



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

AN 2007(6)

25 Sigourney Street
Hartford CT 06106-5032

ANNOUNCEMENT

**Taxability of Social Security Benefits for
Connecticut Income Tax Purposes**

Purpose: This Announcement provides additional information to Social Security recipients in determining if any Social Security benefits are subject to Connecticut income tax. Any reference in this publication to a spouse also refers to a party to a civil union recognized under Connecticut law.

Effective Date: Effective upon issuance.

Statutory Authority: Conn. Gen. Stat. §12-701(a)(20).

Taxability of Social Security Benefits for Federal Income Tax Purposes: In general, for federal income tax purposes, taxpayers are advised to use the worksheet in the instruction booklet of the federal form they are filing to determine if any of their Social Security benefits are subject to federal income tax. Taxpayers who would be eligible to file federal Form 1040EZ, but who have determined that any part of their benefits are taxable, may not use federal Form 1040EZ, and instead, must use federal Form 1040A or Form 1040.

You may not use the worksheet in the instructions to federal Form 1040A or Form 1040 if any of the following exceptions apply:

- You made contributions to a traditional IRA for the taxable year and you or your spouse were covered by a retirement plan at work or through self-employment. If this is the case, you must use the worksheet in federal Publication 590, Individual Retirement Arrangements (IRAs) (including Roth IRAs and Education IRAs), to determine if any of your Social Security benefits are subject to federal income tax.

- You repaid any benefits during the taxable year and the total repayments reported on your Form SSA-1099, box 4, were more than the total benefits reported on your Form SSA-1099, box 3. If this is the case, none of your benefits are taxable. You may be able to take an itemized deduction for part of the excess repayments if the repayments were for benefits you included in gross income in an earlier year. Instead, you are advised to see federal Publication 915, Social Security and Equivalent Railroad Retirement Benefits, for more information.
- You filed federal Form 2555, Form 2555-EZ, Form 4563, or Form 8815 or excluded employer-provided adoption benefits or income from sources within Puerto Rico. Instead, you are advised to use the worksheet in federal Publication 915, Social Security and Equivalent Railroad Retirement Benefits.

Calculating the Amount of Social Security Benefits Subject to the Connecticut Income Tax for Taxpayers Using the Worksheets in the Instructions to Federal Form 1040A or Form 1040:

If you used the worksheets in the instructions for federal Form 1040A or Form 1040, refer to the instructions for **Form CT-1040**, *Connecticut Resident Income Tax Return*, Line 42, or **Form CT-1040NR/PY**, *Connecticut Nonresident or Part-Year Resident Income Tax Return*, Line 44, to determine if any federally taxable Social Security benefits are subject to Connecticut income tax.

Your Social Security benefits are fully exempt from Connecticut income tax if your required filing status is:

- Single, married filing separately, or civil union filing separately and your federal adjusted gross income as reported on Line 1 of your Connecticut income tax return is **less than \$50,000**; or

- Married filing jointly, civil union filing jointly, qualifying widow(er) with dependent child, or head of household and your federal adjusted gross income as reported on Line 1 of your Connecticut income tax return is **less than \$60,000**.

Civil union partners must recalculate their federal adjusted gross income as if, for federal tax purposes, they were allowed and elected to file as married filing jointly or married filing separately.

Taxpayers who report a federal adjusted gross income above these amounts must complete the *Connecticut Social Security Benefit Adjustment Worksheet* in the instructions booklet for Form CT-1040 or Form CT-1040NR/PY.

Using Worksheet 3 in Federal Publication 590:

If you used Worksheet 3 in federal Publication 590 to determine if your Social Security benefits are subject to federal income tax, use the following lines from that worksheet when completing the *Connecticut Social Security Benefit Adjustment Worksheet*:

- **Line A:** Use Line 4 from federal Worksheet 3;
- **Line B:** Use Line 10 from federal Worksheet 3; **and**
- **Line E:** Use Line 19 from federal Worksheet 3.

Using Worksheet 1 or Worksheet 4 in Federal Publication 915:

If you used Worksheet 1 in federal Publication 915 and you filed federal Form 2555, Form 2555-EZ, Form 4563, or Form 8815 or you excluded employer-provided adoption benefits or you have income from sources within Puerto Rico, use the following lines from that worksheet when completing the *Connecticut Social Security Benefit Adjustment Worksheet*:

- **Line A:** Use Line 1 from federal Worksheet 1;
- **Line B:** Use Line 9 from federal Worksheet 1; **and**
- **Line E:** Use Line 18 from federal Worksheet 1.

If you used Worksheet 4 in federal Publication 915 to determine if any Social Security benefits are subject to federal income tax under the lump-sum election method, use the following lines from that worksheet when completing the *Connecticut Social Security Benefit Adjustment Worksheet*:

- **Line A:** Use Line 1 from federal Worksheet 4;
- **Line B:** Use Line 9 from federal Worksheet 4; **and**

- **Line E:** Use Line 20 from federal Worksheet 4 if you are electing to report taxable benefits under the lump-sum election method. However, if you cannot use the lump-sum election method, you must use Worksheet 1 in federal Publication 915.

Effect on Other Documents: Announcement 2001(4), *Taxability of Social Security Benefits for Connecticut Income Tax Purposes*, is modified and superseded and may not be relied upon on or after the date of issuance of this Announcement.

Effect of This Document: Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Forms and publications are available anytime by:

- **Internet:** Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms; **or**
 - **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) and select **Option 2** from a touch-tone phone, or call **860-297-4753** (from anywhere).
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Paperless Filing/Payment Methods (fast, easy, free, and confidential):

- **For business returns, tax payments, and electronic bill payments:** Use the *Taxpayer Service Center (TSC)* to file a variety of tax returns and extensions, as well as to pay taxes or bills over the Internet. Visit the DRS website at www.ct.gov/DRS and click on the *TSC* logo or on *File/Register OnLine* for a complete list of taxes that can be electronically filed and paid.

- **For income tax returns, extensions, estimated payments, and electronic bill payments:** Use the *Taxpayer Service Center (TSC)* to file personal income tax returns and extensions, or to make estimated payments and electronic bill payments over the Internet. Visit the DRS website at www.ct.gov/DRS and click on the *TSC* logo or on *File/Register OnLine*.

DRS E-News Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-News** is easy to sign up for – visit www.ct.gov/DRS and follow the directions. Subscription services are available for employer’s withholding tax, *TSC-BUS* Online Filing Alerts, News – Press Releases, and Top 100 Delinquency List.

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