



# CONNECTICUT

## Revenue Services

# FY 24-25 Annual Report



**A MESSAGE FROM COMMISSIONER MARK D. BOUGHTON**  
**January 2026**

I'm pleased to present the Annual Report of Taxes and Fees collected by the Connecticut Department of Revenue Services (DRS) during the 2024-25 fiscal year. Our report provides a comprehensive overview of the revenue DRS collected, thanks to the tireless efforts of our dedicated staff. Our agency reached significant milestones this year as we focused on our most important mission: Achieving the highest level of taxpayer compliance and contributing to Connecticut's fiscal and economic well-being.

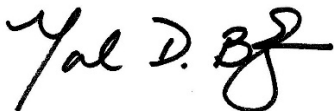
Our Education and Outreach team continues to set the bar higher with a singular goal in mind: Meeting Connecticut taxpayers where they are. We've expanded upon our popular webinar series and served thousands of residents in the process. Additionally, we've expanded our in-person outreach to libraries and senior centers. We encourage folks to reach out to us if you'd like our expertise in your community. Email [DRS.EducationandOutreach@ct.gov](mailto:DRS.EducationandOutreach@ct.gov) to set up a visit.

Technology is at the forefront of what we do, and we're proud to offer the very best in customer service via our myconneCT portal. This year, we launched our new eAssistant, which provides 24/7 support for taxpayers to get quick answers to their questions. Accessing information from a database, the eAssistant provides step-by-step instructions on topics like obtaining the status of a refund, how to file state tax returns, and how to make tax payments. It's another example of our commitment to outstanding customer service.

Our agency is guided by data-driven decisions. That's why I'm proud of our partnership with the state legislature to produce several reports that we hope will help guide lawmakers in crafting state tax policy. During the past fiscal year, these reports include the state's first-ever tax gap report as well as our recommendations to mitigate the tax gap. Both documents are available on our [Statutory Reports](#) page.

I hope the information contained in the Annual Report is helpful and informative. Should anyone have questions regarding the report, my staff and I are ready to assist.

Sincerely,



Mark D. Boughton  
Commissioner, Connecticut Department of Revenue Services

---

## TABLE OF CONTENTS

---

Directory .....	1
Department Mission .....	2

### CONNECTICUT'S TAXES AND FEES

Connecticut Taxes and Fees .....	2
State Revenue Sources .....	3
Alcoholic Beverages Tax .....	5
Attorney Occupational Tax.....	7
Beverage Container Deposits.....	8
Cannabis Tax.....	9
Cigarette Tax .....	11
Controlling Interest Transfer Tax .....	12
<b>Corporation Business Tax and Credits .....</b>	<b>13</b>
Dry Cleaning Establishment Surcharge .....	21
Dues Tax.....	22
Electronic Cigarette Products Tax .....	23
Estate and Gift Tax .....	25
Healthcare Provider Fees .....	28
Highway Use Fee.....	30
<b>Income Tax .....</b>	<b>31</b>
Insurance Premiums Taxes .....	33
Motor Carrier Road Tax .....	35
Motor Vehicle Fuels Tax .....	36
Paid Preparer Fee.....	38
<b>Pass-Through Entity Tax .....</b>	<b>39</b>
Petroleum Products Gross Earnings Tax .....	41
Prepaid Wireless E-9-1-1 Fee .....	42
Public Service Companies Taxes .....	43
Real Estate Conveyance Tax .....	46
Rental Surcharge .....	54
Repealed Taxes.....	55
<b>Sales and Use Taxes.....</b>	<b>56</b>
Solid Waste Assessment .....	65
Tobacco Products Tax .....	66
Tourism Surcharge .....	68
Transportation Network Company Fee .....	69
Unrelated Business Income Tax.....	70

### TABLES & CHARTS

Penalty and Interest Receipts.....	71
Tax Refunds.....	73

*For a listing of the 2025 Legislative Summary, visit the [2025 Connecticut State Tax Developments](#) on the DRS website.*

# DIRECTORY

---



**COMMISSIONER**  
MARK BOUGHTON  
860-297-4900  
[MARK.BOUGHTON@CT.GOV](mailto:MARK.BOUGHTON@CT.GOV)

## **DEPUTY COMMISSIONER**

JOHN BIELLO  
860-541-4563  
[John.Biello@ct.gov](mailto:John.Biello@ct.gov)

## **GENERAL COUNSEL & FIRST ASSISTANT COMMISSIONER**

LOUIS P. BUCARI JR.  
(860) 297-5798  
[Louis.Bucari@ct.gov](mailto:Louis.Bucari@ct.gov)

