United States government as retirement pay for a retired member of the Armed Forces of the United States as defined in Section 101 of Title 10 of the U.S. Code or the National Guard, as defined in Section 101 of Title 10 of the U.S. Code.

INCOME TAX (cont.)

Benefit Recapture

For taxpayers whose annual Connecticut Adjusted Gross Income exceeds specified thresholds, a recapture provision is imposed to eliminate the benefits they receive from having a portion of their taxable income taxed at lower marginal rates.

The recapture provision starting point is:

- $400,000 for taxpayers filing jointly;
- $200,000 for taxpayers filing single and married filing separately; and
- $320,000 for taxpayers filing as head of household.

The recapture amount is

- $150 per $10,000 of Connecticut adjusted gross income over the starting point for taxpayers filing jointly, with a maximum total recapture of $4,500;
- $75 per $5,000 of Connecticut adjusted gross income over the starting point for taxpayers filing single or married filing separately with a maximum total recapture of $2,250; and
- $120 per $8,000 of Connecticut adjusted gross income over the starting point for taxpayers filing as head of household, with a maximum total recapture of $3,600.

Common Additions

- Interest on state and local obligations other than Connecticut;
- Exempt-interest dividends (other than those derived from obligations of the State of Connecticut or its municipalities);
- Cancellation of debt income;
- The total taxable amount of a lump sum distribution for the taxable year deductible from gross income in calculating federal adjusted gross income; and
- Loss on sale of Connecticut bonds.

Common Subtractions

- Interest on U.S. obligations;
- Dividends from certain mutual funds consisting of U.S. obligations;
- Social Security Benefit Adjustment;
- Refunds on state and local income taxes;
- Tier 1 and Tier 2 railroad retirement benefits and supplemental annuities;
- 50% of military retirement pay;
- Gain on sale of Connecticut bonds; and
- Connecticut Higher Education Trust (CHET) contributions of up to $5,000 for each individual taxpayer whose filing status is single, head of household, married fling separately or civil union filing separately or $10,000 for individuals whose filing status is married filing jointly, civil union filing jointly or qualifying widow(er) with dependent child.

INCOME TAX (cont.)

Withholding Requirement

Connecticut requires anyone who maintains an office or transacts business in Connecticut, and who is considered an employer for federal income tax withholding purposes, to withhold Connecticut income tax whether or not the payroll department is located in Connecticut.

Estimated Tax Payments

Taxpayers must make estimated payments if their Connecticut income tax (after tax credits) minus Connecticut tax withheld is more than $1,000.

Connecticut Alternative Minimum Tax

Taxpayers who are subject to, and required to pay, the federal alternative minimum tax are subject to the Connecticut Alternative Minimum Tax. The alternative minimum tax is computed on the lesser of 19% of the adjusted federal tentative minimum tax, or 5½% of adjusted federal alternative minimum taxable income.

Tax Credit for Property Taxes Paid to a Political Subdivision

Connecticut residents are eligible for an income tax credit for property taxes paid to a Connecticut political subdivision on a primary residence and/or privately owned or leased motor vehicle. Effective for taxable years commencing on or after January 1, 2011, the maximum credit is reduced from $500 to $300 per return. The credit cannot exceed the amount of qualifying property taxes paid or income tax liability.

Tax Credit for Income Taxes Paid to Qualifying Jurisdictions

Connecticut residents may claim an income tax credit if any part of their income was taxed by a qualifying jurisdiction. A qualifying jurisdiction includes another state of the United States, a local government within another state or the District of Columbia. A qualifying jurisdiction does not include the State of Connecticut, the United States or a foreign country or its provinces.

Tax Credits:

Connecticut Earned Income Tax Credit

For taxable years beginning on or after January 1, 2011, a Connecticut resident taxpayer may claim an earned income tax credit (CT EITC) against the Connecticut income tax due for the taxable year.

The amount of the CT EITC for 2011 and 2012 was 30% of the federal earned income credit claimed and allowed. For the 2013 tax year, the EITC credit is reduced from 30% to 25% of the amount of federal EITC claimed. For the 2014-2016 taxable years the EITC rate is 27.5%.

INCOME TAX (cont.)

If the CT EITC exceeds the taxpayer's Connecticut income tax liability, the excess is considered an overpayment and will be refunded without interest.

Earned Income Tax Credit		
Year	**Number of Credits**	**Amount of Credit**
2011	181,620	$109,194,583
2012	187,043	$112,153,814
2013	191,760	$96,303,193
2014	191,719	$96,449,466

Job Expansion Tax Credit:
Reference: Conn. Gen. Stat. §12-217pp as amended by 2013 Conn. Pub. Acts 123 and 232

This tax credit program was established for taxpayers that hired new employees who reside in Connecticut to fill new jobs after January 1, 2012 and before January 1, 2014. The amount of the tax credit is $500 per month for a new full-time employee and $900 per month for an armed forces veteran or a qualifying employee. A qualifying employee is one who at the time of hiring is receiving unemployment compensation or has exhausted unemployment compensation benefits without an intervening job, is receiving employment services from the Department of Mental Health and Addiction Services, is receiving vocational rehabilitation services from the Department of Rehabilitation Services or is participating in employment opportunities and day services provided by the Department of Developmental Services.

A business must apply to DECD for this tax credit and cannot claim any other tax credit with respect to the same employees. A taxpayer can claim this tax credit in the income year the credit is earned and the next two income years.

The Vocation Rehabilitation Job Creation can only be claimed through the 2013 income year and Qualified Small Business Job Creation Tax credit can only be claimed for income years 2012 through 2014. The JET credit replaces these two credits and can be claimed for income years 2014 and 2015 for employees hired in 2013:

- **Qualified Small Business Job Creation Tax Credit Program** was available to a qualified small business that hires a new employee. The amount of the credit is $200 per month for each new employee hired; and

- **Vocational Rehabilitation Job Creation Tax Credit Program** was also administered by DECD. The credit is equal to $200 per month for each new qualifying employee hired by an employer engaged in business in Connecticut.

INCOME TAX (cont.)

Angel Investor Tax Credit

Provides a credit for a cash investment of not less than $25,000 in the qualified securities of a Connecticut business by an angel investor. The credit is equal to 25% of such investor's cash investment provided the total tax credits allowed to any one investor shall not exceed $250,000 and shall be claimed in the taxable year in which the cash investment was made.

An ***angel investor*** is an accredited investor, as defined by the Securities and Exchange Commission, or network of accredited investors who review new or proposed businesses for potential investment who may seek active involvement, such as consulting and mentoring, in a Connecticut business.

The angel investor must apply to Connecticut Innovations, Inc. to reserve a tax credit. The angel investor must choose from a list of Connecticut businesses that Connecticut Innovations Inc. has determined are qualified to receive cash investments eligible for the angel investor tax credit. Tax credits cannot be reserved for any investments made on or after July 1, 2016.

Insurance Reinvestment Fund Tax Credit

The insurance reinvestment fund credit is no longer available to individuals under the personal income tax. The new **Second Insurance Reinvestment Fund Tax Credit** replaces the original credit and is only available against insurance companies taxes. Effective July 1, 2010, no new eligibility certificates will be issued for the credit against the personal income tax.

However, the credits earned under the old insurance reinvestment act continue to be utilized until they expire.

Credit for Prior Year Connecticut Minimum Tax for Individuals

Taxpayers may be able to claim a credit for an alternative minimum tax paid in a prior year.

INCOME TAX (cont.)

Personal Income Tax Credits

2012 Personal Income Tax Credits		
Credit	**Number of Credits Claimed**	**Amount of Credit**
Angel Investor	154	$2,716,489
Insurance Reinvestment Fund	7	574,003
Prior Year CT Minimum Tax	950	2,296,929
Qualified Small Business Job Creation	125	429,769
Job Expansion Tax Credit	323	1,760,140
Total	**1,559**	**$7,777,330.00**

2013 Personal Income Tax Credits		
Credit	**Number of Credits Claimed**	**Amount of Credit**
Angel Investor	140	$1,740,311
Insurance Reinvestment Fund	9	536,143
Prior Year CT Minimum Tax	603	1,406,397
Qualified Small Business Job Creation	89	532,821
Job Expansion Tax Credit	484	5,261,968
Total	**1,325**	**$9,477,640**

INSURANCE PREMIUMS TAX

Insurance companies, domestic and foreign, are taxed in Connecticut on the total net direct premiums received from policies written on property or risks within the State. Total net direct subscriber charges received on any new or renewal contract or policy by a health care center are also taxed. The State also imposes a tax on premiums for unauthorized insurance. Specifically, insureds who procure nonadmitted insurance are required to remit tax on premiums paid to a nonadmitted insurer. Additionally, risk retention groups are required to pay tax on premiums collected on coverages within the State. Captive insurance companies are now allowed to operate within Connecticut. A captive insurance company is a company that is created and wholly owned by one or more non-insurance companies to insure the risks of its owners as a type of self-insurance.

