

**STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES**

**ANNUAL REPORT**



**FISCAL YEAR  
2006-2007**

M. Jodi Rell  
Governor

Pam Law  
Commissioner



A Message from the Commissioner:

The Department of Revenue Services is pleased to present for your review its Annual Report for Fiscal Year 2006-07. Once again, we have strived to provide you with comprehensive, statistical data in keeping with the requirements pursuant to Conn. Gen. Stat. §12-7b.

We hope you find this information helpful. Any questions may be directed to the Department's Research Unit at (860) 297-5688.

Sincerely,

Pam Law  
Commissioner of Revenue Services

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# DEPARTMENT MISSION

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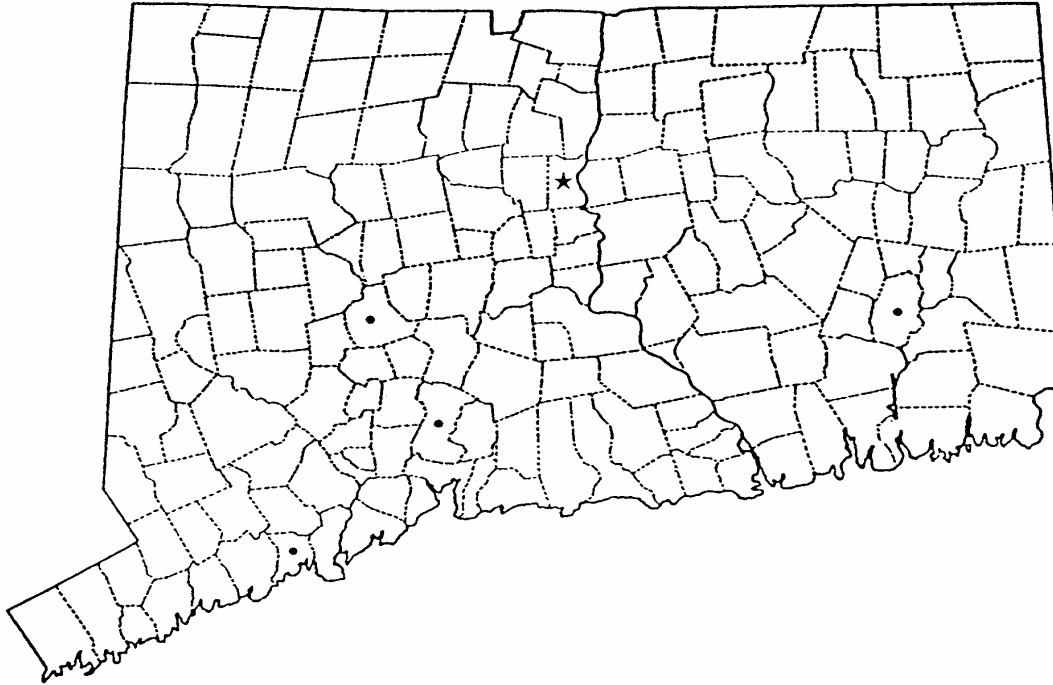
## *The Mission*

*of the*

## *Connecticut Department of Revenue Services*

*is to administer the tax laws of the State of Connecticut  
and collect the tax revenues in the most cost effective manner;  
achieve the highest level of voluntary compliance  
through accurate, efficient and courteous customer service;  
and perform in a manner which instills public confidence in the  
integrity and fairness of the state's tax programs.*

# DEPARTMENT OF REVENUE SERVICES LOCATIONS



## MAIN OFFICE

25 Sigourney Street  
Hartford, Connecticut 06106  
Phone: (860) 297-5962  
1-800-382-9463 (In-state only)  
TDD/TT (860) 297-4911  
[www.ct.gov/drs](http://www.ct.gov/drs)

## FIELD OFFICES

### BRIDGEPORT REGIONAL OFFICE

10 Middle Street  
Bridgeport, Connecticut 06604  
Phone: (203) 336-7890

### NORWICH REGIONAL OFFICE

2 Cliff Street  
Norwich, Connecticut 06360  
Phone: (860) 889-2669

### NEW HAVEN REGIONAL OFFICE

3074 Whitney Avenue, Bldg. #2  
Hamden, Connecticut 06517  
Phone: (203) 287-8243

### WATERBURY REGIONAL OFFICE

55 West Main Street, Suite 100  
Waterbury, Connecticut 06702  
Phone: (203) 805-6789

**LEGISLATIVE SUMMARY  
2007 GENERAL ASSEMBLY  
REGULAR & SPECIAL  
SESSIONS**

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**ADMISSIONS TAX**

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**PUBLIC ACT 07-1 (June Special Sess.)**

Exempts events held at the Connecticut Convention Center from the admissions tax for admissions charged on or after July 1, 2007.

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**CIGARETTE & TOBACCO PRODUCTS  
TAXES**

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**Public Act 07-1 (June Special Sess.)**

Increases the cigarette tax by 49¢ per pack from \$1.51 to \$2 per pack (75.5 to 100 mills per cigarette) effective for sales occurring on or after July 1, 2007.

**Public Act 07-175**

Increases the civil penalties for the sale of cigarettes or tobacco products to minors. The bill also authorizes the Department of Consumer Protection to investigate allegations of cigarette or tobacco products noncompliance by dealers and distributors. Effective October 1, 2007.

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**CORPORATION BUSINESS TAX**

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**Public Act 07-250**

This bill makes several changes to the corporation business tax:

- expands the job creation credit provided for in Conn. Gen. Stat. §12-217ii by: allowing firms in Connecticut to qualify; reducing the number of new jobs from 50 to 10; and increasing the credit from 25% to 60% of the amount of Connecticut income tax deducted and withheld from the wages of new employees. Effective for income years commencing on or after January 1, 2007;
- Establishes a new tax credit for historic rehabilitation that will be administered by the Connecticut Commission on Culture and Tourism. The new credit is available for the rehabilitation of historic buildings that will have mixed use: both residential and nonresidential use. The amount of the credit is 25% of qualified expenditures, and increases to 30% if the certified rehabilitation contains affordable housing. Effective for income years commencing on or after January 1, 2008.

**Public Act 07-236 as amended by Public Act 07-4 (June Spec. Sess.)**

The following changes were made to the Film Production Tax Credit in Conn. Gen. Stat. §12-217jj:

- Modifies the definition of “qualified production” to exclude “a production featuring current events, sporting events, an awards show or other gala event, a production whose sole purpose is fundraising, a long-form production that primarily markets a product or service, a production used for corporate training or in-house corporate advertising or other similar productions;”
- Amends the definition of qualified production expenses or costs to exclude expenditures for optioning or purchasing intellectual property;
- Does not allow a credit for compensation in excess of \$15M paid to any individual or entity representing an individual for services on or after January 1, 2008.
- Specifies that on or after January 1, 2009, only fifty per cent of the production expenses or costs incurred outside the state and used within the state shall be counted toward the credit. Currently, one hundred percent of expenses or costs incurred outside and used inside CT are eligible for credit.
- On or after January 1, 2012, no production expenses or costs incurred outside the state and used within the state shall be eligible for a credit;
- Adds Insurance Premiums and Health Care Centers Taxes provided for under Chapter 207 of the Conn. Gen. Stat. to the list of taxes eligible for the credit.
- Creates two new tax credits, also to be administered by the Connecticut Commission on Culture and Tourism (CCT): the Film Production Infrastructure Credit and the Digital Animation Production Credit.
- The Film Production Infrastructure credit is for investment in a capital project to provide buildings, facilities or installations needed for the motion picture and digital media industries. The credit is 10% for projects costing less than \$150,000 up to 20% for projects costing more than \$1 million. Credits may be carried forward for three years or assigned to another taxpayer. Effective July 1, 2007, and applicable to income years commencing on or after January 1, 2007.
- The Digital Animation Production credit is for companies undertaking digital animation production activity in the state. Any state-certified digital animation production company incurring



production expenses or costs in excess of \$50,000 shall be eligible for a credit equal to 30% of the costs. The aggregate amount of all tax credits which may be reserved by the commission shall not exceed \$15M in any one fiscal year. The credit may be carried forward for three years or sold or assigned to another taxpayer no more than three times. Effective July 1, 2007, and applicable to income years commencing on or after January 1, 2007.

#### **Public Act 07-242**

Amends the Neighborhood Assistance Act (NAA) tax credit to increase the percentage of available credit from 60% to 100% of the cash invested in energy conservation projects. All other programs remain at 60%. Effective July 1, 2007.

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#### **GIFT AND ESTATE TAXES**

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#### **Public Act 07-1 (June Spec. Sess.)**

This act requires the Department of Revenue Services, in consultation with the Office of Policy & Management, to conduct a study of the estate tax and submit its findings to the Governor and the General Assembly's Finance, Revenue & Bonding Committee no later than February 1, 2008.

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#### **INCOME TAX**

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#### **Public Act 07-108**

Allows the offset of any Connecticut income tax refund to persons in default of student loans made or guaranteed by the Connecticut Higher Education Supplemental Loan Authority (CHESLA). Effective July 1, 2007.

#### **Public Act 07-130**

Provides for a subtraction modification by the designated beneficiary for interest that has been earned on contributions to the Connecticut Homecare Option Program for the Elderly (HOPE). Effective for tax years commencing on or after January 1, 2007.

#### **Public Act 07-1 (June Spec. Sess.)**

This act requires the Office of Legislative Research (OLR) to conduct a study concerning the feasibility of a state earned income tax credit. OLR must submit the results to the Governor and the General Assembly's Committees on Finance, Revenue & Bonding, Appropriations and Human Services no later than February 1, 2008.

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#### **MOTOR VEHICLE FUELS TAX**

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#### **Public Act 07-250**

Allows for a refund of the motor vehicle fuels tax for a company that uses and consumes fuel exclusively for hauling waste for the Connecticut Resource Recovery Authority's Mid-Connecticut

Project. Effective for claims filed on or after July 1, 2007.

**Public Act 07-1 (June Spec. Sess.)**

Effective July 1, 2007, the Motor Vehicles Fuels Tax rate on diesel is increased from 26¢ to 37¢ per gallon. The motor fuels tax increase is intended to be revenue neutral as the tax increase is offset by the exemption from petroleum products gross earnings tax for diesel fuel sold in Connecticut.

Additionally, the annual tax rate will be determined by the Department of Revenue Services using a formula based on the average wholesale price per gallon for diesel fuel.

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**PETROLEUM COMPANIES GROSS EARNINGS TAX**

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**Public Act 07-1 (June Spec. Sess.)**

Exempts gross earnings from the first sale within Connecticut of diesel fuel (other than diesel fuel used in an electric generating facility to generate electricity) from the Petroleum Products Gross Earnings Tax. Effective July 1, 2007.

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**PUBLIC SERVICE COMPANIES TAX**

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**Public Act 07-253**

This bill requires companies that provide video programming and are not

cable (CATV) or satellite (SATV) television providers to be certified with the Department of Public Utility Control as certified competitive video service providers. The gross earnings of these certified competitive video service providers are subject to a 5% gross earnings tax. Effective July 1, 2007.

The bill also creates an additional ½% tax on certified competitive video service, CATV and SATV providers for the period October 1, 2007 through September 30, 2009. The tax is reduced to ¼% on October 1, 2009. The tax is to be paid quarterly.

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**SALES AND USE TAXES**

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**Public Act 07-236**

This act expands and modifies certain sales tax provisions relating to the film industry. Effective July 1, 2007:

- Defines “media payroll services company” as a retailer whose principal business activity is the management and payment of compensation, fringe benefits, workers' compensation, payroll taxes or assessments to individuals providing services to an eligible production company pursuant to section 12-217jj;
- Adds exclusion from “gross receipts” and “sales price” for payroll expenses paid to a media payroll services company on behalf of individuals providing

services to a film production company.

**Public Act 07-242 as amended by  
Public Act 07-4 (June Spec. Sess.)**

This act makes several sales tax changes:

- Reinstates and modifies exemption for sales of passenger motor vehicles, as defined in Conn. Gen. Stat. §14-1, with an EPA estimated city or highway gasoline mileage rating of at least 40 miles per gallon (formerly required 50 mpg highway). Effective for sales occurring on or after January 1, 2008; sunsets June 30, 2010;

Adds two new exemptions:

- solar energy electricity generating systems and passive or active solar water or space heating systems and geothermal resource systems, including equipment related to such systems, and sales of services related to the installation of such systems; *and* ice storage systems used for cooling, including equipment related to such systems, and sales of services relating to the installation of such systems by a utility ratepayer who is billed by such utility on a time-of-service metering basis.
- Both exemptions are effective for sales occurring on or after July 1, 2007.

Makes several changes to the residential weatherization product exemption effective for sales occurring on or after June 1, 2007:

- Removes sunset provision, making this a permanent exemption;
- Reduces qualifying efficiency threshold for oil furnaces and boilers from 85% to 84% efficient;
- Changes terminology from “ground-based heat pumps” to “ground-source heat pumps”; and
- Adds compact fluorescent light bulbs to exemption.