### **FISCAL ADMINISTRATIVE SERVICES**

THERESA PETERSON  
(860) 297-5616  
[Theresa.Peterson@ct.gov](mailto:Theresa.Peterson@ct.gov)

### **LEGAL SERVICES BUREAU**

LOUIS P. BUCARI JR.  
(860) 297-5798  
[Louis.Bucari@ct.gov](mailto:Louis.Bucari@ct.gov)

### **COMPLIANCE BUREAU**

JOHN BIELLO  
(860) 541-4563  
[John.Biello@ct.gov](mailto:John.Biello@ct.gov)

### **OPERATIONS BUREAU**

PHILLIP R. SOUCY  
(860) 541-7518  
[Phil.Soucy@ct.gov](mailto:Phil.Soucy@ct.gov)

---

## **ANNUAL REPORT PROJECT MANAGERS – PRIMARY CONTACTS**

### **EDUCATION AND OUTREACH UNIT / LEGISLATIVE LIAISON**

ERNEST ADAMO  
(860) 297-5694  
[Ernest.Adamo@ct.gov](mailto:Ernest.Adamo@ct.gov)

### **RESEARCH, ANALYTICS, AND FORECASTING UNIT**

MICHAEL GALLIHER  
(860) 297-5691  
[Michael.Galliher@ct.gov](mailto:Michael.Galliher@ct.gov)

### **DIRECTOR OF COMMUNICATIONS**

TIFFANY V. THIELE  
(860) 297-5615  
[Tiffany.Thiele@ct.gov](mailto:Tiffany.Thiele@ct.gov)

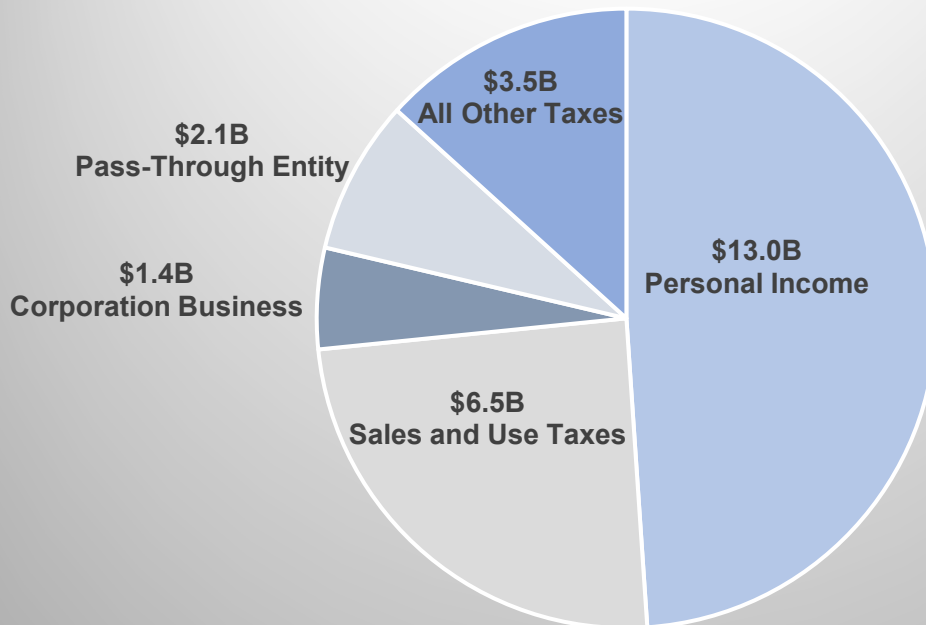
### OUR MISSION

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

### CONNECTICUT'S TAXES AND FEES

*The Department of Revenue Services collected nearly \$26.5 billion in state taxes for Fiscal Year 2024-25. The Personal Income, Pass-Through Entity, Sales and Use, and Corporation Business Taxes comprised 87% of all collections.*