Revenue	
FY 2014-15	$200,420,035
2013-14	221,745,158
2012-13	242,447,843

Exemptions

- Premiums sold for ocean and inland marine insurance of nonresident and foreign companies;
- Medicaid, Medicare, HUSKY Plan, and State Employee Health plans from health care centers subscriber charges; and
- New or renewal contracts or policies written to provide health care coverage to retired teachers, spouses or a surviving spouse, employees and retired members and their dependents, of a Connecticut municipality, nonprofit organizations or employees of community action agencies and their dependents, and small employer's employees and their dependents under a plan procured pursuant to Conn. Gen. Stat. §5-259(i), from net direct subscriber charges of health care centers.

Number of Taxpayers/Filing Frequency

1,263 insurance companies/Annually with four estimated payments:

97	Domestic companies
1019	Foreign companies
9	Health Care Centers
134	Nonadmitted/Risk Retention Groups
4	Captive Insurers

Basis and Rate

- 1.75% of net direct premiums received by domestic and foreign insurance companies.
- 4% of gross premiums charged by nonadmitted and unauthorized insurers; and
- 1.75% of net direct subscriber charges of health care centers.

INSURANCE PREMIUMS TAX (cont.)

Comparative Data

	FY 2012-13	FY 2013-14	FY 2014-15
Domestic	$51,780,056	$52,511,626	$44,052,248
Foreign	160,644,073	155,690,959	143,708,618
Health Care Center	20,304,763	8,476,434	6,304,926
Nonadmitted/ Unauthorized/Captive	9,718,951	5,066,139	6,354,243
Total	**$242,447,843**	**$221,745,158**	**$200,420,035**

Tax Credits

The State of Connecticut provides for several tax credits which may be applied against the Insurance Premiums Tax. Described below is the credit unique to the Insurance Premiums Tax. Please turn to the Corporation Business Tax section of this report for additional information on tax credits.

Insurance Department Assessment Credit
Reference: Conn. Gen. Stat. §12-202

Certain local domestic insurance companies are allowed a credit against the insurance premiums tax in the amount of 80% of the Connecticut Insurance Department assessment paid during the calendar year if their admitted assets do not exceed amounts specified in Conn. Gen. Stat. §12-202.

Calendar Year 2013 Insurance Tax Credits

Type of Credit	Number of Credits	Amount of Credit Claimed
Electronic Data Processing	34	$7,486,902
Insurance Dept. Assessment	6	580,603
Insurance Reinvestment	13	4,664,890
Neighborhood Assistance	24	1,798,042
Urban & Industrial Site Reinvestment	11	4,936,470
Film Production	27	22,297,860
Film Production Infrastructure	23	13,880,938
Digital Animation	32	8,565,238
New Job Creation	1	32,798
Historic Homes	4	288,287
Historic Structures Rehabilitation	3	627,052
Historic Preservation	3	99,920
Job Expansion	3	223,291
Total Credits	**184**	**$65,482,291**

INSURANCE PREMIUMS TAX (cont.)

Calendar Year 2014 Insurance Tax Credits
Preliminary

Type of Credit	Number of Credits	Amount of Credit Claimed
Electronic Data Processing	33	$9,277,376
Insurance Department Assessment	5	490,567
Insurance Reinvestment	24	11,416,431
Neighborhood Assistance	22	1,478,813
Urban & Industrial Site Reinvestment	5	783,360
Film Production	29	13,046,095
Film Production Infrastructure	28	12,598,992
Digital Animation	14	3,919,146
Historic Homes	1	9,076
Historic Structures Rehabilitation	1	599,349
Job Expansion	3	229,217
Total Credits	**165**	**$53,848,422**

INTERMEDIATE CARE FACILITY USER FEE

A fee is imposed on each residential facility for individuals with intellectual disabilities that meet certain federal requirements, and, in the case of any private facility, are licensed by the Department of Developmental Services.

Revenue	
FY 2014-15	$ 8,774,012
2013-14	9,347,809
2012-13	4,075,202

Basis and Rate

The intermediate care facility user fee payment for a calendar quarter is the product of an intermediate care facility's total resident days during the calendar quarter multiplied by $27.76. The intermediate care facility user fee is determined by the Department of Social Services on or before July first, either annually or biennially.

Number of Taxpayers/Filing Frequency

66 taxpayers/Quarterly

MOTOR CARRIER ROAD TAX

Connecticut has participated in the International Fuel Tax Agreement (IFTA) since 1996. IFTA is a cooperative agreement among most states and provinces of Canada that simplifies the collection and reporting of fuel use tax by interstate motor carriers. Under IFTA, fuel tax returns are filed in the base jurisdiction of the motor carrier. The base jurisdiction of a motor carrier is where the vehicle is based for registration purposes and where operations are controlled and the vehicle is operated. For IFTA fuel tax reporting, a qualified motor vehicle is a vehicle that is designed to transport persons or property and that has: two axles and a gross vehicle weight or registered gross vehicle weight over 26,000 pounds; or three or more axles regardless of weight; or when used in combination, a combined gross vehicle weight over 26,000 pounds. Motor carriers who meet this qualification, and who travel solely within the State, are not required to file a return, but instead are subject to the tax at the time of purchase.

Revenue	
FY 2014-15	$19,322,938
2013-14	19,565,965
2012-13	17,671,307

Exemption

- Any vehicle owned by the United States, the state, any political subdivision thereof, or any school bus.

Number of Taxpayers/Filing Frequency

2,531 IFTA filers/Quarterly
3,098 Intrastate Motor Carrier filers

Basis and Rate

	Rate per Gallon
Gasoline	25¢
Gasohol	25¢
Diesel Fuel –7/1/13 - 6/30/14*	54.9¢
Diesel Fuel –7/1/14 - 6/30/15*	54.5¢
Diesel Fuel –7/1/15 - 6/30/16*	50.3¢
Natural Gas or Propane	26¢

*The Department is required to determine the average wholesale price per gallon of diesel fuel for the 12 month period ending on the preceding March 31st, as determined by statute.

MOTOR VEHICLE FUELS TAX

Motor fuel used or sold in Connecticut is subject to the Motor Vehicle Fuels Tax. "Fuel" includes gasoline, diesel, gasohol, propane, or any combustible gas or liquid that generates the power needed to propel a motor vehicle.

	Revenue
FY 2014-15	$497,541,459
2013-14	488,751,204
2012-13	483,880,877

Exemptions

- Fuel sold to United States Government, the State of Connecticut, any Connecticut municipality or transit district, when such fuel is used in vehicles owned and operated, or leased and operated by any of the aforementioned entities;
- Fuel sold exclusively for heating purposes and to furnish gas, water, steam or electricity, if delivered to consumers through mains, lines or pipes;
- Aviation fuel and fuel sold to owners or operators of an aircraft, or to a licensed aviation fuel dealer whose place of business is located at an airport;
- Fuel sold to a municipality for use in a school bus;
- Diesel fuel sold exclusively for use in portable power system generators that are larger than one hundred fifty kilowatts;
- Fuel sold to a farmer who is the holder of a farmer's exemption permit;
- A company that uses or consumes motor fuels exclusively for hauling waste for the Connecticut Resource Recovery Authority, Mid-Connecticut Project; and
- Fuels sold for use to any vessels displacing over 4,000 dead weight tons or fuel sold for use to any vessels primarily engaged in interstate commerce.

Number of Taxpayers/Filing Frequency

986 taxpayers/Monthly

Basis and Rate

	Rate per Gallon
Gasoline	25¢
Gasohol	25¢
Diesel Fuel –7/1/13 - 6/30/14*	54.9¢
Diesel Fuel –7/1/14 - 6/30/15*	54.5¢
Diesel Fuel –7/1/15 - 6/30/16*	50.3¢
Natural Gas or Propane	26¢

*The Department is required to determine the average wholesale price per gallon of diesel fuel for the 12 month period ending on the preceding March 31st, as determined by statute.

MOTOR VEHICLE FUELS TAX (cont.)