The legislation also exempted sales of household appliances meeting the federal Energy Star Standard. Effective for sales occurring on or after June 4, 2007; sunset on September 30, 2007.

**Public Act 07-4 (June Spec. Sess.)**

Establishes a Streamlined Sales Tax Commission to study and evaluate changes needed to Chapter 219 for Connecticut to participate in the Streamlined Sales Tax Governing Board and the benefits to the state and to retailers if Connecticut were to become a full member of SSTP. Commissioner of DRS or her designee is a member. Final report due January 15, 2008.

Expands the exemption for meals sold through coin-operated vending machines to include meals sold at unattended honor boxes. Effective for sales occurring on or after July 1, 2007.

# CONNECTICUT'S TAXES

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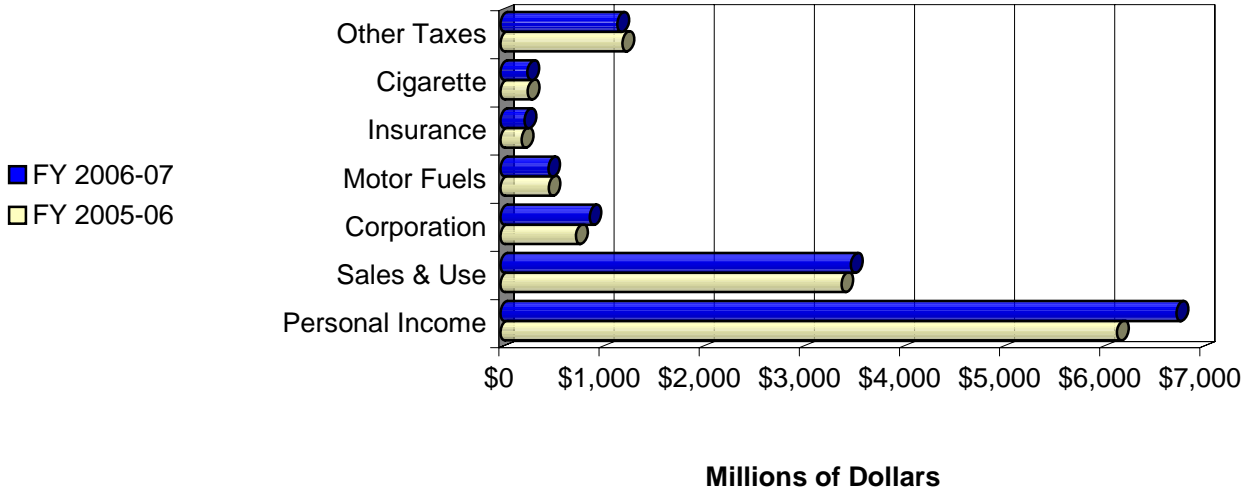
*The Department collected  
nearly \$13.3 billion in revenue  
for fiscal year 2006-07.*

*83% of collections  
was attributable to the Income Tax,  
Corporation Business Tax and  
Sales and Use Tax.*

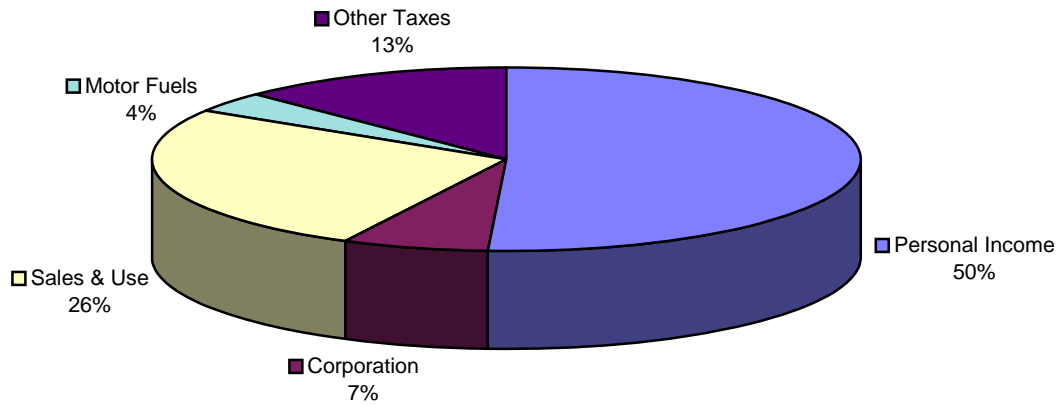
## State Revenue Sources

Tax Type & Citation	Fiscal Year Ending		
	June 30, 2005	June 30, 2006	June 30, 2007
Admissions & Dues Tax <i>Ch. 225</i>	\$ 31,653,550	\$ 34,982,125	\$ 33,435,994
Alcoholic Beverages Tax <i>Ch. 220</i>	44,236,073	46,035,500	46,030,284
Business Entity Tax <i>Ch. 213a</i>	31,444,051	32,166,819	34,399,588
Cigarette Tax <i>Ch. 214</i>	270,322,117	267,809,756	264,411,843
Community Antenna TV Systems Cos. <i>Ch. 211</i>	41,173,821	44,268,695	51,992,188
Connecticut Estate Tax <i>Ch. 217</i>	179,371,121	12,748,634	4,436,038
Controlled Substances <i>Ch. 228d</i>	58,999	90,329	40,851
Controlling Interest Transfer <i>Ch. 228b</i>	8,438,105	6,334,644	15,834,803
Corporation Business Tax <i>Ch. 208 &amp; 209</i>	646,327,341	754,217,659	853,314,917
Dry Cleaners Surcharge <i>Ch. 211b</i>	753,380	615,934	804,900
Electric and Power Companies <i>Ch. 212</i>	47,351,605	115,710,224	126,057,123
Gas Companies <i>Ch. 212</i>	40,765,703	0	0
Gas and Electric Companies <i>Ch. 212</i>	69,425,848	67,188,979	59,780,761
Gift and Estate Tax <i>Ch. 217&amp; 228c</i>	n/a	176,655,601	170,352,076
Gift Tax <i>Ch. 228c</i>	27,772,988	7,199,978	5,748,635
Hazardous Waste Tax <i>Ch. 445</i>	(178,776)	0	0
Health Care Centers <i>Ch. 207</i>	45,169,057	45,927,135	45,121,639
Hospital Gross Earnings <i>Ch. 211a</i>	10,134	0	0
Income Tax <i>Ch. 229</i>	5,570,692,650	6,156,411,020	6,749,357,350
Insurance Companies, Domestic <i>Ch. 207</i>	36,455,232	44,241,863	41,880,953
Insurance Companies, Foreign <i>Ch. 207</i>	156,532,591	160,253,745	146,639,982
Motor Carrier Road Tax <i>Ch. 222</i>	13,238,534	14,429,719	14,091,454
Motor Vehicle Fuels Tax <i>Ch. 221</i>	470,846,222	466,438,597	464,453,326
Nursing Home User Fee <i>Ch. 319x</i>	n/a	123,892,769	126,329,508
Occupational Tax <i>Ch. 876</i>	6,402,371	5,936,346	7,029,355
Petroleum Products Tax <i>Ch. 227</i>	179,047,466	279,590,420	309,403,945
Railroad Companies <i>Ch. 210</i>	102,234	95,387	170,310
Real Estate Conveyance Tax <i>Ch. 223</i>	199,193,074	201,123,111	195,216,150
Rental Surcharge <i>Ch. 228h</i>	312,918	431,753	401,543
Sales and Use Taxes <i>Ch. 219</i>	3,291,372,489	3,404,541,887	3,498,793,678
Solid Waste <i>Ch. 446d</i>	3,384,607	3,426,551	3,499,093
Succession Tax <i>Ch. 216</i>	74,536,836	6,853,292	5,122,957
Tire Fee <i>Ch. 446d</i>	3,686	0	0
Tobacco Products <i>Ch. 214a</i>	3,793,951	4,736,180	5,295,540
Tourism Tax <i>Ch. 228e</i>	4,670,440	4,750,619	4,949,007
Unauthorized Insurers <i>Ch. 698d</i>	5,954,383	6,295,041	6,161,195
Unrelated Business Income Tax <i>Ch. 208a</i>	867,828	1,067,959	2,240,230
Water Companies <i>Ch. 212</i>	0	(1,496)	0
<b>Total</b>	<b>\$11,501,502,628</b>	<b>\$12,496,466,775</b>	<b>\$13,292,797,216</b>

**Department of Revenue Services  
Tax Receipts FY 2005-06 and FY 2006-07**



**PERCENTAGE OF TAX RECEIPTS  
FY 2006-07**



# ADMISSIONS AND DUES TAX

Revenue	
FY 2004-05	\$ 31,653,550
2005-06	34,982,125
2006-07	33,435,994

## Exemptions

### Admissions charges:

- under \$1;
- of a non-profit organization;
- to motion pictures not more than \$5.00;
- to live performances at non-profit theaters or playhouses, Gateway Candlewood Playhouse, and Ocean Beach Park;
- to sporting or athletic activities in which patrons participate;
- to any carnival or to any amusement ride;
- to cabarets;
- to home games of the New Britain Rock Cats;
- to any event at the:
  - Arena at Harbor Yard,
  - Bridgeport Harbor Yard Stadium,
  - Connecticut Convention Center (beginning July 1, 2007)
  - Connecticut Exposition Center,
  - Dodd Stadium,
  - Hartford Civic Center,
  - Lime Rock Park,
  - Nature's Art,
  - New Britain Beehive Stadium,
  - New Britain Stadium,
  - New Britain Veterans Memorial Stadium,
  - Stafford Motor Speedway,
  - Tennis Foundation of Connecticut or any successor organization,
  - Thompson Speedway,
  - Waterford Speedbowl, and
  - William A. O'Neill Convocation Center.

### Dues:

- Annual dues under \$100;
- Lawn Bowling Clubs;
- Locker Rental Fees;
- Additional charges used to acquire open space land;
- Dues of a charitable, religious, governmental or non-profit educational institution; and
- Dues of any society, order or association operating under the lodge system or local fraternal organizations among students of a college or university.

## ADMISSIONS AND DUES TAX (cont.)

### Number of Taxpayers / Filing Frequency

Admissions	231 taxpayers / Monthly
Dues	302 taxpayers / Monthly

### Basis and Rate

<b>Admissions</b>	6% of the admissions charge to motion picture shows.
	10% of the admission charge to any other place of amusement, entertainment, or recreation.
<b>Dues</b>	10% of membership dues or initiation fees to any social, athletic or sporting club organization.

### Comparative Data

Tax Due	FY 2004-05	FY 2005-06	FY 2006-07
Motion Picture Admissions	\$5,127,875	\$5,253,488	\$5,292,918
Other Admissions	5,222,836	6,737,340	5,597,185
Dues	21,302,839	22,991,297	22,545,891
<b>Total</b>	<b>\$ 31,653,550</b>	<b>\$ 34,982,125</b>	<b>\$33,435,994</b>



## 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.*

<b>Revenue</b>	
FY 2004-05	\$44,236,073
2005-06	46,035,500
2006-07	46,030,284

### 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

125 distributors/ Monthly

### Basis and Rate

Beer	\$6.00 per barrel (31 gallons)
Beer	20¢ per gallon
Still Wines	60¢ per gallon
Small Wineries	15¢ per gallon
Sparkling Wines	\$1.50 per gallon
Alcohol	\$4.50 per proof gallon
Distilled Liquor	\$4.50 per gallon
Liquor Coolers	\$2.05 per gallon

### Comparison of Gallonage

TYPE	FY 2004-05 (gallons)	FY 2005-06 (gallons)	FY 2006-07 (gallons)
Beer - barrels	189,230	182,885	183,778
Beer - gallons	52,707,822	51,702,839	53,982,954
Still Wine	11,201,554	11,948,335	11,972,965
Small Wineries	95,586	89,276	109,853
Sparkling Wine	365,922	466,375	398,974
Distilled Liquor	5,418,496	6,011,617	5,655,532
Liquor Cooler	36,138	33,280	26,146
Alcohol	38,623	50,036	43,804

# BUSINESS ENTITY TAX

The following business entities are subject to an annual 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).

<b>Revenue</b>	
FY 2004-05	\$31,444,051
2005-06	32,166,819
2006-07	34,399,588

## 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

117,750 Entities/ Annually

## Basis and Rate

\$250 per taxable year.

## 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.*

<b>Revenue</b>	
FY 2004-05	\$270,322,117
2005-06	267,541,816
2006-07	264,155,137

### Exemptions

- Sales or purchases at military bases; and
- Cigarettes sold to any state institution other than a correctional institution.

### Number of Taxpayers/ Filing Frequency

41 taxpayers/ Monthly

### Basis and Rate

75½ mills per cigarette, or \$1.51 per pack of twenty.

Effective July 1, 2007: the cigarette tax is 100 mills per cigarette or \$2.00 per pack of twenty.