#### Fiscal Year 2024-25 Revenue Sources



## STATE REVENUE SOURCES

	FY 2022-23	FY 2023-24	FY 2024-25
Alcoholic Beverages Tax <i>Ch. 220</i>	\$80,247,957	\$78,859,552	75,798,785
Ambulatory Surgical Centers <i>Ch. 211a (repealed)</i>	0	-215	0
Attorney Occupational Tax <i>Ch. 876</i>	9,322,121	8,691,039	9,408,518
Beverage Container Deposits <i>Ch. 446d</i>	52,584,520	42,981,924	28,281,453
Business Entity Tax <i>Ch. 213a (repealed)</i>	-6,863,524	888,379	-686,027
Cable, Satellite & Video Companies Tax <i>Ch. 211</i>	49,226,215	35,555,237	29,731,253
Cannabis Tax, <i>Ch. 214c</i>	4,675,642	20,509,089	22,657,073
Cigarette Tax <i>Ch. 214</i>	268,003,557	233,208,865	217,810,398
Composite Income Tax	0	0	236,051,560
Controlled Substances Tax <i>Ch. 228d</i>	916	-354	0
Controlling Interest Transfer Tax <i>Ch. 228b</i>	9,595,329	15,551,088	6,602,565
Corporation Business Tax <i>Ch. 208</i> and Air Carriers Tax <i>Ch. 209</i>	1,519,011,011	1,551,647,724	1,399,096,398
Dry Cleaning Surcharge <i>Ch. 211b</i>	542,984	546,278	589,332
Dues Tax <i>Ch. 225</i> and Transportation Network Company Fee <i>Ch. 244b</i>	45,959,625	45,649,753	50,978,634
Electric Distribution Companies <i>Ch. 212</i>	149,579,820	237,946,264	234,557,976
Electronic Cigarette Products <i>Ch. 214b</i>	6,181,983	5,702,326	5,209,995
Estate and Gift Tax <i>Ch. 217&amp; 228c</i>	218,354,438	129,550,468	146,122,810
Gas Companies <i>Ch. 212</i>	90,207,200	72,970,332	80,215,019
Gift Tax <i>Ch. 228c (repealed)</i>	41,392	457,202	37,692
Health Care Centers Tax <i>Ch. 207</i>	3,401,206	2,249,237	1,635,982
Health Care Provider Taxes and Fees <i>Ch. 211c</i>	900,978,299	881,494,425	909,887,730
Highway Use Fee <i>Ch. 222a</i>	29,275,901	60,283,621	59,939,588
Income Tax <i>Ch. 229</i>	11,231,163,886	11,803,356,423	12,963,280,642
Insurance Premiums Tax, Domestic <i>Ch. 207</i>	47,897,022	49,320,976	56,206,379
Insurance Premiums Tax, Foreign <i>Ch. 207</i>	192,717,482	189,473,363	206,160,474
Insurance: Non-admitted/Unauthorized <i>Ch. 698d</i>	10,288,462	11,925,688	10,975,608
Motor Carrier Road Tax - <i>Ch. 222</i>	9,893,330	8,263,239	8,453,068
Motor Vehicle Fuels Tax - Gasoline <i>Ch. 221</i>	118,263,374	362,800,019	362,876,371
Motor Vehicle Fuels Tax - Special Fuel <i>Ch. 221</i>	135,366,064	133,879,214	142,847,638
Paid Preparer Fee <i>Ch. 229</i>	92,159	76,294	96,841
Pass-Through Entity <i>Ch. 228z</i>	2,049,126,696	1,964,823,852	2,130,746,893
Petroleum Products Gross Earnings Tax <i>Ch. 227</i>	392,055,527	358,582,031	298,009,821
Prepaid Wireless E-9-1-1 Fee <i>Ch. 518a</i>	2,976,381	2,679,283	3,286,853
Public, Educ. & Gov. Programming Tax <i>Ch. 289</i>	2,825,522	2,573,751	3,074,297
Railroad Companies Tax <i>Ch. 210</i>	474,393	494,799	384,952
Real Estate Conveyance Tax <i>Ch. 223</i>	277,596,745	269,009,703	290,364,995