Comparative Data

	Number of Gallons Sold		
	FY 2012-13	**FY 2013-14**	**FY 2014-15**
Special Fuel*	240,089,155	238,012,324	237,779,507
Gasohol	1,446,424,660	1,433,570,492	1,452,242,979
Alternative Fuels**	N/A	N/A	2,981,813
Total Gallons	**1,686,513,815**	**1,671,582,816**	**1,693,004,299**

* Gallons reported under Special Fuel contain a small amount of gallons reported for Natural Gas and Propane.

** Alternative fuels not broken out on tax return until July 2014. Alternative fuels consist of Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), and Liquefied Petroleum Gas (Propane).

NURSING HOME USER FEE

A Nursing Home User Fee is imposed on each chronic and convalescent nursing home or rest home with nursing supervision that is licensed as a nursing home by the Connecticut Department of Public Health.

Revenue	
FY 2014-15	$146,173,499
2013-14	149,569,948
2012-13	150,500,232

Basis and Rate

The nursing home user fee is determined by the Department of Social Services on or before July 1 annually or biennially.

During Fiscal Year 2014-15 the user fee was set at $21.02 per non-Medicare resident day. For facilities with over 230 beds or owned by municipality, the user fee was $16.13 multiplied by the nursing home's total resident days during the calendar quarter.

Number of Taxpayers / Filing Frequency

223 taxpayers/Quarterly

OCCUPATIONAL TAX

An occupational tax is levied against any person who has been admitted as an attorney by the judges of the superior court, and who is engaged in the practice of law in Connecticut.

Revenue	
FY 2014-15	$9,407,881
2013-14	8,655,040
2012-13	9,352,916

Exemptions

- Employees of the State of Connecticut including judges and referees;
- Probate court employees;
- Any attorney employed by a political subdivision of Connecticut;
- Employees of the federal government;
- Any attorney serving on active duty with the United States Armed Forces f more than six months of a given year;
- Attorneys who received less than $1,000 in compensation during the calendar year;
- Those engaged in practice of law exclusively outside the state;
- Those removed from the roll of attorneys;
- Those who did not work or were not employed as an attorney; and
- Any attorney who has retired from the practice of law or died during the calendar year.

Number of Taxpayers/Filing Frequency

12,970 Attorneys/Annually

Basis and Rate

$565 per practicing attorney.

PETROLEUM PRODUCTS GROSS EARNINGS TAX

A tax is levied on the gross earnings from the first sale of companies distributing petroleum products in Connecticut. Petroleum products include but are not limited to gasoline, aviation fuel, kerosene, diesel fuel, number 2 heating oil, greases, lubricants, mineral oils, and motor oil.

Revenue	
FY 2014-15	$337,903,492
2013-14	416,109,657
2012-13	374,925,895

Exemptions

- Number 2 heating oil used exclusively for heating purposes or in a commercial fishing vessel;
- Bunker fuel oil, intermediate fuel, marine diesel oil and marine gas oil used in vessels displacing over 4,000 dead weight tons, and used in vessels primarily engaged in interstate commerce;
- Kerosene used exclusively for heating purposes, when the fuel is delivered via a truck with a metered delivery ticket, or to a centrally metered system serving a group of homes;
- Propane gas used exclusively for heating. Effective for sales occurring on or after December 1, 2015, propane that is primarily used for heating purposes is exempt;
- Paraffin and microcrystalline waxes;
- Gross earnings from the sale or use of Number 2 heating oil used exclusively in vessels engaged in interstate commerce and Number 6 fuel oil used by manufacturers;
- Commercial heating oil blend containing not less than 10% alternative fuels derived from agricultural produce, food waste, waste vegetable oil or municipal solid waste, including, but not limited to biodiesel or low sulfur dyed diesel fuel and kerosene. Such blended products must be used for commercial heating;
- Diesel fuel other than diesel fuel to be used in an electric generating facility to generate electricity; and
- Cosmetic grade mineral oil. Effective for the first sale on or after July 1, 2013.

Number of Taxpayers/Filing Frequency

615 taxpayers/Quarterly

Basis and Rate

Calendar quarters commencing:	Rate
on or after July 1, 2013	8.1%

Cap on Petroleum Products Gross Earnings Tax

Effective April 3, 2012 the Petroleum Products Gross Earnings Tax is capped at $3.00 per gallon on the first sale for gasoline and gasohol. Petroleum products distributors are required to calculate the tax at $3.00 per gallon even if the price exceeds said amount and any consideration received by the distributor in excess of $3.00 is exempt from tax.

PREPAID WIRELESS E-9-1-1 FEE

A Prepaid Wireless E 9-1-1 Fee is levied on each sale of prepaid wireless telecommunications service by a retailer. A prepaid wireless telecommunications service is a wireless telephone service that a consumer pays for in advance, and that is sold in predetermined units or dollars that decline with use. Prepaid wireless telecommunications includes prepaid wireless phone cards, recharge or refill authorization codes, and prepaid cell phones or other prepaid wireless devices preloaded with airtime minutes.

The fee went into effect January 1, 2013 and is determined each June for the upcoming fiscal year by the Connecticut Public Utility Regulatory Authority (PURA). All monies collected are deposited in the Enhanced 9-1-1 Telecommunications Fund. Retailers may retain 1% of the Prepaid Wireless E 9-1-1 Fees they collect.

Revenue	
FY 2014-15	$1,979,765
2013-14	1,965,399
2012-13	644,210

Basis and Rate

$0.70 for sales occurring between July 1, 2013 and June 30, 2015. $0.51 for sales made on or after July 1, 2015.

Number of Taxpayers/Filing Frequency

475 Retailers
410 / Monthly
65 / Quarterly

PUBLIC SERVICE COMPANIES TAX

Revenue	
FY 2014-15	$283,067,440
2013-14	299,971,802
2012-13	274,097,101

Exemptions

- All sales for resale of water, steam, gas, and electricity to public service corporations and municipal utilities;
- Gas and Electric sales to manufacturing in SIC codes 2000 through 3999 or NAICS code sectors 31-33;
- Natural Gas sold to out-of-state users or entities;
- Sales by a gas company of natural gas or propane used as a motor vehicle fuel; and
- Retail sales of steam by utility companies.

Number of Taxpayers/Filing Frequency

77 taxpayers:

53 Public Utility Companies/Quarterly
11 Community Antenna TV & Certified Competitive Video Provider Companies/Quarterly*
5 Satellite TV Companies /Quarterly*
8 Railroad Companies/Annually (July 1)

Basis and Rate

Community Antenna TV*	5.25%
Certified Competitive Video Service Provider*	5.25%
Satellite TV*	5.25%
Railroad	2 - 3.5%
Gas Companies	5%
Gas sales to residential customers	4%
Electric Distribution Companies	6.8% for residential customers 8.5% for nonresidential customers (other than manufacturers)

* Certified Competitive Video Service Providers, Community Antenna TV, and Satellite TV service providers are subject to an additional 0.25% tax for a total tax rate equal to 5.25%. The additional tax is used to fund the Public, Educational and Governmental Programming and Education Technology Investment Account.

PUBLIC SERVICE COMPANIES TAX (cont.)

Residential Credit

Gas companies claimed $6,779,376 in Fiscal Year 2014-15 under the one-percent credit attributable to the sale of gas and electric power for residential use.

Manufacturing Companies Credit

$7,325,384 was claimed in credit for Fiscal Year 2014-15 for gas sales used directly by a company engaged in a manufacturing production process.

Comparative Data

	FY 2012-13	FY 2013-14	FY 2014-15
Cable, Satellite & Video Companies	$56,439,345	$63,574,938	$73,925,969
Electric & Power Companies	157,298,145	171,536,153	144,615,302
Gas Companies	56,791,905	60,553,567	61,278,960
Public, Educational & Governmental Programming Tax*	3,452,386	4,168,579	3,034,630
Railroad Companies	115,320	138,565	212,580
Total Tax	**$274,097,101**	**$299,971,802**	**$283,067,440**

* Additional tax on cable, satellite and video for deposit in the public, educational and governmental programming and education technology investment account.

Municipal Electric Utilities

The gross earnings of municipal electric utilities in Connecticut are taxed in the same manner as the gross earnings of electric distribution companies. Municipal electric utilities are subject to gross earnings tax only on their gross earnings from providing electric transmission services and electric distribution services. The rate is 6.8% for transmitting and distributing power to residential customers and 8.5% on nonresidential services.