## 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.*

<b>Revenue</b>	
FY 2004-05	\$58,999
2005-06	90,329
2006-07	40,851

### 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.*

<b>Revenue</b>	
FY 2004-05	\$8,438,105
2005-06	6,334,644
2006-07	15,834,803

## **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;
- Mortgage deeds;
- Deeds to or by the United States of America, State of Connecticut or any political subdivision or agency thereof;
- Tax deeds;
- Deeds releasing any property which is a security for a debt or other obligation; 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.

65 transfers in FY 2006-07

## **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 (effective July 1, 2007) 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.*

<b>Revenue</b>	
FY 2004-05	\$646,327,341
2005-06	754,217,659
2006-07	853,314,918

## **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 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.

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.

### **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 the 2006 income year, all corporations, except those paying the minimum tax of \$250, must pay a surtax in an amount equal to 20% of the tax due before credits are applied.

### **Combined Returns**

If a corporation is permitted to file a federal consolidated return, it may 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.

## 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 \$250,000 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 \$250,000, between this amount and the total combined tax is the preference tax and must be added to the total combined tax.

The total amount due for income year 2005 combined filers had they filed separate single returns would have been \$470.6M. The preference tax due by these filers was \$31.8M. The total tax due by combined filers was \$295.1M, including the \$31.8M in preference tax.

### Unitary Returns

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.

### 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.

## CORPORATION BUSINESS TAX (cont.)

### Filing Frequency

Annually with four estimated installments.

### Number of Taxpayers

### 2005 Corporation Business Tax Returns

	Number of Taxpayers	Tax Due Before Credits	Tax Due After Credits
Single Filers			
Net Income	8,891	211,069,307	187,563,393
Capital Base	4,874	29,255,659	21,824,329
Minimum Tax	25,180	6,423,021	6,332,044
Combined Filers			
Net Income	297	239,238,957	198,701,478
Capital Base	347	45,381,814	29,555,587
Minimum Tax	376	10,442,896	6,320,187
Unitary Filers			
Net Income	31	17,211,983	15,877,298
Capital Base	17	2,154,045	1,315,203
Minimum Tax	11	82,500	82,500
<b>Total</b>	<b>40,024</b>	<b>\$561,260,182</b>	<b>\$467,572,019</b>



## 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 cannot exceed 70% of the amount of tax due or reduce the amount of tax to less than \$250.

### **Apprenticeship Training**

Reference: Conn. Gen. Stat. §12-217g

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.

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.

### **Clean Alternative Fuels**

Reference: Conn. Gen. Stat. §12-217i

The Clean Alternative Fuels credit enables a business to claim a credit for its expenditures on vehicles, equipment and filling stations that enable use of clean alternative fuel. This credit is not available for income years commencing on or after January 1, 2008. Unused credit may be carried forward for three years.

A 10% credit is allowed for the incremental cost of purchasing vehicles exclusively powered by clean alternative fuels.

A 50% credit is available for the expenses of equipment used in a compressed natural gas, liquefied petroleum gas or liquefied natural gas filling or electric recharging station and the purchase of equipment needed to convert a vehicle to clean alternative fuel. The credit also applies to amounts spent directly on the construction of any filling station or improvements to any existing filling station in order to provide compressed natural gas, liquefied petroleum gas or liquefied natural gas.

## **CORPORATION BUSINESS TAX CREDITS (cont.)**

### **Computer Donation**

Reference: Conn. Gen. Stat. §10-228b

A corporation business tax credit is available for the donation of new or used computers to a local or regional board of education or a public or non-public school. The amount of the credit shall not exceed 50% of the fair market value at the time of donation.

The amount of credit granted to any business firm cannot exceed \$75,000 annually. The total amount of credits allowed in any fiscal year is capped at \$1 million.

### **Digital Animation Production**

Reference: 2007 Conn. Pub. Acts 236, §2 as amended by 2007 Conn. Pub. Acts 4 (June Spec. Sess.), §71

This new tax credit is available for digital animation production activity in the state for income years beginning on or after January 1, 2007. Any state-certified digital animation production company incurring production expenses or costs in excess of \$50,000 will be eligible for a credit equal to 30% of the production expenses or costs. This tax credit is administered by the Commission on Culture and Tourism (CCT). The aggregate amount of all tax credits that may be reserved must not exceed \$15 million in any one fiscal year.

### **Displaced Workers**

Reference: Conn. Gen. Stat. §12-217hh

A corporation business tax credit is available for employers that hire workers displaced because of a business restructuring in which at least ten employees were terminated. The available credit is \$1,500 for each displaced worker hired on or after January 1, 2006 who completes twelve months of full-time employment and whose salary is at least 75% of their previous annual wages.

### **Displaced Workers Hired By Electric Suppliers**

Reference: Conn. Gen. Stat. §12-217bb

Electric suppliers that hire workers displaced by the restructuring of the electric industry may claim a credit of \$1,500 for each displaced worker employed at least 6 months.

## **CORPORATION BUSINESS TAX CREDITS (cont.)**

### **Donation of Land**

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

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 may be carried forward until fully used for up to fifteen 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.

### **Employer Assisted Housing**

Reference: Conn. Gen. Stat. §12-217p

This credit was based on monies paid to a revolving loan fund for employer assisted housing. The fund had to be established and maintained by the corporation for five years and had to provide revolving loans for housing to its low and moderate income employees. The credit could be carried back or forward for five years.

Effective June 7, 2006, the credit is repealed.

### **Enterprise Zone or Entertainment District**

Reference: Conn. Gen. Stat. §12-217e

The Enterprise Zone or Entertainment District Credit allows a business 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. 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.)

### **Enterprise Zone Credit For Qualifying Corporations**

Reference: Conn. Gen. Stat. §12-217v

A credit is allowed to any qualifying corporation created on or after January 1, 1997 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 2007 Conn. Pub. Acts 236, §1

This tax credit is available for income years beginning on or after January 1, 2006. Any eligible production company incurring qualified production expenses over \$50,000 is eligible for a credit of 30% of such costs. Applications for a tax credit voucher must be made to the Commission on Culture and Tourism (CCT) within 90 days after the first production expenses and costs are incurred and within 90 days after the last production expenses and costs are incurred. Any credit allowed may be sold, assigned or transferred in whole or part no more than 3 times.

### **Film Production Infrastructure**

Reference: 2007 Conn. Pub. Acts 236, §2 as amended by 2007 Conn. Pub. Acts 4 (June Spec. Sess.), §70

Applicable to income years beginning on or after January 1, 2007, there is a new tax credit 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 the Connecticut Commission on Culture and Tourism (CCT).

Credit percentages range from 10% for projects costing less than \$150,000 to 20% for projects costing more than \$1 million. Unused credits may be carried forward for three succeeding income years or assigned to another taxpayer.

## CORPORATION BUSINESS TAX CREDITS (cont.)

### **Financial Institutions**

Reference: Conn. Gen. Stat. §12-217u

This credit is available to financial institutions that construct a new facility of at least 900,000 square feet and create a minimum of 1,200 new jobs. Each company must obtain an eligibility certificate from the Department of Economic and Community Development in order to claim this credit. Credit levels of 30%, 40% or 50% for years one through ten and 25% for years eleven through fifteen are based on the number of qualified employees. This credit may be taken for up to fifteen years.

### **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.

### **Hiring Incentive**

Reference: Conn. Gen. Stat. §12-217y

This credit is available to companies that hire recipients of the Temporary Family Assistance (TFA) program. The employees must have been receiving TFA benefits for at least 9 months and have worked at least 30 hours per week to qualify. A corporation may claim a credit of \$125 for each full month that the worker is employed. Unused credits may be carried forward for five succeeding income years.

### **Historic Buildings Rehabilitation**

Reference: 2007 Conn. Pub. Acts 250, §19

This new tax credit is available to owners rehabilitating certified historic buildings that will have mixed residential and nonresidential uses. The Commission on Culture and Tourism (CCT) may allocate up to \$50 million in vouchers for this credit during the fiscal three year period beginning July 1, 2008 and ending June 30, 2011. 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.

## **CORPORATION BUSINESS TAX CREDITS (cont.)**

### **Historic Homes Rehabilitation**

Reference: Conn. Gen. Stat. §10-416

The Connecticut Commission on Culture and Tourism (CCT) 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. 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. Unused credits may be carried forward for four succeeding income years.

### **Historic Structures Rehabilitation**

Reference: Conn. Gen. Stat. §10-416a

This tax credit is available to owners rehabilitating certified historic structures for residential use. The CCT 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.

### **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.

## **CORPORATION BUSINESS TAX CREDITS (cont.)**

### **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. 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.

### **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**

Reference: Conn. Gen. Stat. §12-217e

A credit of 25% may be applied against the portion of the Corporation Business tax allocable to a manufacturing facility located in a targeted investment community. The Commissioner of Economic and Community Development must certify that the facility is operating in a designated area of high unemployment. The credit period lasts for ten years beginning with the first year following certification.

## **CORPORATION BUSINESS TAX CREDITS (cont.)**

### **Neighborhood Assistance Act Program**

Reference: Chapter 228a of the Conn. Gen. Stat. as amended by 2007 Conn. Pub. Acts 242, §72

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 \$75,000 in tax credit annually. A non-profit organization is limited to receiving \$150,000 in contributions in the aggregate. Also, a business' total charitable contributions must equal or exceed its prior year's amount. 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.

### **New Jobs Creation**

Reference: Conn. Gen. Stat. §12-217ii as amended by 2007 Conn. Pub. Acts 250, §18

This recently amended tax credit is available to businesses that create at least 10 new jobs. To qualify, the taxpayer must submit an application with the Department of Economic and Community Development. For income years commencing on or after January 1, 2007, 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.



## **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 is 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.

### **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. 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.

### **Small Business Guaranty Fee**

Reference: Conn. Gen. Stat. §12-217cc

Small businesses with less than \$5 million in gross receipts may claim this credit equal to the amount paid to the federal Small Business Administration as a guaranty fee to obtain guaranteed financing during the income year. Unused credits may be carried forward for four succeeding income 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. This credit is available for corporations employing 100 or more people located in a severe non-attainment area. The credit cannot exceed \$250 per participating employee.

### **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 2005 returns and any credits carried forward from prior years and used in 2005.

### Credit Claimed on 2005 Corporation Returns

Type of Credit	Number of Credits	Amount Claimed
Apprenticeship Training	14	\$ 1,187,501
Clean Alternative Fuels	3	3,429
Computer Donation	1	250
Donation of Land	3	55,757
Electronic Data Processing	1,623	23,059,263
Employer Assisted Housing	4	11,898
Fixed Capital	2,304	44,015,180
Hiring Incentive	1	141
Historic Homes Rehabilitation	1	67,007
Housing Program Contribution	5	2,016,285
Human Capital	167	1,443,930
Insurance Reinvestment	1	159,615
Machinery and Equipment	174	1,573,204
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	38	617,235
Neighborhood Assistance	74	1,071,745
Research & Development	132	3,673,756
Research & Experimental Expenditures	135	14,320,781
Research & Development Grants to Higher Education	2	229,755
SBA Guaranty Fee	1	178,791
Traffic Reduction	2	2,546
Urban and Industrial Site Reinvestment	4	94
<b>Total</b>	<b>4,689</b>	<b>\$93,688,163</b>

## 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. The surcharge is also used to fund measures, which are approved by the Commissioner of Economic and Community Development, undertaken to prevent pollution. Monies collected are deposited into the Dry Cleaning Remediation Account, which is used to provide these grants.*

<b>Revenue</b>	
FY 2004-05	\$753,380
2005-06	615,934
2006-07	804,900

### **Basis and Rate**

1% of gross receipts at retail.

### **Number of Taxpayers/Filing Frequency**

548 taxpayers/Quarterly

## GIFT AND ESTATE TAX

Connecticut taxable gifts made during calendar years beginning on or after January 1, 2005 are subject to tax once they exceed \$2 million in the aggregate. "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.

Resident and nonresident estates of decedents dying on or after January 1, 2005 are liable for the Connecticut Estate Tax if their Connecticut taxable estate is more than \$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. Once the \$2 million threshold is exceeded, the tax is payable on the entire amount, including the first \$2 million. A credit is granted for any gift tax previously paid on gifts made after January 1, 2005.

Under prior law, the Estate Tax was equal to the amount that the federal government allowed as a tax credit for state death taxes. A credit was allowed for the amount of Connecticut Succession Tax imposed and paid. Federal legislation had phased-out the federal credit for state death taxes, thereby eliminating the basis of the Connecticut Estate Tax by 2005.

Legislation enacted in 2003 imposed a special estate tax on estates of decedents dying on or after July 1, 2004 and before January 1, 2005. This special estate tax required the estates to compute the Connecticut Estate tax as if the decedent had died prior to the federal phase-out of the state death tax credit.