## STATE REVENUE SOURCES (cont.)

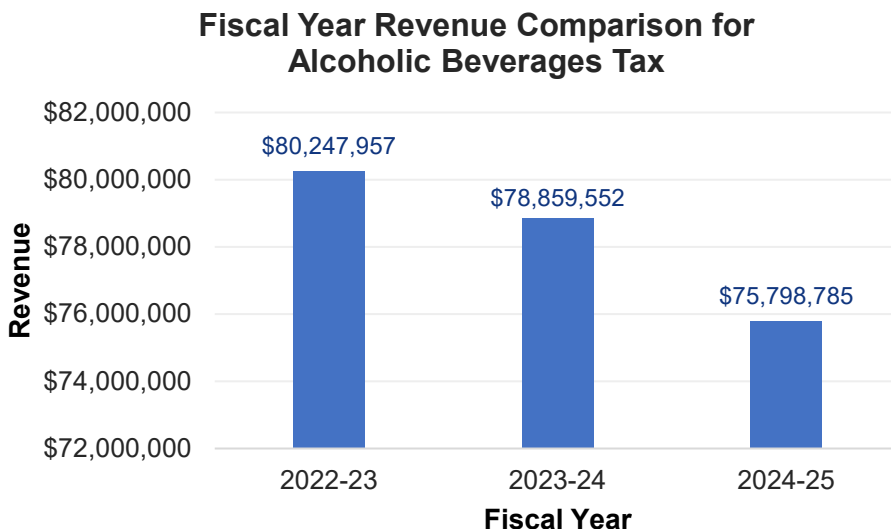
	FY 2022-23	FY 2023-24	FY 2024-25
Rental Surcharge <i>Ch. 228h</i>	453,287	382,496	494,903
Sales and Use Taxes <i>Ch. 219</i>	6,139,326,121	6,427,034,943	6,484,159,445
Solid Waste Tax <i>Ch. 446d</i>	4,165,274	1,677,334	-110,298
Succession Tax <i>Ch. 216 (repealed)</i>	180,247	6,224	60,988
Tobacco Products Tax <i>Ch. 214a</i>	17,963,925	14,258,719	12,023,595
Tourism Surcharge <i>Ch. 228e</i>	4,630,454	5,037,691	5,272,771
Unrelated Business Income Tax <i>Ch. 208a</i>	5,032,297	3,017,641	4,124,637
<b>Total</b>	<b>\$24,072,815,242</b>	<b>\$25,033,415,914</b>	<b>\$26,496,717,606</b>

# ALCOHOLIC BEVERAGES TAX

## Connecticut General Statutes

### Chapter 220

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. See [Alcoholic Beverage Tax Information](#) on the DRS website.



### Basis and Rate

Effective July 1, 2023	
Beer	\$6.00 per barrel (31 gallons)
Beer	20¢ per gallon*
Cider	\$7.92 per barrel
Cider	26¢ per gallon
Still Wines	79¢ per gallon
Small Wineries	20¢ per gallon
Sparkling Wines	\$1.98 per gallon
Alcohol	\$5.94 per proof gallon
Distilled Liquor	\$5.94 per gallon
Liquor Coolers	\$2.71 per gallon

\*The tax rate for beer is reduced by 50% for beer sold for off-premises consumption on the premises of an entity covered by a manufacturer's permit.

## ALCOHOLIC BEVERAGES TAX (cont.)

### Number of Taxpayers / Filing Frequency

- 1,135 distributors / Monthly

### Comparison of Gallonage

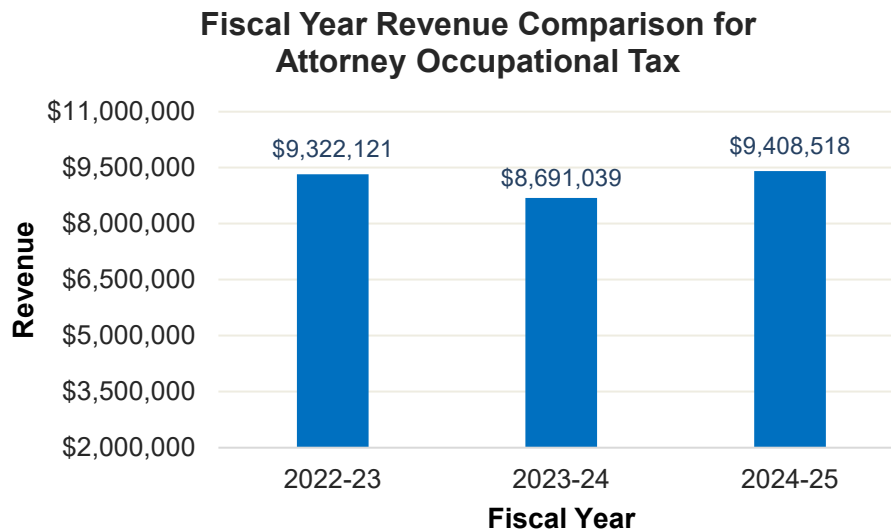
Type of Alcoholic Beverage	FY 2022-23 (gallons)	FY 2023-24 (gallons)	FY 2024-25 (gallons)
Beer – barrels	142,946	141,315	133,904
Beer – gallons	45,118,983	41,969,162	39,834,175
Cider – barrels	4,230	4,684	2,519
Cider – gallons	565,515	538,284	558,144
Still Wine	11,387,945	10,863,047	10,287,939
Small Wineries	271,968	297,451	291,603
Sparkling Wine	891,348	850,409	850,006
Alcohol	81,886	73,628	92,207
Distilled Liquor	8,605,491	8,460,602	8,173,516
Liquor Coolers	2,055,689	2,438,700	2,887,555

# ATTORNEY OCCUPATIONAL TAX

## Connecticut General Statutes

### Chapter 876

*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. See Attorney Occupational Tax Information on the DRS website.*



#### **Basis and Rate**

\$565 per practicing attorney.