Fiscal Year 2014-15 Public Service Companies Tax Credits

Type of Credit	Number of Credits	Amount of Credit Claimed
Neighborhood Assistance	4	$318,707
Historic Homes	2	2,056,747
Historic Structures Rehabilitation	1	11,466,039
Historic Preservation	1	7,875,775
Housing Program Contribution	1	9,825,305
Total Credits	**9**	**$31,542,573**

REAL ESTATE CONVEYANCE TAX

Connecticut imposes a tax on the conveyance of real property. The tax is assessed on the full purchase price of the property and is determined by the classification of the property being conveyed. Payment of the tax is the responsibility of the seller of the property and must be paid before the deed can be recorded.

Revenue	
FY 2014-15	$176,896,115
2013-14	172,196,438
2012-13	147,184,519

Exemptions

- Deeds which this state is prohibited from taxing under the constitution or laws of the United States;
- Deeds which secure a debt or other obligation;
- Deeds to which this state or any of its political subdivisions or their respective agencies is a party;
- Deeds of release of property which is security for a debt or other obligation;
- Deeds of partition;
- Deeds made pursuant to mergers of corporations;
- Deeds made by subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock;
- Conveyance of an interest in real property pursuant to a decree of the superior court; as the result of:
    - A. An annulment, dissolved marriage, or legal separation; or
    - B. Partition of joint and common estates;
    - C. Foreclosure by sale;
- Certain exempt corporation transfers;
- All transfers between spouses;
- Any deeds of property located in an entertainment district;
- Conveyances of burial rights;
- Land development rights to agricultural land under the state farmland preservation program;
- Transfers or conveyances of real estate to effectuate a mere change of identity or form of ownership or organization where there is no change in beneficial ownership;
- Employee relocation company or employer re-sales within six months of conveyance from relocated employee;

REAL ESTATE CONVEYANCE TAX (cont.)

Exemptions (cont.)

- Deeds of sale in lieu of foreclosure that transfer the transferor's principal residence;
- Deeds pursuant to a judgment of foreclosure by market sale; and
- Any instrument transferring a transferor's principal residence where the gross purchase price is insufficient to pay the sum of:
    - The mortgages encumbering the property transferred; and
    - Any real property taxes and municipal utility or other charges for which the municipality may place a lien on the property (such as sewer taxes) and which have priority over the mortgages encumbering the property transferred.

Basis and Rate

Classification	Rate
Unimproved Land	0.75%
Nonresidential property other than Unimproved Land	1.25%
Residential Dwelling:	
Portion $800,000 or less	0.75%
Portion that exceeds $800,000	1.25%
Residential Property other than Residential Dwelling	0.75%
Delinquent Mortgage	0.75%

The table on the following page will show the number of conveyances by price of property and the conveyance tax revenue generated for the same price increments.

REAL ESTATE CONVEYANCE TAX (cont.)

Fiscal Year 2014-15 Conveyances

Amount of Consideration	Number of Taxable Conveyances	Number of Non-Taxable Conveyances *	Number of Exempt Conveyances	Tax Remitted
Under $2,000	0	25,059	10,673	$ 0
$ 2,000 to $ 29,999.99	1,480	0	7	177,210
$ 30,000 to $ 39,999.99	621	0	4	162,486
$ 40,000 to $ 49,999.99	653	0	10	219,826
$ 50,000 to $ 59,999.99	752	0	6	306,263
$ 60,000 to $ 69,999.99	777	0	15	376,825
$ 70,000 to $ 79,999.99	857	0	13	482,594
$ 80,000 to $ 89,999.99	848	0	18	539,440
$ 90,000 to $ 99,999.99	759	0	29	544,952
$100,000 to $109,999.99	913	0	15	720,011
$110,000 to $119,999.99	965	0	21	833,209
$120,000 to $129,999.99	1,212	0	32	1,143,640
$130,000 to $139,999.99	1,128	0	19	1,147,665
$140,000 to $149,999.99	1,140	0	22	1,242,533
$150,000 to $159,999.99	1,539	0	20	1,804,907
$160,000 to $169,999.99	1,307	0	20	1,629,485
$170,000 to $179,999.99	1,254	0	19	1,651,618
$180,000 to $189,999.99	1,249	0	17	1,745,798
$190,000 to $199,999.99	1,026	0	11	1,501,692
$200,000 to $249,999.99	5,080	0	58	8,576,197
$250,000 to $299,999.99	4,119	0	45	8,535,506
$300,000 to $399,999.99	5,466	0	38	14,318,852
$400,000 to $499,999.99	2,900	0	21	9,815,677
$500,000 to $599,999.99	1,735	0	17	7,297,123
$600,000 to $699,999.99	1,059	0	3	5,301,529
$700,000 to $799,999.99	718	0	4	4,152,260
$800,000 and over	3,678	0	19	87,241,921
Total	**43,235**	**25,059**	**11,176**	**$161,469,219**

* Non-taxable equals no consideration or consideration of less than $2,000

FY 2014-15 REAL ESTATE CONVEYANCE TAX BY TOWN

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
ANDOVER	33	41	$9,361,697	$77,538
ANSONIA	235	162	27,118,362	216,371
ASHFORD	57	47	8,653,950	64,905
AVON	214	365	179,790,997	1,391,439
BARKHAMSTED	47	50	12,506,312	101,297
BEACON FALLS	71	105	23,873,796	180,003
BERLIN	189	262	85,563,035	759,240
BETHANY	34	62	19,888,659	154,165
BETHEL	206	258	84,249,282	663,682
BETHLEHEM	37	34	9,503,250	71,274
BLOOMFIELD	248	274	62,924,616	507,309
BOLTON	38	74	16,954,200	127,157
BOZRAH	24	27	4,399,800	32,999
BRANFORD	368	454	146,429,888	1,175,347
BRIDGEPORT	1,199	1,064	160,106,767	1,281,895
BRIDGEWATER	26	36	23,103,007	205,148
BRISTOL	779	662	117,919,174	913,784
BROOKFIELD	171	272	112,680,263	871,947
BROOKLYN	106	127	24,572,666	198,948
BURLINGTON	93	123	39,159,129	299,574
CANAAN	15	21	5,234,050	40,230
CANTERBURY	77	56	9,354,609	70,560
CANTON	110	166	52,360,758	404,845
CHAPLIN	36	28	3,379,674	25,348
CHESHIRE	222	368	127,858,209	1,007,227
CHESTER	43	69	20,982,100	162,216
CLINTON	182	200	49,483,652	387,639
COLCHESTER	160	207	50,386,945	391,388
COLEBROOK	39	14	2,769,480	20,771
COLUMBIA	65	88	22,574,320	188,057
CORNWALL	46	22	6,479,382	50,183
COVENTRY	178	190	45,504,618	383,165
CROMWELL	163	226	71,856,174	606,179
DANBURY	612	869	354,877,718	3,194,871
DARIEN	178	393	637,252,717	6,479,555
DEEP RIVER	54	52	14,120,354	106,565
DERBY	124	134	20,692,306	157,317
DURHAM	66	69	21,929,099	175,933
EASTFORD	19	22	4,015,400	30,116
EAST GRANBY	48	74	22,068,243	190,970
EAST HADDAM	163	133	28,098,127	213,670
EAST HAMPTON	165	166	38,351,829	289,206
EAST HARTFORD	500	460	80,394,385	669,636

FY 2014-15 REAL ESTATE CONVEYANCE TAX BY TOWN (cont.)