	<b>Gift Tax Revenue</b>	<b>Estate Tax Revenue</b>	<b>Gift and Estate Tax Revenue</b>
FY 2004-05	\$27,772,988	\$179,371,121	
2005-06	7,199,978 *	12,748,634 *	\$176,655,601
2006-07	5,748,635*	4,436,038 *	170,352,076

\* Revenues from late returns and audit activity.

## GIFT AND ESTATE TAX (cont.)

### Basis and Rate

For gifts made, or the estates of decedents dying on or after January 1, 2005, the table below is used to compute the Gift and Estate tax:

Aggregate Amount of Connecticut Taxable Gifts or Connecticut Taxable Estate		Tax
More Than	Not Over	
	\$2,000,000	No tax
\$2,000,000	\$2,100,000	5.085% of the excess over \$0
\$2,100,000	\$2,600,000	\$106,800 plus 8% of the excess over \$2,100,000
\$2,600,000	\$3,100,000	\$146,800 plus 8.8% of the excess over \$2,600,000
\$3,100,000	\$3,600,000	\$190,800 plus 9.6% of the excess over \$3,100,000
\$3,600,000	\$4,100,000	\$238,800 plus 10.4% of the excess over \$3,600,000
\$4,100,000	\$5,100,000	\$290,800 plus 11.2% of the excess over \$4,100,000
\$5,100,000	\$6,100,000	\$402,800 plus 12% of the excess over \$5,100,000
\$6,100,000	\$7,100,000	\$522,800 plus 12.8% of the excess over \$6,100,000
\$7,100,000	\$8,100,000	\$650,800 plus 13.6% of the excess over \$7,100,000
\$8,100,000	\$9,100,000	\$786,800 plus 14.4% of the excess over \$8,100,000
\$9,100,000	\$10,100,000	\$930,800 plus 15.2% of the excess over \$9,100,000
\$10,100,000		\$1,082,800 plus 16% of the excess over \$10,100,000

## GIFT AND ESTATE TAX (cont.)

### Detail of Revenue

For Fiscal Year 2006-07, total Gift and Estate Tax revenue collected was \$170,352,076. Most of this revenue is either attributable to returns from the estates of decedents or prepayments that apply against upcoming tax returns. A breakdown of returns from estates received during fiscal year 2006-07 is shown below.

### GIFT AND ESTATE TAX RETURNS FROM ESTATES OF DECEDENTS RECEIVED DURING FY 2006-07

Amount of Taxable Estate		# of Returns	Tax Due
More Than	Not Over		
\$2 Million	\$3 Million	90	\$ 11,184,554
\$3 Million	\$4 Million	67	13,573,765
\$4 Million	\$5 Million	32	9,250,645
\$5 Million	\$6 Million	25	9,559,573
\$6 Million	\$7 Million	17	9,774,925
\$7 Million	\$8 Million	6	3,704,310
\$8 Million	\$10 Million	7	4,845,645
\$10 Million	\$15 Million	19	24,764,367
\$15 Million	\$25 Million	4	4,969,836
\$25 Million		10	75,344,806
<b>Total</b>		<b>277</b>	<b>\$166,972,426</b>

For Fiscal Year 2006-07, an additional amount of the gift and estate tax was attributable to tax returns filed by non-decedents. A breakdown of calendar year 2006 returns is shown below.

### GIFT AND ESTATE TAX RETURNS 2006 GIFT TAX ONLY

Amount of Taxable Gifts		# of Returns	Tax Due
Not Over	\$2 Million		
More Than	\$2 Million	6	7,846,364
<b>Total</b>		<b>11</b>	<b>\$ 8,484,085</b>

## INCOME TAX

*For income years commencing on or after January 1, 2003, the highest marginal rate for individuals is 5%. 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.*

<b>Revenue</b>	
FY 2004-05	\$5,570,692,650
2005-06	6,156,411,020
2006-07	6,749,357,350

### Number of Taxpayers/Filing Frequency

1.7 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

Filing Status	Connecticut Taxable Income	Rate of Tax
Single/	Not over \$10,000	3%
Married Filing Separate	Over \$10,000	\$300, plus 5% of the excess over \$10,000
Head of Household	Not over \$16,000	3%
	Over \$16,000	\$480, plus 5% of the excess over \$16,000
Joint	Not over \$20,000	3%
	Over \$20,000	\$600, plus 5% of the excess over \$20,000



## INCOME TAX (cont.)

### Exemptions

- \$12,625 for unmarried individuals. Effective for taxable years commencing on or after January 1, 2004 but prior to January 1, 2007. \$12,750 for taxable years commencing after January 1, 2007 but prior to January 1, 2008. \$13,000 for taxable years commencing on or after January 1, 2008 but prior to January 1, 2009. For taxpayers with Connecticut AGI in excess of \$25,250, the exemption decreases by \$1,000 for each \$1,000 increase in Connecticut AGI. The exemption is phased out at \$36,250.
- \$12,000 for married persons filing separately and civil union filing separately. 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, civil union filing jointly, 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.

### 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);
- Pro rata share of certain S Corporation shareholder's loss;
- 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;
- Pro rata share of certain S Corporation shareholder's income;
- Gain on sale of Connecticut bonds; and

## **INCOME TAX (cont.)**

- Connecticut Higher Education Trust (CHET) contributions of up to \$5,000 for each individual taxpayer whose filing status is single, head of household, married filing 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.

### **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, and they expect their Connecticut income tax withheld to be less than their required annual payment.

### **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. For taxable years commencing on or after January 1, 2006, the maximum credit is \$500 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.

# INSURANCE PREMIUMS TAX

*Insurance companies are taxed in Connecticut on the total net direct premiums received from policies written on property or risks within the State. In addition, total net direct subscriber charges received on any new or renewal contract or policy by a health care center is also taxed. Persons who purchase insurance from unauthorized insurers are also subject to tax. Unauthorized insurers are defined as an insurer who has not been granted a certificate of authority by the Commissioner to transact the business of insurance in Connecticut, or an insurer transacting business not authorized by a valid certificate.*

<b>Revenue</b>	
FY 2004-05	\$244,111,262
2005-06	256,717,784
2006-07	239,803,770

## **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, 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**

1,400 insurance companies/ Annually

Quarterly estimated payments for domestic and foreign insurers and health care centers.

## **Basis and Rate**

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

## INSURANCE PREMIUMS TAX (cont.)

### Comparative Data

	FY 2004-05	FY 2005-06	FY 2006-07
Domestic	\$ 36,455,232	\$ 44,241,863	\$ 41,880,953
Foreign	156,532,591	160,253,745	146,639,982
Health Care Center	45,169,057	45,927,135	45,121,639
Unauthorized	5,954,383	6,295,041	6,161,195
<b>Total</b>	<b>\$244,111,263</b>	<b>\$256,717,784</b>	<b>\$239,803,769</b>

### 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 business 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 2006 Insurance Business Tax Credits

Type of Credit	Number of Credits	Amount of Credit Claimed
Electronic Data Processing	37	\$14,249,095
Insurance Department Assessment	11	1,122,053
Insurance Reinvestment	24	4,908,110
Neighborhood Assistance	8	282,600
Historic Homes	6	528,618
<b>Total Credits</b>	<b>86</b>	<b>\$21,090,476</b>

# MOTOR CARRIER ROAD TAX

Since 1996, Connecticut has participated in the International Fuel Tax Agreement (IFTA), which is a cooperative agreement among most states and provinces of Canada to simplify 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.

<b>Revenue</b>	
FY 2004-05	\$13,238,534
2005-06	14,429,719
2006-07	13,792,065

## Exemption

- Motor bus companies whose operations in Connecticut are exclusively for purposes of charter or special operations; and
- Alternative fuels (compressed natural gas, liquefied petroleum gas, and liquefied natural gas).

## Number of Taxpayers/Filing Frequency

2,760 IFTA filers/Quarterly  
3,500 Motor Carrier filers/Quarterly

## Basis and Rate

	<b>Rate per Gallon</b>
Gasoline	25¢
Gasohol	25¢
Diesel Fuel	26¢
Diesel Fuel – effective 7/1/07	37¢
Natural Gas or Propane	26¢

## 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 2004-05	\$470,846,222
2005-06	466,438,597
2006-07	464,453,326

### 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;
- Alternative fuels (compressed natural gas, liquefied petroleum gas, and liquefied natural gas);
- 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 used in school buses;
- Diesel fuel sold exclusively for use in portable power system generators that are larger than one hundred fifty kilowatts; and
- A company that uses or consumes motor fuels exclusively for hauling waste for the Connecticut Resource Recovery Authority, Mid-Connecticut Project.

### Number of Taxpayers/Filing Frequency

700 taxpayers/Monthly

### Basis and Rate

	Rate per Gallon
Gasoline	25¢
Gasohol	25¢
Diesel Fuel	26¢
Diesel Fuel - effective 7/1/07	37¢
Natural Gas or Propane	26¢

## MOTOR VEHICLE FUELS TAX (cont.)

### Comparative Data

	Number of Gallons Sold		
	FY 2003-04	FY 2004-05	FY 2005-06
Gasoline*	299,774	0	0
Special Fuel	262,415,152	263,105,879	258,514,245
Gasohol	1,596,356,313	1,584,964,295	1,571,127,264
<b>Total Gallons</b>	<b>1,859,071,239</b>	<b>1,848,070,174</b>	<b>1,829,641,509</b>

#### \* MTBE Ban

As result of the ban on the additive methyl tertiary butyl ether (MTBE) being used in fuel, the table reflects a dramatic shift away from gasoline sales beginning with the 2003-04 fiscal year. As you can see, no gallonage figures for gasoline sales were reported. This will continue in the future.

## 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. The fee has been in effect since July 1, 2005 and is remitted quarterly.*

<b>Revenue</b>	
FY 2005-06	\$123,892,769
2006-07	126,329,508

### **Basis and Rate**

The resident day user fee is determined by the Department of Social Services on or before July 1 of each calendar year. This amount is multiplied by the nursing home's total resident days during the calendar quarter.

### **Number of Taxpayers/Filing Frequency**

218 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.*

<b>Revenue</b>	
FY 2004-05	\$6,402,371
2005-06	5,936,346
2006-07	7,029,356

## **Exemptions**

- Judges and employees of the State of Connecticut;
- Any attorney who has retired from the practice of law;
- Any attorney serving on active duty with the United States Armed Forces for more than six months of a given year; and
- Any attorney employed by a political subdivision of Connecticut or any probate court.

## **Number of Taxpayers/Filing Frequency**

12,995 Attorneys/ Annually

## **Basis and Rate**

\$450 per practicing attorney

# PETROLEUM PRODUCTS GROSS EARNINGS TAX

*A tax is levied on the gross earnings of companies distributing petroleum products in Connecticut. Petroleum products include gasoline, aviation fuel, kerosene, diesel fuel, benzol, distillate fuels, residual fuels, crude oil and derivatives of petroleum such as paint, detergents, antiseptics, fertilizers, nylon, asphalt, plastics and other similar products.*

<b>Revenue</b>	
FY 2004-05	\$179,047,466
2005-06	279,590,420
2006-07	309,403,945

## 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;
- 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 and used as a fuel for a motor vehicle;
- 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;
- Petroleum products used as fuel for a fuel cell;
- 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; and
- Diesel fuel to be used exclusively in a qualified motor vehicle by a motor carrier, as both are defined in Conn. Gen. Stats. §12-478. Effective for sales occurring on or after July 1, 2007.

## Number of Taxpayers/Filing Frequency

700 taxpayers/Quarterly

## Basis and Rate

<b>Calendar quarters commencing:</b>	<b>Rate</b>
on or after July 1, 2005	5.8%
on or after July 1, 2006	6.3%
on or after July 1, 2007	7.0%
on or after July 1, 2008	7.5%
on or after July 1, 2013	8.1%

# PUBLIC SERVICE COMPANIES TAX

Revenue	
FY 2004-05	\$198,819,211
2005-06	227,263,285
2006-07	238,000,382

## 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

120 taxpayers:

75 Public Utility Companies/Quarterly  
29 Community Antenna TV Companies/Quarterly  
4 Satellite TV Companies /Quarterly  
12 Railroad Companies/ Annually (July 1)

## Basis and Rate

Community Antenna TV*	5.5%
Certified Competitive Video Service Provider*	5.5% Effective 10/1/07
Satellite TV*	5.5%
Railroad	2 - 3.5%
Gas, Electric and Power	5%
Gas and Electric sales to residential customers	4%
Electric Distribution Companies	6.8% for residential customers 8.5% for nonresidential customers (other than manufacturers)

\*Effective October 1, 2007 through September 30, 2009 Certified Competitive Video Service Providers, Community Antenna TV, and Satellite TV service providers are subject to an additional 0.5% tax for a total tax rate equal to 5.5%. Effective October 1, 2009 the additional tax will be 0.25%. The 0.5% tax will be used to fund the Public, Educational and Governmental Programming and Education Technology Investment Account newly established under Public Act 07-253.