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

14,001 Attorneys / Annually

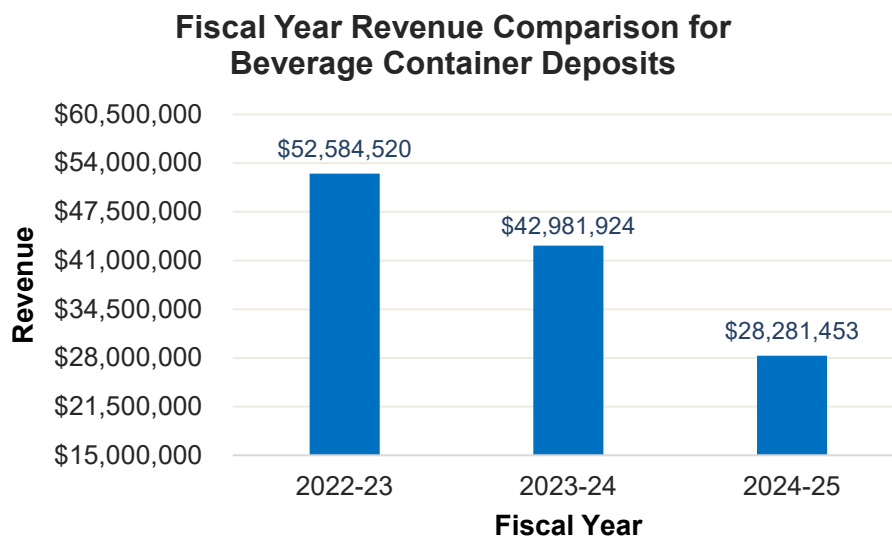
# BEVERAGE CONTAINER DEPOSITS

## Connecticut General Statutes

### Chapter 446d

*In Connecticut, deposit initiators – including certain distributors and manufacturers – are responsible for collecting a refundable deposit on each beverage container sold within the state under the Connecticut Bottle Bill. For more information on the state bottle bill, see the [Bottle Bill FAQ](#) on the DEEP website.*

*Deposit initiators must maintain a special bank account to hold the collected deposits. After refunds are issued to customers and any applicable bank fees are deducted, the remaining balance is considered the unclaimed deposit amount. Each deposit initiator is required to file a quarterly report and remit a portion of the unclaimed deposit amount to the state.*



### Basis and Rate

Effective January 1, 2024, Conn. Gen. Stat. § 22a-244 increased the beverage container deposit amount from 5¢ to 10¢.

For the fiscal year ending June 30, 2025, deposit initiators were required to remit 50% of the outstanding account balance to the state.

### Number of Taxpayers / Filing Frequency

199 Entities / Quarterly

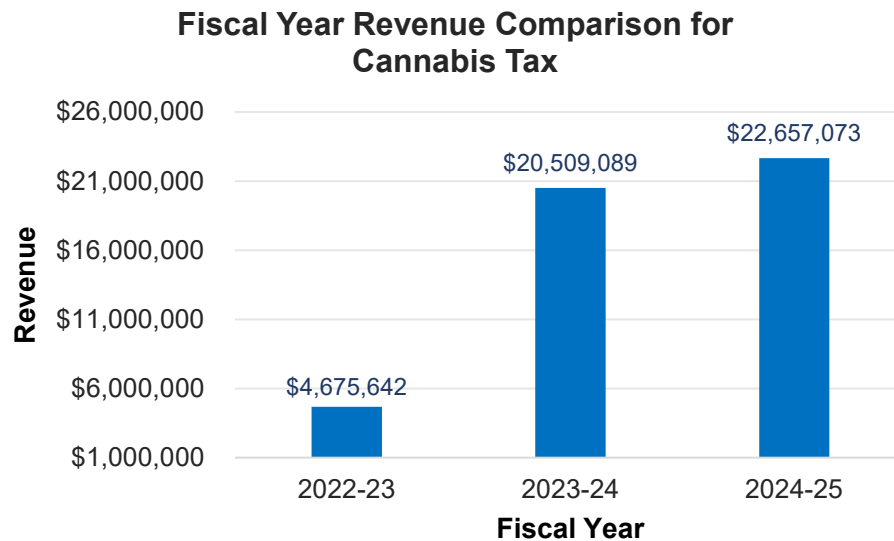
# CANNABIS TAX

## Connecticut General Statutes

### Chapter 214c

*Conn. Gen. Stat. § 12-330ll established a state cannabis tax structured around the amount of THC per milligram of certain products. The statewide cannabis tax is paid by the consumers at cannabis retailers, hybrid retailers, or micro-cultivators and applies to the retail sale of cannabis plant materials, cannabis edible products, and other cannabis products. Additionally, each Connecticut municipality is responsible for collecting a 3% municipal cannabis tax on the gross receipts from the sale.*