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
EAST HAVEN	357	362	$109,624,900	$948,604
EAST LYME	241	348	103,011,935	807,037
EASTON	69	109	67,111,814	532,144
EAST WINDSOR	115	164	32,092,026	272,708
ELLINGTON	132	193	63,682,007	479,915
ENFIELD	445	540	93,056,972	734,036
ESSEX	88	128	58,199,397	480,593
FAIRFIELD	479	947	631,347,244	5,431,180
FARMINGTON	365	443	203,114,386	1,803,109
FRANKLIN	45	34	6,782,667	59,423
GLASTONBURY	334	517	204,664,916	1,641,689
GOSHEN	53	82	24,118,324	193,700
GRANBY	115	145	37,263,808	282,429
GREENWICH	543	1,017	2,048,923,199	21,915,152
GRISWOLD	148	135	23,155,669	183,543
GROTON	380	413	183,292,856	1,709,607
GUILFORD	271	331	163,688,742	1,282,337
HADDAM	109	105	29,045,020	222,838
HAMDEN	500	591	134,768,896	1,123,149
HAMPTON	24	24	3,560,495	26,704
HARTFORD	726	651	218,221,082	2,160,018
HARTLAND	13	16	3,553,400	26,651
HARWINTON	91	72	17,437,628	137,068
HEBRON	97	113	31,620,113	243,888
KENT	38	53	20,155,195	167,351
KILLINGLY	260	239	34,157,707	275,815
KILLINGWORTH	77	104	35,558,452	278,158
LEBANON	106	115	20,027,035	150,387
LEDYARD	176	203	39,616,150	297,121
LISBON	75	59	9,433,189	71,874
LITCHFIELD	111	128	47,017,315	387,824
LYME	62	33	16,249,050	140,147
MADISON	234	282	140,885,854	1,164,074
MANCHESTER	517	607	119,313,912	948,991
MANSFIELD	155	167	56,154,596	541,823
MARLBOROUGH	69	95	26,268,779	205,541
MERIDEN	648	567	144,223,772	1,326,726
MIDDLEBURY	88	119	38,498,946	303,492
MIDDLEFIELD	45	60	14,382,125	114,351
MIDDLETOWN	419	486	111,560,308	848,561
MILFORD	576	764	291,452,985	2,599,454
MONROE	159	237	82,615,148	650,219
MONTVILLE	245	239	45,736,407	395,430

FY 2014-15 REAL ESTATE CONVEYANCE TAX BY TOWN (cont.)

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
MORRIS	48	40	$10,591,500	$80,911
NAUGATUCK	347	298	44,272,238	339,942
NEW BRITAIN	586	588	112,456,331	986,661
NEW CANAAN	151	371	596,334,545	6,085,727
NEW FAIRFIELD	175	202	76,865,187	624,508
NEW HARTFORD	85	91	21,032,610	159,895
NEW HAVEN	1,037	702	240,283,494	2,237,409
NEWINGTON	265	395	92,719,739	773,902
NEW LONDON	246	203	38,629,556	345,026
NEW MILFORD	382	362	99,955,642	802,435
NEWTOWN	307	450	171,134,357	1,307,498
NORFOLK	21	22	6,090,275	47,427
NORTH BRANFORD	117	149	38,981,900	298,959
NORTH CANAAN	52	48	8,002,776	62,408
NORTH HAVEN	223	316	189,447,551	1,832,967
NORTH STONINGTON	91	58	12,706,300	95,297
NORWALK	712	1,071	564,352,682	4,815,091
NORWICH	529	384	51,483,538	447,520
OLD LYME	185	161	60,537,980	496,447
OLD SAYBROOK	180	248	106,934,127	901,804
ORANGE	149	177	75,391,504	639,112
OXFORD	146	176	61,477,828	483,009
PLAINFIELD	221	177	28,696,681	241,526
PLAINVILLE	201	233	44,606,531	349,599
PLYMOUTH	160	162	24,312,545	184,084
POMFRET	56	62	14,336,858	110,469
PORTLAND	116	138	28,802,772	219,669
PRESTON	88	66	13,666,934	106,202
PROSPECT	105	138	38,092,220	307,642
PUTNAM	100	107	19,661,123	157,693
REDDING	70	113	64,357,290	501,261
RIDGEFIELD	216	410	298,494,409	2,503,310
ROCKY HILL	164	263	139,700,936	1,339,156
ROXBURY	47	49	27,346,225	231,603
SALEM	51	55	12,460,200	103,877
SALISBURY	64	67	38,701,985	339,258
SCOTLAND	24	18	3,418,700	25,640
SEYMOUR	172	177	40,039,653	303,520
SHARON	88	75	39,669,951	363,790
SHELTON	348	525	216,366,546	1,903,106
SHERMAN	73	53	24,803,086	203,273
SIMSBURY	226	338	114,935,478	911,376
SOMERS	78	120	33,706,877	259,657

FY 2014-15 REAL ESTATE CONVEYANCE TAX BY TOWN (cont.)

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
SOUTHBURY	250	371	$92,589,930	$755,662
SOUTHINGTON	463	644	175,981,044	1,383,083
SOUTH WINDSOR	232	315	111,214,217	978,340
SPRAGUE	25	29	5,599,839	42,744
STAFFORD	146	195	27,298,966	211,475
STAMFORD	878	1,487	1,335,693,970	11,375,755
STERLING	80	52	9,775,676	78,780
STONINGTON	276	325	129,631,519	1,116,420
STRATFORD	492	685	192,712,691	1,587,628
SUFFIELD	145	227	70,215,734	554,717
THOMASTON	95	84	15,217,782	116,938
THOMPSON	148	153	24,495,876	188,069
TOLLAND	135	148	41,031,438	313,790
TORRINGTON	472	422	61,414,780	497,232
TRUMBULL	310	474	188,121,635	1,485,441
UNION	13	18	5,363,900	52,204
VERNON	302	358	82,245,757	690,717
VOLUNTOWN	38	29	5,273,675	42,329
WALLINGFORD	421	514	227,815,854	2,269,685
WARREN	35	28	30,260,750	320,663
WASHINGTON	86	84	88,682,119	897,985
WATERBURY	1,239	1,028	193,977,374	1,957,045
WATERFORD	263	331	74,657,821	562,580
WATERTOWN	242	273	55,096,934	431,202
WESTBROOK	221	152	43,233,879	348,783
WEST HARTFORD	515	937	340,530,776	2,674,487
WEST HAVEN	521	504	94,689,384	798,700
WESTON	94	160	140,806,977	1,226,022
WESTPORT	327	534	862,307,450	8,935,955
WETHERSFIELD	268	402	95,933,266	771,564
WILLINGTON	62	58	11,899,185	89,244
WILTON	142	271	227,689,872	1,961,805
WINCHESTER	156	129	22,086,222	168,897
WINDHAM	207	218	46,420,312	471,911
WINDSOR	290	359	158,935,842	1,670,398
WINDSOR LOCKS	157	181	45,387,632	419,954
WOLCOTT	180	192	41,344,732	329,848
WOODBRIDGE	70	120	46,128,188	357,824
WOODBURY	152	149	47,711,561	382,217
WOODSTOCK	113	132	27,622,595	210,244
TOWN UNKNOWN	32	42	12,806,879	106,689
TOTAL	**36,235**	**43,235**	**$18,099,190,110**	**$161,469,219**

RENTAL SURCHARGE

The Rental Surcharge is imposed on the rental of private passenger motor vehicles, rental trucks or machinery by a rental company. Rental companies must pay over the portion of the surcharge collected during the calendar year that exceeds the amount paid in personal property tax and the amount paid in titling and registration fees in Connecticut.

Rental companies are defined by recent legislation to exclude entities with total annual rental income, excluding retail or wholesale sales of rental equipment, which is less than 51% of their total annual revenue.

A 3% rate applies to the rental of private passenger motor vehicles and rental trucks for a period of less than 31 days. A rental truck is defined as either a vehicle rented without a driver that has a gross vehicle weight rating of 26,000 pounds or less and is used in the transportation of personal property but not for business purposes, or a trailer that has a gross vehicle weight rating of not more than 6,000 pounds.

A 1.5% rate is applied on machinery rented for a period of less than 365 days (formerly limited to a period of less than 31 days), or under an open-ended contract for an undefined period. 2015 legislation amended the definition of machinery to include all equipment owned by a rental company. Prior to July 1, 2015, the definition of machinery included only heavy equipment rented without an operator that may be used for construction, mining or forestry.

Revenue		
FY	2014-15	$ 237,191
	2013-14	274,934
	2012-13	259,791

Exemptions

- Motor vehicles delivered to a lessee outside Connecticut;
- Rentals by an agency of United States Government;
- Motor vehicle rentals of 31 days or more; and
- Rentals by a person that is not a rental company.

Number of Taxpayers / Filing Frequency

85 taxpayers / Annually

RENTAL SURCHARGE (cont.)

Basis and Rate

3% of the total rental charges on passenger motor vehicles or trucks.
1.5% of the total rental charges on heavy machinery.

Comparative Data

Gross collections of the surcharge by rental companies during 2014 amounted to $7,256,349. Rental companies retained the difference between gross collections and the amount remitted to reimburse personal property taxes and titling and registration fees paid in Connecticut.

REPEALED TAXES

ELECTRIC GENERATORS TAX

Effective for calendar quarters commencing on or after July 1, 2011 an electric generation tax was imposed on any entity that provided electric generation services and uploaded electricity generated at a Connecticut facility to the regional bulk power grid. The tax had sunset as of October 1, 2013.