## PUBLIC SERVICE COMPANIES TAX (cont.)

### Residential Credit

The electric, power, and gas companies claimed \$6,852,170 in Fiscal Year 2006-07 under the one-percent credit attributable to the sale of gas and electric power for residential use.

### Manufacturing Companies Credit

\$13,393,093 was claimed in credit for Fiscal Year 2006-07 for gas and electric sales used directly by a company engaged in a manufacturing production process.

### Comparative Data

	FY 2004-05	FY 2005-06	FY 2006-07
Community Antenna & Satellite TV Systems	\$41,173,821	\$44,268,695	\$51,992,188
Electric & Power Companies	47,351,605	115,710,224	126,057,123
Gas Companies	40,765,703	0	0
Gas and Electric Companies	69,425,848	67,188,979	59,780,761
Railroad Companies	102,234	95,387	170,310
<b>Total Tax</b>	<b>\$198,819,211</b>	<b>\$227,263,285</b>	<b>\$238,000,382</b>

### Municipal Electric Utilities

Effective for calendar quarters commencing on or after July 1, 2006, the gross earnings of municipal electric utilities in Connecticut will be taxed in the same manner as the gross earnings of electric distribution companies. For calendar quarters commencing on or after July 1, 2006 municipal electric utilities are subject to gross earnings tax only on their gross earnings from providing electric transmission services and electric distribution services and will no longer be taxed on their gross earnings from other sources. The rate is 6.8% for transmitting and distributing power to residential customers and 8.5% on nonresidential services.

## 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 2004-05	\$ 199,193,074
2005-06	201,123,111
2006-07	195,216,150

### 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;
- 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; and
- 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.)

### Basis and Rate

<b>Classification</b>	<b>Rate</b>
Unimproved Land	0.5%
Nonresidential property other than Unimproved Land	1.0%
Residential Dwelling:	
Portion \$800,000 or less	0.5%
Portion that exceeds \$800,000	1.0%
Residential Property other than Residential Dwelling	0.5%
Delinquent Mortgage	0.5%

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 2006-07 Conveyances

Amount of Consideration	Number of Taxable Conveyances	Number of Non-Taxable Conveyances *	Number of Exempt Conveyances	Tax Remitted
Under \$2,000	0	31,579	8,938	\$ 0
\$ 2,000 to \$ 29,999.99	1,556	0	12	111,550
\$ 30,000 to \$ 39,999.99	474	0	0	81,501
\$ 40,000 to \$ 49,999.99	490	0	0	111,560
\$ 50,000 to \$ 59,999.99	640	0	3	176,570
\$ 60,000 to \$ 69,999.99	627	0	0	211,595
\$ 70,000 to \$ 79,999.99	710	0	1	271,955
\$ 80,000 to \$ 89,999.99	782	0	2	339,392
\$ 90,000 to \$ 99,999.99	748	0	4	358,989
\$100,000 to \$109,999.99	845	0	2	451,639
\$110,000 to \$119,999.99	978	0	2	570,219
\$120,000 to \$129,999.99	1,303	0	3	821,022
\$130,000 to \$139,999.99	1,379	0	2	938,938
\$140,000 to \$149,999.99	1,425	0	5	1,042,874
\$150,000 to \$159,999.99	1,827	0	4	1,432,928
\$160,000 to \$169,999.99	1,924	0	2	1,605,654
\$170,000 to \$179,999.99	1,963	0	2	1,737,111
\$180,000 to \$189,999.99	2,065	0	5	1,928,315
\$190,000 to \$199,999.99	2,006	0	2	1,970,709
\$200,000 to \$249,999.99	10,371	0	6	11,763,065
\$250,000 to \$299,999.99	8,487	0	9	11,723,558
\$300,000 to \$399,999.99	10,371	0	8	18,219,790
\$400,000 to \$499,999.99	5,265	0	8	11,929,805
\$500,000 to \$599,999.99	2,941	0	5	8,351,076
\$600,000 to \$699,999.99	1,927	0	5	6,481,352
\$700,000 to \$799,999.99	1,378	0	0	5,408,451
\$800,000 and over	5,205	0	13	99,783,941
<b>Total</b>	<b>67,687</b>	<b>31,579</b>	<b>9,043</b>	<b>\$187,823,559</b>

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

## RENTAL SURCHARGE

*The Rental Surcharge is imposed on the rental of each private passenger motor vehicle or rental truck in Connecticut by a rental company for a period of less than 31 days. 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.*

*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.*

*The surcharge was broadened to include a 1.5% surcharge on machinery rented within Connecticut for a period of less than 31 days. The term of a machinery rental begins on the date a piece of machinery is rented to a lessee and terminates on the date the piece of machinery is returned to the rental company. Machinery means heavy equipment intended for outside use that may be used for construction, mining, or forestry. It is rented without an operator and is propelled by its own internal engine or internal power source.*

Revenue		
FY	2004-05	\$ 312,918
	2005-06	431,753
	2006-07	401,543

### Exemptions

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

### Number of Taxpayers / Filing Frequency

328 taxpayers / Annually

### 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 by rental companies during 2006 amounted to \$5,942,002. 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

### 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. Due to legislative changes enacted during the 2005 Legislative Session, 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 2005-06:      \$ 5,122,957*

## 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 business services.*

<b>Revenue</b>	
FY 2004-05	\$ 3,291,372,489
2005-06	3,404,541,887
2006-07	3,498,793,678

### **Basis and Rate**

6% on the gross receipts from the sale, rental or leasing of tangible personal property, and the rendering of certain business services (general rate);

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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;

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1% on computer and data processing services;

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12% on the rental of rooms in a hotel or lodging house.

### **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 2006-07. Note that the revenue forgone for each exemption monitored is computed at the 6% rate.

## FY 2006-07 SALES TAX EXEMPTIONS

*(In Millions)*

<b>Deductible Item</b>	<b>Total Deductions</b>	<b>Revenue Forgone</b>
Sale for Resale - Goods	\$88,880.9	\$5,332.9
Sale for Resale - Leases and Rentals	1,370.8	82.2
Sale for Resale - Labor and Services	2,010.8	120.6
Newspapers/Magazines by Subscription	257.9	15.5
Trucks with Gross Vehicle Weight Over 26,000 Pounds or Used for Interstate Freight	367.6	22.1
Food Products for Human Consumption	5,790.9	347.5
Fuel for Motor Vehicles	6,283.2	377.0
Electricity/Gas/Heating Fuel (residential)	2,521.8	151.3
Electricity (\$150 monthly per business)	61.2	3.7
Electricity/Gas/Heating Fuel for Manufacturing or Agricultural Production	500.6	30.0
Aviation Fuel	90.7	5.4
Sales of Tangible Personal Property to Farmers	127.4	7.6
Machinery/Materials/ Tools/Fuel - Mfg. Product	1,822.5	109.3
Machinery/Materials/ Equip. - Printing	87.2	5.2
Machinery/Materials/ Tools/Fuel - Comm. Fishing	1,815.5	108.9
Out-of-State - Sale of Goods	51,278.1	3,076.7
Out-of-State - Leases/Rentals	694.2	41.7
Out-of-State - Labor and Services	7,608.8	456.5
Sales of Motor Vehicles, Vessels to Nonresidents	774.1	46.4
Prescription Medicines	4,510.2	270.6
Non-Prescription Medicines and Diabetic Equipment	263.4	15.8
Charitable/Government/Religious - Sale of Goods	7,420.6	445.2
Charitable/Government/Religious - Leases and Rentals	252.1	15.1
Charitable/Government/Religious - Labor and Services	4,517.7	271.1

**FY 2006-07 SALES TAX EXEMPTIONS (cont.)**  
(In Millions)

<b>Deductible Item</b>	<b>Total Deductions</b>	<b>Revenue Forgone</b>
Pollution Abatement	\$278.2	\$16.7
Non-Taxable Labor and Services	15,294.3	917.7
Business Services/Parent Owned Subs.	284.4	17.1
Trade-ins of Like-Kind Personal Property	887.6	53.3
Taxed Goods returned within 90 days	74.0	4.4
Oxygen, Plasma, Prostheses, etc.	161.4	9.7
Printed Material for Future Delivery Out-of-State	183.9	11.0
Clothing/Footwear under \$50	2,065.8	123.9
Material for Non-commercial Production of Clothing	10.4	0.6
Funeral Expenses up to \$2,500	71.2	4.3
Repair or Replacement Parts/Repair Services to Aircraft	199.6	12.0
Certain Machinery - Manufacturing Recovery Act of 1992 (Difference between the 6% and 3% Rates)	24.8	1.5
Sales of Machinery, Equipment, Tools, Fuel, and Supplies used in the Biotechnology Industry	17.0	1.0
Sales of Repair and Maintenance Service to Vessels	102.9	6.2
Computer and Data Processing Services (Difference between the 6% and 1% Rates)	1,266.4	76.0
Renovation Services to Residential Property	394.9	23.7
Sales to Direct Payment Permit Holders	243.3	14.6
Sales of College Textbooks	21.6	1.3
Sales Tax Holidays for Clothing Under \$300 and Weatherization Products	142.0	8.5
Other Adjustments	6,463.2	387.8
<b>TOTAL</b>	<b>\$217,495.1</b>	<b>\$13,049.7</b>

## SALES AND USE TAXES (cont.)

### Number of Taxpayers/Filing Frequency

172,810 Sales and Use Taxpayers  
     28,560 / Monthly  
     50,490 / Quarterly  
     93,760 / Annually

3,420 Business Use Taxpayers

660 Room Occupancy Taxpayers  
     450 / Monthly  
     210 / Quarterly

### Comparative Data

Table I 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 I:**  
*(In Millions)*

Gross Receipts Attributable to:	FY 2004-05	FY 2005-06	FY 2006-07
Sales of Tangible Personal Property	\$191,548.3	\$217,451.6	\$225,156.7
Leasing/Rental of Tangible Personal Property	3,175.0	3,349.0	3,306.3
Rendering of Services	35,835.6	36,336.1	39,619.0
Business Use Purchases	3,111.3	3,000.0	3,265.3
Room Occupancy	589.2	633.1	666.4

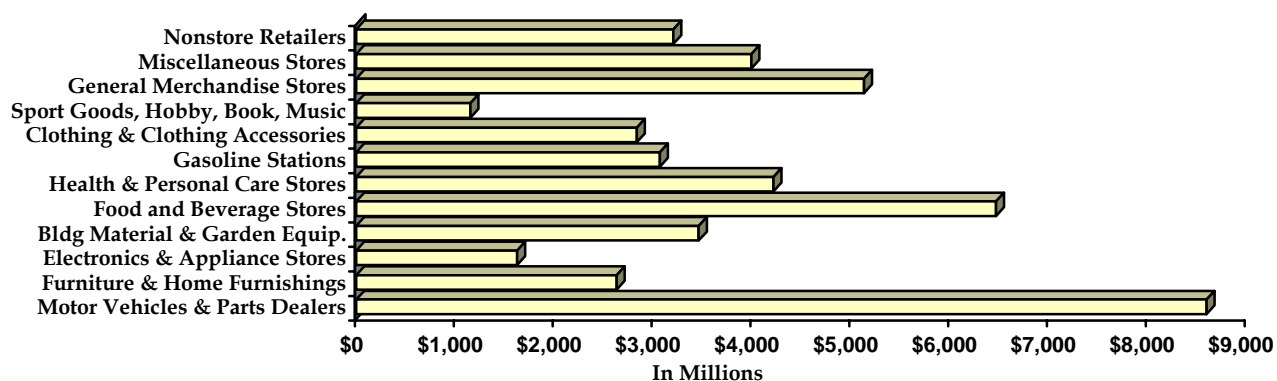
Table II, on the following page, provides a summary of retail sales of goods for the state of Connecticut for the past three fiscal years. The figures reflect fluctuations in sales of durable and non-durable goods. Durable goods are usually more expensive items expected to last more than three years, such as automobiles and large household appliances. These sales are provided by selected major groups 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.

## SALES AND USE TAXES (cont.)

**TABLE II: Retail Sales Volume - Fiscal Years 2005 - 2007**  
(In Millions)

	FY 2004-05	FY 2005-06	FY 2006-07
Motor Vehicle and Parts Dealers (NAICS 441)	\$8,784.4	\$8,420.7	\$8,602.4
Furniture and Home Furnishings Stores (NAICS 442)	2,663.5	2,784.3	2,634.9
Electronics and Appliance Stores (NAICS 443)	1,508.8	1,645.7	1,627.4
Building Material and Garden Equipment and Supplies Dealers (NAICS 444)	3,434.6	3,532.3	3,464.7
Food and Beverage Stores (NAICS 445)	5,694.7	5,945.3	6,471.6
Health and Personal Care Stores (NAICS 446)	3,457.9	3,555.0	4,219.2
Gasoline Stations (NAICS 447)	2,660.1	3,050.3	3,072.7
Clothing and Clothing Accessories Stores (NAICS 448)	2,677.0	2,712.0	2,838.4
Sporting Goods, Hobby, Book and Music Stores (NAICS 451)	1,079.3	1,091.4	1,155.3
General Merchandise Stores (NAICS 452)	4,838.6	5,059.1	5,135.1
Miscellaneous Store Retailers (NAICS 453)	3,471.2	3,791.8	3,997.7
Nonstore Retailers (NAICS 454)	2,824.0	2,933.1	3,208.5
<b>TOTAL (NAICS 44-45)</b>	<b>\$ 43,094.1</b>	<b>\$ 44,521.1</b>	<b>\$46,427.9</b>

### RETAIL SALES FY 2006-07 RETAIL ESTABLISHMENTS (NAICS 44-45)



## SALES AND USE TAXES (cont.)

Table III provides total sales and use taxes revenues by the economic activities sectors of the North American Industry Classification System (NAICS) for fiscal years 2005 through 2007. The revenues are from regular payments and represent 94% of the total sales and use taxes collected in FY 2006-07.