*Retail sales of cannabis are subject to the Sales and Use Tax. See [Cannabis Tax Information](#) on the DRS website.*



### Basis and Rate

The statewide Cannabis Tax rates imposed on each cannabis retailer:

- **Cannabis Plant Materials:** \$0.00625 per milligram of total THC, as reflected on the product label;
- **Cannabis Edible Products:** \$0.0275 per milligram of total THC, as reflected on the product label; and
- **All Other Cannabis Products, not including cannabis plant material or cannabis edible products:** \$0.009 per milligram of total THC, as reflected on the product label.

## CANNABIS TAX (cont.)

### Number of Taxpayers / Filing Frequency

68 taxpayers / Monthly

### Fiscal Year Cannabis Tax Liability

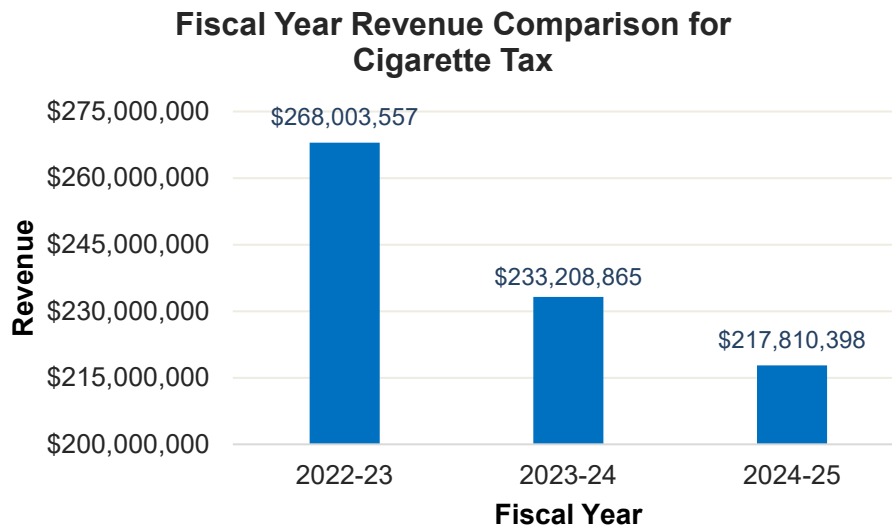
Fiscal Year	Tax from Plant Materials	Tax from Edible Products	Tax from Other Cannabis Products
FY 2024-25	\$11,639,108	\$3,099,604	\$7,875,183
FY 2023-24	10,196,806	2,321,305	6,132,412
FY 2022-23	3,716,959	615,340	1,711,227

# CIGARETTE TAX

## Connecticut General Statutes

### Chapter 214

*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, which are sold to licensed dealers and distributors. Sales of cigarettes are subject to the Sales and Use Tax. For more information on the Cigarette Tax, see the Cigarette Stamp Reports on the DRS website.*



#### Basis and Rate

217.5 mills per cigarette or \$4.35 per pack of twenty.

#### Number of Taxpayers / Filing Frequency

16 taxpayers / Monthly

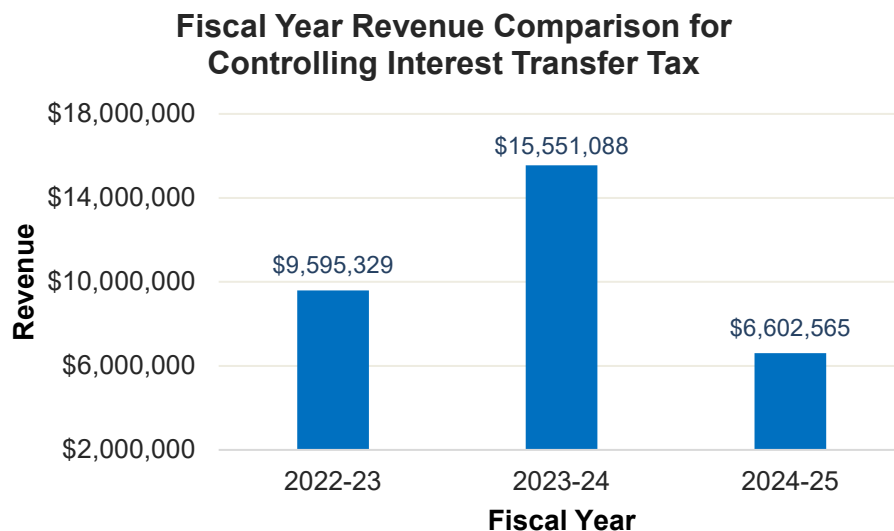
**Note:** The tax is reduced by 50% for any product the Secretary of the United States Department of Health and Human Services determines to be a “modified risk tobacco product” pursuant to 21 U.S.C. § 387k. No modified risk tobacco products were sold during Fiscal Year 2024-25.