Revenue collected for Fiscal Year 2014-15: $ 7,269

SUCCESSION TAX

The Succession Tax was levied on the transfer of property after death, with rates that varied depending on the size of the estate and the relationship of the decedent to the survivor. The Connecticut Succession Tax has been repealed and does not apply to estates of decedents dying on or after January 1, 2005.

Revenue collected for Fiscal Year 2014-15: $ 301,174

SALES AND USE TAXES

Connecticut levies sales and use taxes on the gross receipts of retailers from the sale of tangible personal property at retail, from the rental or leasing of tangible personal property, and on the gross receipts from the rendering of certain services.

	Revenue
FY 2014-15	$ 4,217,708,383
2013-14	4,107,784,578
2012-13	3,961,559,358

Basis and Rate

6.35%	on the gross receipts from the sale, rental or leasing of tangible personal property, and the rendering of certain services (general rate);
7%	This tax rate increases from 7% to 7.75% for sales occurring on or after July 1, 2015 and applies to: • Most motor vehicles with a sales price of more than $50,000; • Items of jewelry, whether real or imitation, with a sales price of more than $5,000; and; • Articles of clothing or footwear or a handbag, luggage, umbrella, wallet or watch, with a price of more than $1,000.
4.5%	on the sale of a motor vehicle to a nonresident member of the United States armed forces serving on active duty in Connecticut;
1%	on computer and data processing services;
9.35%	for the rental or leasing of a passenger motor vehicle for a period of 30 consecutive calendar days or less;
15.0%	on the rental of rooms in a hotel or lodging house.

SALES AND USE TAXES (cont.)

Exemptions

Conn. Gen. Stat. §12-412 provides for various exemptions from the sales and use taxes for the sale of, storage, use or other consumption of numerous goods and services. The following table provides a summary of the major exemptions claimed by businesses during Fiscal Year 2014-15.

FY 2014-15 SALES TAX EXEMPTIONS

(In Millions)

Deductible Item	Deductions at the 6.35% Tax Rate	Deductions at the 7.0% Tax Rate	Total Deductions	Revenue Forgone
Sale for Resale – Goods	$94,417.1	$1,573.7	$95,990.8	$6,105.6
Sale for Resale – Leases and Rentals	2,047.1	435.0	2,482.0	160.4
Sale for Resale – Labor and Services	2,470.8	0.0	2,470.8	156.9
Magazines by Subscription and All Newspapers	175.5	0.0	175.5	11.1
Trucks with Gross Vehicle Weight Over 26,000 Pounds or Used for Interstate Freight	141.8	0.0	141.8	9.0
Food Products for Human Consumption	6,801.0	0.0	6,801.0	431.9
Fuel for Motor Vehicles	7,450.1	0.0	7,450.1	473.1
Electricity/Gas/Heating Fuel (residential)	3,381.3	0.0	3,381.3	214.7
Electricity ($150 monthly per business)	48.7	0.0	48.7	3.1
Electricity/Gas/Heating Fuel for Manufacturing or Agricultural Production	795.3	0.0	795.3	50.5
Aviation Fuel	239.3	0.0	239.3	15.2
Sales of Tangible Personal Property to Farmers	93.4	0.0	93.4	5.9
Machinery/Materials/ Tools/Fuel – Mfg. Product	1,658.1	0.0	1,658.1	105.3

FY 2014-15 SALES TAX EXEMPTIONS (cont.)

(In Millions)

Deductible Item	Deductions at the 6.35% Tax Rate	Deductions at the 7.0% Tax Rate	Total Deductions	Revenue Forgone
Machinery/Materials/ Equip. – Printing	70.8	0.0	70.8	4.5
Machinery/Materials/ Tools/Fuel – Comm. Fishing	74.4	0.0	74.4	4.7
Out-of-State – Sale of Goods	46,228.1	198.2	46,426.4	2,949.4
Out-of-State - Leases/Rentals	405.8	34.5	440.3	28.2
Out-of-State – Labor and Services	12,415.5	0.0	12,415.5	788.4
Sales of Motor Vehicles, Vessels to Nonresidents	672.3	190.7	863.0	56.0
Prescription Medicines	4,554.1	0.0	4,554.1	289.2
Nonprescription Drugs and Medicines	14.0	0.0	14.0	0.9
Charitable/Religious – Sale of Goods	1,315.6	1.1	1,316.7	83.6
Charitable/Religious – Leases and Rentals	59.8	0.2	60.0	3.8
Charitable/Religious – Labor and Services	1,759.1	0.0	1,759.1	111.7
Government – Sale of Goods	9,846.3	7.2	9,853.5	625.7
Government– Leases and Rentals	71.8	0.0	71.8	4.6
Government– Labor and Services	5,205.6	0.0	5,205.6	330.6
Pollution Abatement	17.0	0.0	17.0	1.1
Non-Taxable Labor and Services	16,639.9	0.0	16,639.9	1,056.6
Business Services/Parent Owned Subs.	1,137.7	0.0	1,137.7	72.2
Trade-ins of Like-Kind Personal Property	917.8	152.4	1,070.3	69.0
Taxed Goods returned within 90 days	200.3	1.9	202.2	12.9

FY 2014-15 SALES TAX EXEMPTIONS (cont.)

(In Millions)

Deductible Item	Deductions at the 6.35% Tax Rate	Deductions at the 7.0% Tax Rate	Total Deductions	Revenue Forgone
Oxygen, Plasma, Prostheses, etc.	210.5	0.0	210.5	13.4
Funeral Expenses up to $2,500	96.0	0.0	96.0	6.1
Repair or Replacement Parts/Repair Services to Aircraft	110.6	0.0	110.6	7.0
Certain Machinery - Manufacturing Recovery Act of 1992 (Difference between the Full and 3% Rates)	36.3	0.0	36.3	2.3
Sales of Machinery, Equipment, Tools, Fuel, and Supplies used in the Biotechnology Industry	15.8	0.0	15.8	1.0
Sales of Repair and Maintenance Service to Vessels	66.0	0.0	66.0	4.2
Computer and Data Processing Services (Difference between the Full and 1% Rates)	2,876.1	0.0	2,876.1	182.6
Renovation Services to Residential Property	475.2	0.0	475.2	30.2
Sales to Direct Payment Permit Holders	582.9	2.7	585.6	37.2
Sales of College Textbooks	29.2	0.0	29.2	1.9
Sales Tax Holidays	82.0	0.0	82.0	5.2
Weatherization Products	123.8	0.0	123.8	7.9
Motor Vehicles Sold to Armed Forces (Difference between the Full and 4.5% Rates)	5.0	0.0	5.0	0.3

FY 2014-15 SALES TAX EXEMPTIONS (cont.)

(In Millions)

Deductible Item	Deductions at the 6.35% Tax Rate	Deductions at the 7.0% Tax Rate	Total Deductions	Revenue Forgone
Purchases of Cigarettes Taxed by a Distributor	665.6	0.0	665.6	42.3
Other Adjustments – Sales of Goods	12,995.2	182.6	13,177.8	838.0
Other Adjustments – Leases and Rentals *	296.3	12.6	326.1	21.3
Other Adjustments – Labor and Services	1,180.0	0.0	1,180.0	74.9
TOTAL	**$241,171.7**	**$2,792.9**	**$243,981.8**	**$15,511.5**

* Includes deductions for the 9.35% tax rate.

Number of Taxpayers/Filing Frequency

149,485 Sales and Use Taxpayers
50,160 / Monthly
44,030 / Quarterly
55,295 / Annually

2,275 Business Use Taxpayers

635 Room Occupancy Taxpayers
555 / Monthly
80 / Quarterly

SALES AND USE TAXES (cont.)

Comparative Data

Table I provides a summary of collection amounts attributed to each component of the Sales and Use taxes. Revenue from required license payments are included in both Sales tax and Room Occupancy collections.

TABLE I:

Sales and Use Tax Collections - Fiscal Years 2013 - 2015

	FY 2012-13	FY 2013-14	FY 2014-15
Sales and Use	$3,788,111,550	$3,924,292,613	$4,020,560,691
Business Use	56,007,826	63,833,862	70,979,365
Individual Use	13,286,548	13,994,107	9,887,126
Room Occupancy	104,153,434	105,663,996	116,281,201
Total Tax	**$3,961,559,358**	**$4,107,784,578**	**$4,217,708,383**

Table II provides a summary of all gross receipts reported under the sales and use taxes attributable to various components. Note that the figures are gross, and do not necessarily represent taxable receipts.