**TABLE III: Sales & Use Tax - From Regular Payments**  
**Fiscal Years 2005 - 2007**  
*(In Millions)*

	NAICS Code	FY 2004-05	FY 2005-06	FY 2006-07
<i>Motor Vehicle and Parts Dealers</i>	441	\$ 402.4	\$370.4	\$374.3
<i>Furniture and Home Furnishings</i>	442	81.2	83.9	84.0
<i>Electronics and Appliance Stores</i>	443	71.4	77.3	78.6
<i>Building Material and Garden Equipment</i>	444	188.0	189.6	178.6
<i>Food and Beverage Stores</i>	445	157.6	163.9	170.3
<i>Health and Personal Care Stores</i>	446	41.4	42.1	43.3
<i>Gasoline Stations</i>	447	31.1	32.6	33.4
<i>Clothing and Clothing Accessories Stores</i>	448	70.4	74.7	79.5
<i>Sporting Goods, Hobby, Book &amp; Music Stores</i>	451	46.5	46.4	50.8
<i>General Merchandise Stores</i>	452	171.6	176.4	179.8
<i>Miscellaneous Store Retailers</i>	453	148.2	152.1	158.3
<i>Nonstore Retailers</i>	454	48.9	54.7	57.8
<b>Retail Sector Subtotal</b>	<b>44-45</b>	<b>\$1,458.7</b>	<b>\$1,464.1</b>	<b>\$1,488.7</b>
<b>Utilities</b>	<b>22</b>	<b>83.8</b>	<b>99.4</b>	<b>114.1</b>
<b>Construction</b>	<b>23</b>	<b>126.5</b>	<b>135.0</b>	<b>144.6</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>164.3</b>	<b>169.2</b>	<b>170.7</b>
<b>Wholesale Trade</b>	<b>42</b>	<b>181.6</b>	<b>191.3</b>	<b>193.0</b>
<b>Information</b>	<b>51</b>	<b>242.8</b>	<b>246.0</b>	<b>254.5</b>
<b>Arts, Entertainment &amp; Recreation</b>	<b>71</b>	<b>22.1</b>	<b>22.3</b>	<b>24.0</b>
<b>Accommodation and Food Services</b>	<b>72</b>	<b>230.6</b>	<b>240.9</b>	<b>256.5</b>
<b>Other Services (except Public Admin)</b>	<b>81</b>	<b>121.2</b>	<b>126.9</b>	<b>126.6</b>
<b>All Other Businesses</b>		<b>497.9</b>	<b>525.2</b>	<b>540.8</b>
<b>TOTAL SALES &amp; USE TAX REVENUE</b>		<b>\$3,129.5</b>	<b>\$3,220.3</b>	<b>\$3,313.5</b>

# 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.*

<b>Revenue</b>	
FY 2004-05	\$3,384,607
2005-06	3,426,551
2006-07	3,499,093

**Number of Taxpayers / Filing Frequency**

9 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.*

<b>Revenue</b>	
FY 2004-05	\$3,793,951
2005-06	4,688,014
2006-07	5,266,085

## **Exemptions**

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

## **Number of Taxpayers/Filing Frequency**

297 distributors/Monthly

## **Basis and Rate**

20% of the wholesale sales price. Snuff tobacco products are taxed at a rate of 40¢ 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.*

<b>Revenue</b>	
FY 2004-05	\$4,670,440
2005-06	4,750,619
2006-07	4,949,007

## **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**

32 taxpayers / Monthly  
265 taxpayers / Quarterly

## **Basis and Rate**

\$1.00 per rental/leasing day or portion thereof, of passenger motor vehicles.

## UNRELATED BUSINESS TAXABLE INCOME TAX

*The Unrelated Business Taxable 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. For most taxpayers, the due date is either April 15 or May 15, depending on the entity. Foreign trusts however, generally have a due date of June 15.*

<b>Revenue</b>	
FY 2004-05	\$ 867,828
2005-06	1,067,959
2006-07	2,240,230

### **Number of Taxpayers / Filing Frequency**

291 organizations / Annually

### **Basis and Rate**

7.5% of the unrelated business income of the organization. A surtax of 20% applied to returns for the 2006 income year. No minimum tax is required.

### **Credits**

For the 2005 income year, 53 taxpayers claimed \$31,051 in Electronic Data Processing Property Tax Credits.

## 2006-07 REAL ESTATE CONVEYANCE TAX BY TOWN

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
ANDOVER	34	67	\$ 14,877,081	\$ 74,385
ANSONIA	194	282	73,727,179	393,863
ASHFORD	62	102	20,033,485	104,617
AVON	252	407	227,432,635	1,300,406
BARKHAMSTED	65	67	18,145,945	101,187
BEACON FALLS	54	119	37,242,930	202,012
BERLIN	263	385	139,949,839	896,878
BETHANY	66	96	37,232,566	193,243
BETHEL	261	297	114,351,563	642,691
BETHLEHEM	61	58	20,230,431	103,727
BLOOMFIELD	241	486	264,586,506	1,727,516
BOLTON	64	101	29,599,242	156,946
BOZRAH	49	48	12,845,700	70,154
BRANFORD	412	607	221,351,574	1,292,946
BRIDGEPORT	1,293	2,471	631,422,546	3,423,250
BRIDGEWATER	23	31	17,887,537	109,978
BRISTOL	657	1,165	288,512,017	1,724,830
BROOKFIELD	210	378	177,761,417	972,351
BROOKLYN	119	141	35,665,035	178,726
BURLINGTON	122	176	59,150,796	297,804
CANAAN	25	25	9,009,740	54,449
CANTERBURY	94	81	19,809,329	99,047
CANTON	159	263	87,164,739	454,353
CHAPLIN	37	34	6,443,291	32,216
CHESHIRE	259	531	230,430,372	1,418,255
CHESTER	51	76	25,842,486	140,682
CLINTON	211	300	114,411,061	699,585
COLCHESTER	167	328	87,796,746	451,419
COLEBROOK	28	28	6,397,100	32,236
COLUMBIA	65	94	25,258,099	137,690
CORNWALL	67	48	25,959,032	168,795
COVENTRY	205	262	65,460,788	329,950
CROMWELL	183	429	104,585,116	557,601
DANBURY	753	1,379	557,232,553	3,317,460
DARIEN	207	447	672,253,092	5,156,752
DEEP RIVER	79	96	31,452,386	183,155
DERBY	129	242	66,859,004	383,744
DURHAM	92	125	43,707,960	224,610
EASTFORD	39	60	43,677,329	221,282
EAST GRANBY	74	136	47,925,161	284,535
EAST HADDAM	192	242	67,412,547	342,425
EAST HAMPTON	190	340	89,038,221	481,598
EAST HARTFORD	521	1,018	218,485,237	1,251,498

## 2006-07 REAL ESTATE CONVEYANCE TAX BY TOWN (cont.)

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
EAST HAVEN	366	553	\$174,813,537	\$ 914,026
EAST LYME	312	426	156,410,061	854,472
EASTON	109	101	75,567,104	444,416
EAST WINDSOR	160	268	96,845,285	688,549
ELLINGTON	203	299	98,295,329	515,410
ENFIELD	413	740	222,172,999	1,479,866
ESSEX	82	154	77,577,018	457,118
FAIRFIELD	594	1,078	841,051,700	5,328,848
FARMINGTON	392	601	257,520,515	1,465,906
FRANKLIN	23	23	7,353,200	55,641
GLASTONBURY	445	824	331,163,392	1,861,086
GOSHEN	93	90	31,701,278	171,764
GRANBY	163	235	75,843,928	380,964
GREENWICH	758	1,163	3,077,780,895	26,120,669
GRISWOLD	200	292	58,096,860	298,947
GROTON	406	640	219,723,571	1,248,350
GUILFORD	349	465	236,382,430	1,290,468
HADDAM	141	186	56,748,476	303,617
HAMDEN	588	1,160	395,978,600	2,440,453
HAMPTON	28	51	11,257,950	56,290
HARTFORD	894	1,425	499,904,359	3,322,352
HARTLAND	39	39	8,902,312	44,512
HARWINTON	81	107	26,819,914	134,870
HEBRON	121	158	47,158,756	239,091
KENT	59	63	29,330,737	172,898
KILLINGLY	338	401	82,369,956	431,333
KILLINGWORTH	115	114	46,798,453	239,887
LEBANON	104	133	28,416,543	142,083
LEDYARD	151	329	78,808,225	401,541
LISBON	84	64	16,757,318	87,048
LITCHFIELD	150	171	71,768,815	451,846
LYME	87	59	36,395,650	221,268
MADISON	247	336	220,158,158	1,308,276
MANCHESTER	528	1,148	290,898,709	1,714,656
MANSFIELD	140	287	87,755,061	439,983
MARLBOROUGH	77	118	40,269,245	204,807
MERIDEN	671	1,296	314,009,305	1,725,920
MIDDLEBURY	133	191	81,023,547	423,138
MIDDLEFIELD	62	69	18,018,548	93,548
MIDDLETOWN	435	903	242,970,720	1,333,806
MILFORD	573	985	394,035,197	2,241,864
MONROE	185	313	143,064,480	769,112
MONTVILLE	221	382	108,333,669	576,063

## 2006-07 REAL ESTATE CONVEYANCE TAX BY TOWN (cont.)

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
MORRIS	46	59	\$ 26,199,792	\$ 169,219
NAUGATUCK	352	689	154,091,863	815,286
NEW BRITAIN	685	1,159	283,115,328	1,691,632
NEW CANAAN	307	367	670,940,066	5,335,791
NEW FAIRFIELD	168	249	104,353,087	548,770
NEW HARTFORD	112	170	46,737,018	256,117
NEW HAVEN	1,099	1,795	602,329,728	3,858,273
NEWINGTON	332	659	208,174,806	1,323,533
NEW LONDON	265	456	120,732,213	633,007
NEW MILFORD	410	638	243,182,094	1,451,485
NEWTOWN	356	482	244,914,669	1,346,401
NORFOLK	51	42	14,305,788	74,654
NORTH BRANFORD	120	188	53,005,603	280,248
NORTH CANAAN	44	57	12,511,608	68,933
NORTH HAVEN	239	387	207,110,121	1,480,347
NORTH STONINGTON	100	117	42,271,349	259,197
NORWALK	874	1,747	1,095,910,057	6,784,768
NORWICH	468	796	173,852,570	972,425
OLD LYME	247	185	91,446,031	544,880
OLD SAYBROOK	202	264	126,511,129	766,838
ORANGE	156	212	105,760,833	635,988
OXFORD	161	251	103,983,264	526,091
PLAINFIELD	197	313	71,445,351	419,661
PLAINVILLE	209	350	80,021,556	450,733
PLYMOUTH	178	264	55,752,034	300,785
POMFRET	49	53	22,083,800	159,762
PORTLAND	131	189	53,792,100	310,886
PRESTON	78	105	24,495,541	127,678
PROSPECT	83	150	48,525,976	259,991
PUTNAM	125	211	46,098,187	242,870
REDDING	114	131	98,633,795	582,646
RIDGEFIELD	314	481	403,087,575	2,563,121
ROCKY HILL	201	359	138,470,601	862,591
ROXBURY	42	56	42,918,076	272,952
SALEM	65	108	23,629,470	118,147
SALISBURY	77	98	66,716,937	451,352
SCOTLAND	23	22	5,379,280	26,896
SEYMOUR	229	323	93,212,874	479,355
SHARON	59	72	39,164,634	263,184
SHELTON	378	769	469,713,969	3,265,890
SHERMAN	81	79	41,840,443	232,854
SIMSBURY	217	540	211,235,592	1,129,199
SOMERS	151	141	42,521,137	217,286