# CONTROLLING INTEREST TRANSFER TAX

## Connecticut General Statutes

### Chapter 228b

*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. See Controlling Interest Tax Information on the DRS website.*



#### Basis and Rate

**1.11%** of the present true and actual value of the interest in the real property possessed on sales or transfers of a controlling interest.

An additional tax may be levied, varying between 1% and 10%, on the value of open space land, farmland, forestland, and maritime heritage land, depending on the year in which the controlling interest was transferred.

#### Filing Frequency / Number of Taxpayers

The month following the month in which the transfer was made.  
55 transfers in FY 2024-25.

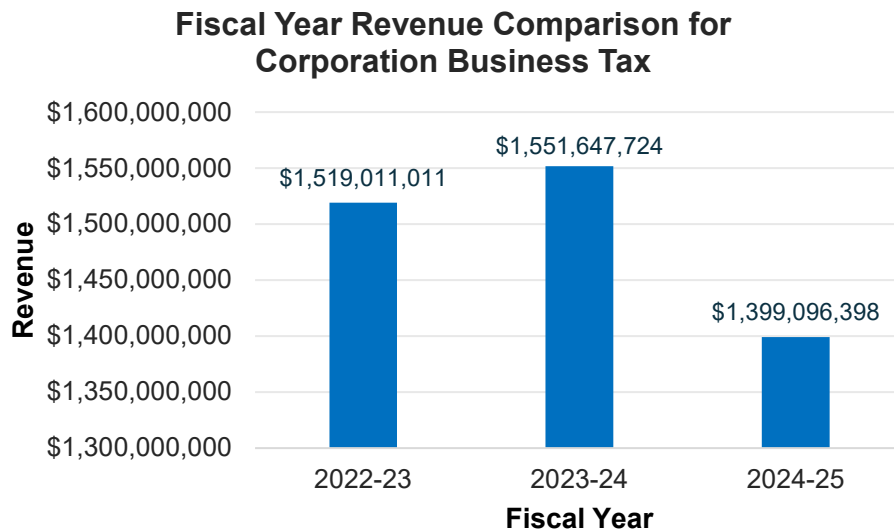
# CORPORATION BUSINESS TAX

## Connecticut General Statutes

### Chapter 208

*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. See Corporation Business Tax Information on the DRS website.*



## **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 starting with federal taxable income and then applying the adjustments allowed or required by Connecticut.

For Connecticut net income purposes, corporations must add back certain items deducted in arriving at federal taxable income, such as:

- Exempt interest income;
- State and local income taxes;
- Royalties or interest paid to a related member; **and**
- Bonus depreciation.

Certain other deductions are then allowed, such as:

- Certain dividends;
- Capital loss carryovers not deducted in computing federal gain; **and**
- Deferred cancellation of debt income.

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

Companies that conduct business in multiple states are allowed to apportion their net income based upon the percentage of their sales made in Connecticut. Market-based sourcing rules consider sales of services and most intangible property to be made where the customer is located. Special apportionment rules are provided for certain industries such as financial service companies and broadcasters.

Apportioned net operating losses may be carried forward for 30 successive income years. The carryforward period for such losses had been extended from twenty (20) years to thirty (30) years, beginning in 2025. The net operating loss deduction may not exceed 50% of the taxpayer's net income.

Connecticut net income is taxed at the rate of 7.5%.

### **Capital Base Method**

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

The capital base is taxed at a rate of 3.1 mils (\$0.0031) per dollar. Under the capital base method, a corporation is limited to a maximum tax of \$1,000,000. Financial service companies are excluded from the capital base method but are subject to the minimum tax. For income years beginning in 2024, the capital base tax rate is reduced from .0031 to .0026.

Corporations are subject to tax on the greater of the net income base method or the capital base method calculations.

### **Minimum Tax**

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

### **Surtax**

For income years 2018 through 2025, corporations, other than those paying the minimum tax of \$250, pay a surtax in an amount equal to 10% of the tax due before credits are applied. Corporations whose gross income is less than \$100 million are exempt from the surtax unless they file as part of a combined unitary return.

The total amount of surtax reported on income year 2023 returns was \$125 million.