Table II:

Gross Receipts Reported on Sales Tax Returns
Periods Ending in Fiscal Year 2014-15
(In Millions)

Gross Receipts Attributable to:	6.35% Tax Rate	7.0% Tax Rate
Sales of Tangible Personal Property	$247,075.6	$2,757.5
Leasing/Rental of Tangible Personal Property	3,497.5	223.6
Rendering of Services	47,766.9	0

SALES AND USE TAXES (cont.)

Table III provides a summary of taxable receipts reported under the sales and use taxes attributable to room occupancy and the rental or leasing of passenger motor vehicles for a period of 30 consecutive calendar days or less.

Table III:

Taxable Receipts
Periods Ending in Fiscal Year 2014-15
(In Millions)

Taxable Receipts Attributable to:	Tax Rate	Taxable Receipts
Room Occupancy	15%	$759.2
Rental or Leasing of Motor Vehicles for 30 days or Less	9.35%	221.2

Table IV provides a summary of taxable purchases subject to business use taxes.

Table IV:

Purchases Subject to Business Use Tax
Periods Ending in Fiscal Year 2014-15
(In Millions)

	6.35% Tax Rate	7.0% Tax Rate	9.35% Tax Rate
Purchases of Tangible Personal Property	$3,366.6	$1.0	$0
Leasing/Rental of Tangible Personal Property	43.5	0.2	0.6
Purchases of Services	1,138.5	0	0

SALES AND USE TAXES (cont.)

Table V below, provides a summary of retail sales of goods for the state of Connecticut over the past three fiscal years. These sales are provided for the Retail Trade subsectors within the North American Industry Classification System (NAICS). Approximately half of all the sales and use tax revenue is generated by the retail trade sector.

TABLE V: Retail Sales Volume - Fiscal Years 2013 - 2015
(In Millions)

	FY 2012-13	FY 2013-14	FY 2014-15
Motor Vehicle and Parts Dealers *(NAICS 441)*	$8,392.7	$9,098.9	$9,585.4
Furniture and Home Furnishings Stores *(NAICS 442)*	1,204.5	1,252.7	1,306.1
Electronics and Appliance Stores *(NAICS 443)*	1,619.7	1,641.0	1,653.1
Building Material and Garden Equipment and Supplies Dealers *(NAICS 444)*	3,027.5	3,161.2	2,827.5
Food and Beverage Stores *(NAICS 445)*	11,101.7	11,183.5	10,742.8
Health and Personal Care Stores *(NAICS 446)*	4,413.1	4,714.6	4,847.5
Gasoline Stations *(NAICS 447)*	3,789.5	3,774.4	3,329.8
Clothing and Clothing Accessories Stores *(NAICS 448)*	2,920.4	2,945.6	2,992.7
Sporting Goods, Hobby, Book and Music Stores *(NAICS 451)*	1,070.9	1,055.0	1,054.6
General Merchandise Stores *(NAICS 452)*	5,439.3	5,380.8	5,508.7
Miscellaneous Store Retailers *(NAICS 453)*	5,163.2	5,052.6	5,739.5
Non-store Retailers *(NAICS 454)**	4,342.9	4,956.4	5,208.0
TOTAL RETAIL TRADE *(NAICS 44-45)*	**$52,485.4**	**$54,216.7**	**$54,795.7**

** Prior retail sales amounts for NAICS 454 revised from FY 2012-13 Annual report.*

Table VI on the following page provides total sales and use taxes revenues by the economic activities sectors of the North American Industry Classification System (NAICS) for Fiscal Year 2014-15. The revenues are from regular payments and represent 94% of the total sales and use taxes collected in FY 2014-15.

SALES AND USE TAXES (cont.)

TABLE VI: Sales & Use Tax - From Periods Ending in Fiscal Year 2014-15

(In Millions)

	NAICS Code	Tax Due at 6.35%	Tax Due at 7.0%	Total Tax Due (Incl. 9.35% rate)
Utilities	22	$122.3	$0.0	$122.3
Construction	23	144.9	0.1	145.0
Manufacturing	31-33	180.5	0.1	180.6
Wholesale Trade	42	214.9	0.4	215.3
Motor Vehicle and Parts Dealers	*441*	*$388.3*	*$32.0*	*$420.7*
Furniture and Home Furnishings	*442*	*65.8*	*0.0*	*65.8*
Electronics and Appliance Stores	*443*	*70.1*	*0.0*	*70.1*
Building Material and Garden Equipment	*444*	*150.8*	*0.0*	*150.8*
Food and Beverage Stores	*445*	*206.2*	*0.2*	*206.4*
Health and Personal Care Stores	*446*	*62.1*	*0.0*	*62.1*
Gasoline Stations	*447*	*24.0*	*0.8*	*24.8*
Clothing and Clothing Accessories Stores	*448*	*164.1*	*11.0*	*175.1*
Sporting Goods, Hobby, Book Stores	*451*	*54.6*	*0.0*	*54.6*
General Merchandise Stores	*452*	*241.0*	*0.2*	*241.2*
Miscellaneous Store Retailers	*453*	*204.7*	*3.1*	*207.8*
Non-store Retailers	*454*	*111.4*	*0.1*	*111.5*
Retail Sector Subtotal	44-45	1,743.1	47.4	1,790.9
Information	51	293.5	0.7	294.2
Finance and Insurance	52	58.2	0.0	58.2
Real Estate and Rental and Leasing	53	95.9	6.3	120.0
Professional, Scientific and Technical Services	54	174.3	0.2	174.5
Administrative and Support	56	180.3	0.0	180.3
Arts, Entertainment & Recreation	71	32.2	0.0	32.2
Accommodation and Food Services	72	348.5	0.1	348.6
Other Services (except Public Admin)	81	164.6	1.7	166.3
All Other Businesses		158.6	1.9	163.0
TOTAL SALES & USE TAX REVENUE		**$3,911.8**	**$59.0**	**$3,991.4**

SOLID WASTE TAX

The Solid Waste Tax is levied on the owners of commercial resources recovery facilities that process municipal solid waste to reclaim energy.

Revenue	
FY 2014-15	$3,454,245
2013-14	3,459,416
2012-13	3,417,632

Number of Taxpayers / Filing Frequency

6 taxpayers / Quarterly

Basis and Rate

$1.50 per ton of solid waste processed.

TOBACCO PRODUCTS TAX

An excise tax is imposed on all non-cigarette tobacco products such as cigars, stogies, snuff, pipe and chewing tobacco. The tax is imposed when the tobacco products are manufactured, imported, or purchased by distributors. Distributors must be licensed annually and remit the tax on a monthly basis.

Revenue	
FY 2014-15	$10,847,416
2013-14	12,438,546
2012-13	16,419,338

Exemptions

- Tobacco products exported from the State; and
- Tobacco products sold to the federal government.

Number of Taxpayers/Filing Frequency

221 distributors/Monthly

Basis and Rate

Tobacco products are taxed at 50% of the wholesale sales price. In the case of cigars, the tax is 50% of the wholesale sales price, not to exceed 50¢ per cigar.

Snuff tobacco products are taxed at a rate of $1.00 per ounce

TOURISM SURCHARGE

A surcharge is levied on the rental and leasing of passenger motor vehicles for a period of thirty consecutive calendar days or less. Revenues generated by the surcharge are deposited into the General Fund.

Revenue	
FY 2014-15	$5,232,982
2013-14	4,997,092
2012-13	4,976,715

Exemption

The rental or leasing of a motor vehicle pursuant to a written agreement, which has a term of more than thirty days.

Number of Taxpayers / Filing Frequency

22 taxpayers / Monthly
67 taxpayers / Quarterly

Basis and Rate

$1.00 per day or portion of a day, for the rental or lease of a passenger motor vehicle delivered to a lessee in Connecticut (regardless of where the vehicle is subsequently used) for a term of 30 consecutive calendar days or less.

UNRELATED BUSINESS INCOME TAX

The Unrelated Business Income Tax is imposed on any trade or business conducted by a tax-exempt organization that does not substantially relate to its tax-exempt purpose. The tax is paid at the same rate as the Corporation Business Tax.

Revenue	
FY 2014-15	$ 4,715,550
2013-14	4,707,536
2012-13	2,106,930

Number of Taxpayers / Filing Frequency

310 organizations / Annually

Basis and Rate

7.5% of the unrelated business income of the organization. A surtax of 20% applies to organizations whose gross income is $100 million or more for the 2012 through 2017 income years. The surtax rate is reduced to 10% for income year 2018. No minimum tax is required.