## 2006-07 REAL ESTATE CONVEYANCE TAX BY TOWN (cont.)

Municipality	Non-taxable and Exempt Conveyances	Taxable Conveyances	Consideration for Taxable Conveyances	Tax Remitted
SOUTHBURY	292	441	\$ 156,431,189	\$ 868,998
SOUTHINGTON	484	830	240,185,073	1,286,670
SOUTH WINDSOR	256	512	155,926,292	855,731
SPRAGUE	47	42	13,618,700	93,694
STAFFORD	174	300	57,709,571	331,596
STAMFORD	1,091	2,263	1,781,442,249	11,957,123
STERLING	52	107	27,602,987	146,937
STONINGTON	333	390	186,296,137	1,157,975
STRATFORD	526	1,092	352,848,884	2,005,510
SUFFIELD	184	275	90,976,761	485,651
THOMASTON	80	134	31,054,649	167,776
THOMPSON	172	165	28,906,417	148,332
TOLLAND	126	277	80,002,274	407,014
TORRINGTON	481	871	176,047,981	981,015
TRUMBULL	302	511	406,900,185	2,737,045
UNION	10	12	2,663,400	13,317
VERNON	257	628	175,007,015	1,143,187
VOLUNTOWN	32	47	12,530,877	72,447
WALLINGFORD	460	902	319,868,627	2,033,020
WARREN	38	49	26,683,700	174,043
WASHINGTON	113	106	91,557,397	657,457
WATERBURY	1,206	2,325	477,501,868	2,693,897
WATERFORD	281	402	134,803,555	794,965
WATERTOWN	281	338	102,151,188	594,047
WESTBROOK	203	236	51,388,916	300,092
WEST HARTFORD	569	1,181	402,296,481	2,152,751
WEST HAVEN	570	823	201,242,423	1,084,710
WESTON	138	190	195,823,621	1,303,523
WESTPORT	424	576	867,723,330	6,659,149
WETHERSFIELD	276	484	128,863,758	692,242
WILLINGTON	61	75	28,697,693	145,788
WILTON	205	326	341,922,269	2,273,524
WINCHESTER	154	276	54,922,698	283,888
WINDHAM	188	355	60,100,451	319,579
WINDSOR	311	641	275,665,765	1,984,160
WINDSOR LOCKS	145	307	106,013,932	713,788
WOLCOTT	225	308	85,444,368	457,428
WOODBIDGE	107	141	88,174,628	465,613
WOODBURY	138	191	80,081,599	451,185
WOODSTOCK	150	181	42,491,621	219,158
TOWN UNKNOWN	36	86	60,641,581	460,204
<b>TOTAL</b>	<b>40,622</b>	<b>67,687</b>	<b>\$ 29,515,259,270</b>	<b>\$ 187,823,559</b>

## 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 returns 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 2005-06	FY 2006-07
Corporation Tax	Penalty	\$ 2,422,950	\$ 1,915,872
	Interest	55,651,785	37,373,504
Income Tax	Penalty	11,206,424	14,861,631
	Interest	16,584,552	36,869,280
Sales & Use Taxes	Penalty	12,098,128	12,521,061
	Interest	32,130,362	26,211,972
All Other Taxes	Penalty	2,175,485	4,937,885
	Interest	5,154,339	9,826,044
Total	Penalty	27,902,987	34,236,449
	Interest	109,521,038	110,280,800



## 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 a 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 33,646 external offsets in Fiscal Year 2006-07, totaling \$8,669,668.*

*Listed below are the refund amounts by tax type for Fiscal Years 2005-06 and 2006-07.*

### AMOUNT OF TAXES REFUNDED

TAX TYPE	FY 2005-06	FY 2006-07
Admissions & Dues	\$ 29,556	\$ 83,144
Business Entity	2,934,612	894,604
Business Use	1,189,656	2,449,915
Cigarette	571,071	643,102
Community Antenna	(103,998)	90,201
Controlling Interest	567,533	1,406,455
Corp. R&D Credit Buyback	6,694,387	5,982,857
Corporation Business	108,151,052	109,152,899
CT Estate Tax	7,732,238	1,519,438
Domestic Insurers	337,105	528,705
Foreign Insurers	2,945,639	5,223,536
Gas & Electric Companies	0	110,537
Gas Companies	524,451	0
Gift Tax	529,682	432,288
Gift & Estate	136,992	4,349,954
Income Tax	578,492,921	596,386,119
Individual Use Tax	355,808	305,056
Motor Carrier	1,906,165	1,452,316
Motor Fuel	6,944,141	6,568,680
Nursing Home User Fee	10,352	236,016
Occupational	29,345	53,526
Petroleum Products	459,927	6,304,866
Real Estate Conveyance	447,186	123,306
Room Occupancy	62,165	231,794
Sales & Use Taxes	16,964,678	13,778,673
Succession Tax	6,233,883	1,408,807
Tobacco Distributor	466,376	467,792
Unauthorized Insurance	4,840	109,330
Unrelated Business Income	252,958	151,025
Miscellaneous	1,182,471	111,412
<b>Total</b>	<b>\$746,053,192</b>	<b>\$760,556,353</b>

**COMPARATIVE SUMMARY OF RETAIL SALES AND  
TAX RECEIPTS BY TOWN\*  
FISCAL YEARS ENDING JUNE 30, 2006 AND 2007  
(IN THOUSANDS)**

TOWN	Retail Sales	Retail Sales	Sales & Use Tax	Sales & Use Tax	SUT Collections
	FY 2005-06	FY 2006-07	FY 2005-06	FY 2006-07	% Change
	NAICS 44-45	NAICS 44-45	(All Businesses)	(All Businesses)	FY 06/FY 07
ANDOVER	\$ 2,472.8	\$ 1,892.2	\$ 434.1	\$ 407.2	-6.2%
ANSONIA	82,921.5	83,732.3	4,526.2	4,426.3	-2.2%
ASHFORD	2,140.9	2,638.5	459.7	518.5	12.8%
AVON	91,686.8	92,843.7	7,990.0	8,273.6	3.5%
BARKHAMSTED	442.1	4,018.0	68.1	660.2	869.5%
BEACON FALLS	7,371.5	9,497.2	661.4	607.9	-8.1%
BERLIN	285,587.0	304,697.3	79,783.6	86,306.2	8.2%
BETHANY	3,905.5	3,639.1	1,197.4	1,218.3	1.7%
BETHEL	96,738.0	93,684.8	7,387.8	7,641.6	3.4%
BETHLEHEM	7,423.4	7,522.5	886.7	852.7	-3.8%
BLOOMFIELD	228,651.1	224,103.6	14,106.4	13,845.2	-1.9%
BOLTON	15,240.6	16,423.3	1,862.3	1,869.3	0.4%
BOZRAH	8,203.9	7,979.1	1,370.4	1,470.4	7.3%
BRANFORD	676,644.7	700,152.4	32,655.4	32,620.1	-0.1%
BRIDGEPORT	960,686.9	1,029,488.6	53,214.4	52,134.7	-2.0%
BRIDGEWATER	6,985.6	6,935.8	412.3	454.8	10.3%
BRISTOL	361,878.5	404,960.5	22,605.8	25,603.3	13.3%
BROOKFIELD	295,810.1	259,925.9	15,339.4	14,445.7	-5.8%
BROOKLYN	25,258.3	31,732.1	1,651.7	1,994.6	20.8%
BURLINGTON	8,025.2	11,204.3	1,167.9	1,188.3	1.7%
CANAAN	30,216.9	26,661.8	3,572.2	2,859.0	-20.0%
CANTERBURY	7,932.8	2,994.5	1,117.8	833.9	-25.4%
CANTON	153,091.7	157,628.3	10,553.3	10,863.9	2.9%
CHAPLIN	8,366.3	6,903.8	414.8	425.8	2.7%
CHESHIRE	422,160.4	431,228.8	18,388.6	19,380.8	5.4%
CHESTER	7,978.7	12,139.5	1,128.3	1,164.6	3.2%
CLINTON	109,430.7	120,413.5	8,390.4	8,986.4	7.1%
COLCHESTER	165,553.1	179,152.8	6,813.4	7,321.3	7.5%
COLEBROOK	584.8	567.5	44.1	39.3	-10.9%
COLUMBIA	55,367.3	51,363.0	3,520.0	3,205.1	-8.9%
CORNWALL	4,022.6	5,023.8	355.9	566.4	59.1%
COVENTRY	25,269.2	27,770.8	1,630.5	1,686.6	3.4%
CROMWELL	61,006.7	63,195.7	7,129.9	7,313.6	2.6%
DANBURY	1,718,096.5	1,634,257.4	118,094.6	112,230.5	-5.0%
DARIEN	466,413.2	466,922.6	28,022.8	27,455.5	-2.0%

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**COMPARATIVE SUMMARY OF RETAIL SALES AND  
TAX RECEIPTS BY TOWN\*  
FISCAL YEARS ENDING JUNE 30, 2006 AND 2007  
(IN THOUSANDS)**

TOWN	Retail Sales	Retail Sales	Sales & Use Tax	Sales & Use Tax	SUT Collections
	FY 2005-06 NAICS 44-45	FY 2006-07 NAICS 44-45	FY 2005-06 (All Businesses)	FY 2006-07 (All Businesses)	% Change FY 06/FY 07
DEEP RIVER	8,508.2	10,676.8	1,070.7	1,202.9	12.3%
DERBY	148,907.6	124,989.0	7,528.9	7,050.9	-6.3%
DURHAM	20,045.8	22,275.2	1,732.5	1,762.8	1.7%
EAST GRANBY	18,355.4	31,974.3	2,433.0	2,825.4	16.1%
EAST HADDAM	36,429.5	37,444.2	2,007.8	2,044.0	1.8%
EAST HAMPTON	24,753.6	22,294.4	1,981.8	2,164.5	9.2%
EAST HARTFORD	904,817.5	860,321.7	38,685.8	39,290.8	1.6%
EAST HAVEN	218,298.8	183,094.6	12,608.3	9,379.2	-25.6%
EAST LYME	84,113.4	90,660.9	5,197.2	5,399.9	3.9%
EAST WINDSOR	142,256.3	148,563.5	8,469.5	7,967.9	-5.9%
EASTFORD	10,354.7	10,970.6	556.1	466.6	-16.1%
EASTON	5,305.5	6,883.5	983.2	974.3	-0.9%
ELLINGTON	97,649.3	93,521.0	5,441.8	5,462.3	0.4%
ENFIELD	402,916.3	406,027.4	24,410.5	24,900.7	2.0%
ESSEX	53,244.7	54,960.2	4,297.5	4,236.2	-1.4%
FAIRFIELD	654,439.8	684,375.6	50,891.2	52,776.0	3.7%
FARMINGTON	555,889.8	736,110.3	32,762.9	36,751.0	12.2%
FRANKLIN	34,129.7	35,024.8	2,889.8	3,006.5	4.0%
GLASTONBURY	232,030.1	226,350.5	18,486.5	18,772.1	1.5%
GOSHEN	4,499.4	4,471.7	611.6	624.0	2.0%
GRANBY	32,703.6	34,197.5	3,166.6	3,116.6	-1.6%
GREENWICH	1,208,976.9	1,189,037.7	60,731.0	63,843.7	5.1%
GRISWOLD	29,789.1	28,791.0	1,770.3	1,760.7	-0.5%
GROTON	209,111.6	223,333.8	19,491.7	18,014.8	-7.6%
GUILFORD	189,733.3	171,902.9	7,949.9	8,236.2	3.6%
HADDAM	32,170.8	30,460.2	1,493.4	1,477.8	-1.0%
HAMDEN	323,260.6	332,820.9	22,757.8	23,155.9	1.7%
HAMPTON	302.5	353.7	131.0	144.0	9.9%
HARTFORD	1,088,654.2	1,235,655.0	116,227.8	118,075.5	1.6%
HARTLAND	406.6	54.2	152.9	210.5	37.7%
HARWINTON	5,512.8	6,682.2	1,123.5	1,118.8	-0.4%
HEBRON	26,068.4	28,105.5	1,339.4	1,297.0	-3.2%
KENT	26,284.8	25,262.0	1,889.9	1,891.7	0.1%
KILLINGLY	141,686.1	125,687.3	7,900.4	7,155.4	-9.4%
KILLINGWORTH	7,856.7	8,363.0	1,194.1	1,263.2	5.8%

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**COMPARATIVE SUMMARY OF RETAIL SALES AND  
TAX RECEIPTS BY TOWN\*  
FISCAL YEARS ENDING JUNE 30, 2006 AND 2007  
(IN THOUSANDS)**

TOWN	Retail Sales	Retail Sales	Sales & Use Tax	Sales & Use Tax	SUT Collections
	FY 2005-06	FY 2006-07	FY 2005-06	FY 2006-07	% Change
	NACIS 44-45	NACIS 44-45	(All Businesses)	(All Businesses)	FY 06/FY 07
LEBANON	8,218.7	6,905.8	742.5	790.6	6.5%
LEDYARD	32,995.4	37,281.4	4,496.3	4,400.5	-2.1%
LISBON	13,248.2	12,579.8	1,611.1	1,431.0	-11.2%
LITCHFIELD	93,002.3	78,713.7	6,476.7	6,307.5	-2.6%
LYME	1,557.7	1,552.6	77.2	98.2	27.2%
MADISON	113,965.1	111,958.0	7,989.5	7,715.1	-3.4%
MANCHESTER	2,887,819.5	3,030,230.2	133,347.2	137,173.7	2.9%
MANSFIELD	71,830.9	69,016.1	3,121.8	3,117.5	-0.1%
MARLBOROUGH	19,978.0	18,856.6	1,209.0	1,216.6	0.6%
MERIDEN	356,530.4	332,210.8	25,382.7	24,111.1	-5.0%
MIDDLEBURY	61,469.7	59,625.1	4,172.2	4,297.1	3.0%
MIDDLEFIELD	10,655.5	11,960.4	1,597.4	1,723.2	7.9%
MIDDLETOWN	276,312.7	287,210.9	24,453.2	25,122.5	2.7%
MILFORD	777,802.7	1,409,384.6	45,428.5	45,189.5	-0.5%
MONROE	161,049.1	171,138.8	13,757.0	13,379.2	-2.7%
MONTVILLE	63,553.4	66,918.7	5,823.3	6,738.8	15.7%
MORRIS	2,687.8	3,102.3	333.5	353.9	6.1%
NAUGATUCK	95,385.1	88,769.0	7,193.7	8,484.2	17.9%
NEW BRITAIN	290,915.8	272,888.1	21,992.6	21,506.2	-2.2%
NEW CANAAN	209,812.2	200,296.4	10,702.6	10,213.3	-4.6%
NEW FAIRFIELD	73,700.2	25,858.9	4,692.3	1,600.2	-65.9%
NEW HARTFORD	35,546.8	12,618.8	2,689.3	985.3	-63.4%
NEW HAVEN	901,909.4	973,937.2	124,165.5	132,198.9	6.5%
NEW LONDON	345,667.5	332,799.6	18,297.6	17,843.4	-2.5%
NEW MILFORD	194,807.4	213,145.5	13,195.4	12,972.4	-1.7%
NEWINGTON	188,479.0	185,710.9	25,874.9	26,515.5	2.5%
NEWTOWN	109,269.6	114,588.7	7,333.2	7,171.3	-2.2%
NORFOLK	1,867.0	2,084.6	369.8	395.4	6.9%
NORTH BRANFORD	61,388.5	66,870.8	5,383.8	5,733.0	6.5%
NORTH CANAAN	642.2	1,818.8	147.6	502.4	240.4%
NORTH HAVEN	1,539,509.7	1,475,457.2	93,638.4	89,780.1	-4.1%
NORTH STONINGTON	18,574.8	16,056.4	1,152.6	1,450.5	25.8%
NORWALK	1,335,509.5	1,397,248.5	107,296.2	114,444.0	6.7%
NORWICH	320,545.9	331,737.8	21,212.3	20,608.7	-2.8%
OLD LYME	95,542.6	102,135.0	3,163.1	3,368.8	6.5%

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FISCAL YEARS ENDING JUNE 30, 2006 AND 2007  
(IN THOUSANDS)**

TOWN	Retail Sales	Retail Sales	Sales & Use Tax	Sales & Use Tax	SUT Collections
	FY 2005-06	FY 2006-07	FY 2005-06	FY 2006-07	% Change
	NAICS 44-45	NACIS 44-45	(All Businesses)	(All Businesses)	FY 06/FY 07
OLD SAYBROOK	241,442.7	260,926.7	12,899.1	13,372.6	3.7%
ORANGE	164,597.2	154,711.8	34,695.9	39,088.2	12.7%
OXFORD	50,426.4	44,010.6	4,130.1	3,925.8	-4.9%
PLAINFIELD	122,580.5	113,911.2	5,311.4	5,285.0	-0.5%
PLAINVILLE	160,738.6	143,757.5	14,040.4	14,196.5	1.1%
PLYMOUTH	50,813.6	43,074.5	3,190.7	3,048.1	-4.5%
POMFRET	32,366.2	3,684.7	855.2	862.3	0.8%
PORTLAND	94,583.4	89,699.5	3,752.9	3,717.4	-0.9%
PRESTON	18,310.1	17,740.6	1,126.0	1,136.6	0.9%
PROSPECT	39,727.8	40,424.6	2,273.8	2,321.7	2.1%
PUTNAM	89,060.5	82,932.9	6,084.4	6,179.3	1.6%
REDDING	14,801.2	15,338.9	1,958.9	1,862.4	-4.9%
RIDGEFIELD	196,130.5	184,227.2	15,102.7	15,099.2	0.0%
ROCKY HILL	86,415.7	91,369.3	12,070.7	13,687.7	13.4%
ROXBURY	2,191.6	1,975.1	360.4	308.7	-14.3%
SALEM	11,174.7	11,959.8	936.5	890.6	-4.9%
SALISBURY	19,719.2	21,134.0	2,054.8	2,068.1	0.6%
SCOTLAND	522.6	793.6	71.7	82.1	14.4%
SEYMOUR	80,835.0	81,109.1	5,941.5	5,935.4	-0.1%
SHARON	10,276.5	10,179.4	856.0	838.6	-2.0%
SHELTON	283,776.6	287,540.7	21,953.7	23,139.5	5.4%
SHERMAN	4,205.2	5,257.4	532.4	642.5	20.7%
SIMSBURY	170,071.8	180,465.8	12,481.7	12,673.3	1.5%
SOMERS	31,050.6	35,363.6	1,690.2	1,716.6	1.6%
SOUTH WINDSOR	196,931.8	197,953.6	19,568.9	19,890.6	1.6%
SOUTHBURY	76,062.8	82,149.5	15,427.7	13,574.9	-12.0%
SOUTHINGTON	212,852.6	224,276.4	20,492.4	21,271.3	3.8%
SPRAGUE	1,352.2	1,210.2	272.9	296.4	8.6%
STAFFORD	124,416.8	141,361.5	9,650.0	10,567.5	9.5%
STAMFORD	1,216,232.0	1,056,772.1	118,148.1	115,902.1	-1.9%
STERLING	2,124.7	2,473.5	172.8	191.3	10.7%
STONINGTON	189,017.9	189,406.9	14,144.8	14,623.9	3.4%
STRATFORD	422,013.9	492,131.6	36,934.1	38,280.6	3.6%
SUFFIELD	56,705.8	48,461.4	4,426.4	3,796.2	-14.2%
THOMASTON	26,755.9	29,758.1	4,047.6	4,288.1	5.9%

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**COMPARATIVE SUMMARY OF RETAIL SALES AND  
TAX RECEIPTS BY TOWN\*  
FISCAL YEARS ENDING JUNE 30, 2006 AND 2007  
(IN THOUSANDS)**

<b>TOWN</b>	<b>Retail Sales FY 2005-06 NACIS 44-45</b>	<b>Retail Sales FY 2006-07 NACIS 44-45</b>	<b>Sales &amp; Use Tax FY 2005-06 (All Businesses)</b>	<b>Sales &amp; Use Tax FY 2006-07 (All Businesses)</b>	<b>SUT Collections % Change FY 06/FY 07</b>
THOMPSON	9,297.6	10,809.4	1,154.9	1,170.8	1.4%
TOLLAND	30,756.0	33,617.1	2,805.0	3,059.8	9.1%
TORRINGTON	618,750.8	679,134.1	29,034.1	29,649.2	2.1%
TRUMBULL	222,255.7	241,434.8	11,649.3	11,818.8	1.5%
UNION	6,658.1	193.2	305.7	64.8	-78.8%
VERNON	246,394.3	229,191.0	15,878.2	15,181.4	-4.4%
VOLUNTOWN	4,280.6	4,037.3	280.7	287.3	2.3%
WALLINGFORD	514,492.1	478,618.1	36,459.7	37,481.2	2.8%
WARREN	9,566.2	2,224.4	664.5	190.3	-71.4%
WASHINGTON	26,305.8	23,804.2	2,482.9	2,662.4	7.2%
WATERBURY	876,158.1	878,541.2	46,574.1	46,739.6	0.4%
WATERFORD	821,673.6	979,523.8	31,729.7	37,511.4	18.2%
WATERTOWN	717,593.8	822,593.8	18,079.2	18,197.1	0.7%
WEST HARTFORD	385,152.1	362,191.7	34,831.3	35,528.2	2.0%
WEST HAVEN	291,320.1	268,852.5	16,650.3	16,399.6	-1.5%
WESTBROOK	89,438.1	105,191.5	8,103.1	8,854.0	9.3%
WESTON	17,862.8	18,286.0	1,307.3	1,504.2	15.1%
WESTPORT	859,485.5	828,357.7	44,243.6	46,864.5	5.9%
WETHERSFIELD	177,679.6	195,851.5	8,648.1	8,927.0	3.2%
WILLINGTON	8,704.8	8,616.4	1,735.6	1,738.7	0.2%
WILTON	272,475.9	257,639.1	19,657.1	18,512.0	-5.8%
WINCHESTER	49,200.5	43,539.1	3,839.5	3,174.4	-17.3%
WINDHAM	164,943.2	155,166.2	10,246.1	10,103.5	-1.4%
WINDSOR	196,775.5	289,945.7	13,438.5	14,531.4	8.1%
WINDSOR LOCKS	86,713.5	84,957.1	14,089.1	14,463.3	2.7%
WOLCOTT	33,964.0	102,950.5	6,205.9	8,572.4	38.1%
WOODBIDGE	52,899.0	46,129.6	3,683.6	3,458.9	-6.1%
WOODBURY	80,897.9	86,385.1	5,475.6	5,022.5	-8.3%
WOODSTOCK	29,695.6	33,026.0	2,014.7	2,018.8	0.2%
OUT OF STATE	8,964,607.2	9,531,907.89	741,985.9	797,387.0	7.5%
<b>TOTAL</b>	<b>\$44,521,062.0</b>	<b>\$46,427,919.2</b>	<b>\$3,220,337.6</b>	<b>\$3,313,467.2</b>	<b>2.9%</b>

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## NATIONWIDE COMPARISON OF TAX RATES

(effective as of 7/1/07)

STATE	CORPORATION TAX RATES (%)	SALES AND USE TAX RATES (%)	MOTOR FUEL TAX RATES (¢ PER GAL)	CIGARETTE TAX RATE (¢ PER PACK)
Alabama	6.5	4.0	18.0	42.5
Alaska	9.4	None	8.0	200.0
Arizona	6.968	5.6	18.0	200.0
Arkansas	6.5	6.0	21.5	59.0
California	8.84	7.25	18.0	87.0
Colorado	4.63	2.9	22.0	84.0
<b>Connecticut</b>	<b>7.5</b>	<b>6.0</b>	<b>25.0</b>	<b>200.0</b>
Delaware	8.7	None	23.0	115.0
Florida	5.5	6.0	15.3	33.9
Georgia	6.0	4.0	15.2	37.0
Hawaii	6.4	4.0	16.0	180.0
Idaho	7.6	6.0	25.0	57.0
Illinois	7.3	6.25	20.1	98.0
Indiana	8.5	6.0	18.0	99.5
Iowa	12.0	5.0	21.0	136.0
Kansas	4.0	5.3	24.0	79.0
Kentucky	7.0	6.0	19.7	30.0
Louisiana	8.0	4.0	20.0	36.0
Maine	8.93	5.0	26.8	200.0
Maryland	7.0	5.0	23.5	200.0
Massachusetts	9.5	5.0	21.0	151.0
Michigan	N/A	6.0	19.0	200.0
Minnesota	9.8	6.5	20.0	149.0
Mississippi	5.0	7.0	18.4	18.0
Missouri	6.25	4.225	17.55	17.0
Montana	6.75	None	27.0	170.0
Nebraska	7.81	5.5	28.0	64.0
Nevada	None	6.5	24.805	80.0
New Hampshire	8.5	None	19.625	108.0
New Jersey	9.0	7.0	14.50	257.5
New Mexico	7.6	5.0	18.875	91.0
New York	7.5	4.0	24.6	150.0
North Carolina	6.9	4.25	30.15	35.0
North Dakota	7.0	5.0	23.0	44.0
Ohio	8.5	5.5	28.0	125.0
Oklahoma	6.0	4.5	17.0	103.0
Oregon	6.6	None	24.0	118.0
Pennsylvania	9.99	6.0	31.2	135.0
Rhode Island	9.0	7.0	31.0	246.0
South Carolina	5.0	5.0	16.0	7.0
South Dakota	None	4.0	22.0	153.0
Tennessee	6.5	7.0	21.4	62.0
Texas	N/A	6.25	20.0	141.0
Utah	5.0	4.75	24.5	69.5
Vermont	8.5	6.0	20.0	179.0
Virginia	6.0	5.0	17.5	30.0
Washington	None	6.5	34.0	202.5
West Virginia	8.75	6.0	31.5	55.0
Wisconsin	7.9	5.0	32.9	177.0
Wyoming	None	4.0	14.0	60.0

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**DEPARTMENT OF REVENUE SERVICES**  
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