Credits

For the 2013 income year, 25 taxpayers claimed $16,918 in Electronic Data Processing Property Tax Credits.

PENALTY AND INTEREST RECEIPTS

Failure to pay taxes or file tax returns in a timely manner generally results in a penalty to the taxpayer of $50 or 10% of the tax due, whichever is greater. If the taxpayer is subject to a penalty for late payment, the late filing penalty is not applicable.

Penalties for late electronic funds transfer (EFT) payments are:

- *2% of the tax due for EFT payments not more than 5 days late;*
- *5% for EFT payments more than 5 days but not more than 15 days late; and*
- *10% for EFT payments more than 15 days late.*

The penalty for the late payment of Sales and Use taxes is 15% of the amount due, or $50, whichever is greater. The penalty for failure to pay the use tax with the Connecticut income tax return is 10%, reduced from 15%, to parallel the rate for the income tax.

Interest is also charged on any amount of tax due that is not paid on or before the due date or on the underpayment of estimated tax requirements. Interest is charged on a monthly basis at a rate of 1% per month from the due date.

Penalty and Interest Revenue
By Tax Source

Tax Type		FY 2012-13	FY 2013-14	FY 2014-15
Corporation Business Tax	Penalty	$2,573,637	$2,502,469	$2,391,545
	Interest	32,003,377	18,007,865	28,790,951
Income Tax	Penalty	12,510,547	25,076,887	22,985,805
	Interest	37,997,013	53,500,779	49,079,189
Sales & Use	Penalty	8,672,539	13,778,545	15,546,362
	Interest	27,946,552	22,258,267	21,270,062
All Other Taxes	Penalty	5,154,740	4,965,611	3,776,228
	Interest	6,253,646	6,717,499	6,478,260
Total	Penalty	28,911,463	46,323,513	44,699,940
	Interest	104,200,587	100,484,409	105,618,462

TAX REFUNDS

The Department of Revenue Services issues refunds to taxpayers when an overpayment of tax liability has been made. The refund is charged to the fund to which such tax, penalty or interest was previously credited. Due to statutory allowances, refunds for Motor Fuel Taxes are allowed in certain cases involving fuel sold to a Connecticut motorbus company or company engaged in livery service.

Refunds of the Personal Income Tax owed to any person or entity with a debt obligation to Connecticut, the Internal Revenue Service or another reciprocating state may be withheld to offset the outstanding debt. There were 42,258 external offsets totaling $19,026,586 in Fiscal Year 2014-15, compared to 39,966 external offsets that totaled $15,232,285 in Fiscal Year 2013-14.

AMOUNT OF TAXES REFUNDED			
	FY 2012-13	**FY 2013-14**	**FY 2014-15**
Admissions & Dues Tax	$28,760	$106,761	$36,988
Business Entity Tax	803,582	869,302	796,339
Business Use Tax	2,296,579	1,175,048	685,554
Cable, Satellite & Video Companies Tax	236,112	55,022	163,632
Cigarette Tax	491,545	268,276	703,872
Controlling Interest Transfer Tax	739,353	971,895	857,951
Corporation Business	170,093,937	139,584,663	116,092,555
Corporation R&D Credit Buyback	4,086,259	5,055,261	7,877,856
Electric & Power Companies	295,442	61,836	441,941
Estate Tax (Repealed)	0	278,604	0
Gas Companies	477,430	23,881	40,964
Gasoline Motor Vehicle Fuels Tax	4,112,124	4,429,033	4,419,682
Gift & Estate Tax	18,453,591	21,899,481	16,050,871
Gift Tax (Repealed)	18,575	13,210	109,858
Health Care Centers Tax	10,494,471	2,606,509	624,467
Hospital Net Patient Revenue Tax	69,455	20,000,000	7,695,000
Income Tax	908,735,444	948,694,153	966,607,863
Insurance Premiums Tax, Domestic	2,277,360	7,460,750	2,398,786
Insurance Premiums Tax, Foreign	7,664,326	6,296,147	8,555,458
Insurance; Nonadmitted/Unauthorized	15,069	2,337,839	104,494
Motor Carrier Road Tax	1,822,596	2,196,244	2,450,410
Nursing Home User Fee	321,402	64,728	495,440
Occupational tax	124,799	154,483	115,841
Petroleum Products Gross Earnings Tax	4,310,500	5,246,350	10,000,408
Public, Educational & Gov. Programming Tax	4,197	80,299	3,178
Real Estate Conveyance Tax	1,144,737	5,696,260	1,067,162
Room Occupancy Tax	56,679	157,150	131,901
Sales & Use Taxes	15,179,199	18,094,213	26,707,637
Solid Waste Tax	5,077	806	71,330
Special Fuel Tax	159,895	367,754	363,986
Succession Tax	293,956	1,597,756	24,088
Tobacco Products Tax	56,077	1,338	55,691
Unrelated Business Income Tax	175,913	343,312	287,246
Miscellaneous	201,324	-10,652	53,277
Total	**$1,155,245,765**	**$1,196,177,711**	**$1,176,091,727**

NATIONWIDE COMPARISON OF TAX RATES

(Effective as of 1/1/15) Courtesy: Federation of Tax Administrators

STATE	CORPORATION TAX RATES (%)	SALES AND USE TAX RATES (%)	GASOLINE TAX RATES (¢ PER GAL)	CIGARETTE TAX RATE (¢ PER PACK)
Alabama	6.5	4.0	18.0	42.5
Alaska	0 - 9.4	None	8.0	200.0
Arizona	6.0	5.6	19.0	200.0
Arkansas	1.0 - 6.5	6.5	21.8	115.0
California	8.84	7.5	42.5	87.0
Colorado	4.63	2.9	22.0	84.0
Connecticut	**7.5**	**6.35**	**25.0**	**340.0**
Delaware	8.7	None	23.0	160.0
Florida	5.5	6.0	28.525	133.9
Georgia	6.0	4.0	19.3	37.0
Hawaii	4.4 - 6.4	4.0	17.0	320.0
Idaho	7.4	6.0	26.0	57.0
Illinois	7.75	6.25	20.1	198.0
Indiana	7.0	7.0	18.0	99.5
Iowa	6.0 - 12.0	6.0	22.0	136.0
Kansas	4.0	6.15	25.03	79.0
Kentucky	4.0 - 6.0	6.0	27.6	60.0
Louisiana	4.0 - 8.0	4.0	20.125	36.0
Maine	3.5 - 8.93	5.5	30.0	200.0
Maryland	8.25	6.0	30.3	200.0
Massachusetts	8.0	6.25	24.0	351.0
Michigan	6.0	6.0	19.0	200.0
Minnesota	9.8	6.875	28.6	290.0
Mississippi	3.0 - 5.0	7.0	18.4	68.0
Missouri	6.25	4.225	17.3	17.0
Montana	6.75	None	27.0	170.0
Nebraska	5.58 - 7.81	5.5	26.5	64.0
Nevada	None	6.85	23.805	80.0
New Hampshire	8.5	None	23.825	178.0
New Jersey	9.0	7.0	14.5	270.0
New Mexico	4.8 – 6.9	5.125	18.875	166.0
New York	7.1	4.0	25.8	435.0
North Carolina	5.0	4.75	37.75	45.0
North Dakota	1.48 – 4.53	5.0	23.0	44.0
Ohio	N/A	5.75	28.0	125.0
Oklahoma	6.0	4.5	17.0	103.0
Oregon	6.6 – 7.6	None	30.0	131.0
Pennsylvania	9.99	6.0	50.5	160.0
Rhode Island	7.0	7.0	33.0	350.0
South Carolina	5.0	6.0	16.75	57.0
South Dakota	None	4.0	24.0	153.0
Tennessee	6.5	7.0	21.4	62.0
Texas	N/A	6.25	20.0	141.0
Utah	5.0	4.7	24.5	170.0
Vermont	6.0 - 8.5	6.0	31.97	275.0
Virginia	6.0	4.3	16.2	30.0
Washington	None	6.5	37.5	302.5
West Virginia	6.5	6.0	34.6	55.0
Wisconsin	7.9	5.0	32.9	252.0
Wyoming	None	4.0	24.0	60.0

DEPARTMENT OF REVENUE SERVICES
FY 2014-15 ANNUAL REPORT

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