# CORPORATION BUSINESS TAX (cont.)

## Combined Unitary Reporting

Commonly owned corporations that are engaged in a unitary business, where at least one corporation is subject to the Corporation Business Tax, are required to file their Corporation Business Tax returns on a combined unitary basis.

Under combined unitary filing, a combined group's tax liability, prior to surtax and credits, cannot exceed the amount calculated on a nexus combined basis by more than \$2,500,000. This is referred to as the aggregate maximum tax. If the aggregate maximum tax is less than the tax on the standard combined unitary basis, the group is subject to the aggregate maximum tax. Otherwise, the group is subject to tax on the standard combined unitary basis.

## Exemptions

For exemptions, see [Corporation Business Tax Information, Exempt Entities](#), on the DRS website.

## Pass-Through Entity Tax Credit

Members of a Pass-Through Entity (PE) were entitled to a credit based upon their respective shares of the PE's tax liability. A corporate member could claim the PE Tax Credit against the Corporation Business tax. For taxable years that began on or after January 1, 2019, the PE Tax Credit is 87.5% of the member's share of the PE Tax.

Beginning on or after January 1, 2024, the credit against the corporation business tax for pass-through entity tax paid by an entity on behalf of a corporate member was eliminated.

## Overpayments Applied to Estimated Tax Liability

Corporations that overpaid their corporation business tax in 2023 elected either to receive a refund or to apply a portion of the overpayment toward their 2024 estimated tax liability. In total, \$841,367,300 was carried forward to 2024 estimated tax.

## CORPORATION BUSINESS TAX (cont.)

### Filing Frequency

Annually with four estimated installments.

### Number of Taxpayers

## 2023 Corporation Business Tax Returns

	Number of Returns	Tax Due Before Tax Credits	Business Tax Credits	Pass- Through Entity Tax Credits	Tax Due After Tax Credits
<b>Single Filers</b>					
Net Income	8,288	\$167,259,703	\$6,273,579	\$8,952,736	\$152,033,388
Capital Base	3,815	31,759,650	5,097,420	1,101,040	25,561,190
Minimum Tax	18,571	4,642,567	0	72,382	4,570,435
Exempt	3,657	0	0	0	0
<b>Combined Unitary</b>					
Net Income	3,788	1,115,962,689	155,683,787	8,406,018	951,872,884
Minimum Base	4,434	74,263,287	19,557,870	2,103,384	52,602,033
Aggregate Max.	16	116,112,363	21,667,078	921,234	93,524,051
<b>Total</b>	<b>42,624</b>	<b>\$1,510,000,259</b>	<b>\$208,279,734</b>	<b>\$21,556,794</b>	<b>\$1,280,163,981</b>

## CORPORATION BUSINESS TAX (cont.)

### 2023 Corporation Business Tax Returns

	Number of Taxable Returns	Tax Due Before Tax Credits	Business Tax Credits	Pass-Through Entity Tax Credits	Tax Due After Tax Credits
11 Agric. Forestry, Fishing & Hunting	126	\$1,076,529	\$214,038	\$8,801	\$853,690
21 Mining	32	143,202	22,277	0	120,925
22 Utilities	90	8,841,469	3,218,898	40,673	5,581,898
23 Construction	2,080	14,980,051	626,599	73,382	14,280,070
31-33 Manufacturing	3,357	237,778,011	49,630,551	1,752,711	186,394,749
42 Wholesale Trade	2,400	100,171,661	4,237,714	386,732	95,547,215
44-45 Retail Trade	2,944	162,381,503	15,564,458	967,494	145,849,551
48-49 Transporting and Warehousing	612	16,476,741	2,983,437	23,677	13,469,627
51 Information	1,731	92,594,770	19,058,692	1,320,389	72,215,689
52 Finance and Insurance	2,158	262,579,783	26,464,728	2,859,036	233,256,019
53 Real Estate and Rental & Leasing	1,623	24,786,686	1,436,908	457,941	22,891,837
54 Professional, Scientific and Tech	5,954	121,697,085	17,285,085	1,131,772	103,280,228
55 Management of Companies & Enterprises	1,199	205,166,280	30,514,208	4,248,448	170,403,624
56 Administrative & Support	1,031	19,666,857	774,782	280,737	18,611,338
61-62 Education, Health Care and Social Assistance	1,245	11,790,658	3,351,250	79,856	8,359,552
71 Arts, Entertain., and Recreation	353	1,125,604	69,968	20,553	1,035,333
72 Accom. & Food Services	893	8,734,562	156,635	144,783	8,433,144
81-92 Other Services	1,774	9,445,904	824,961	202,199	8,418,744
99 Not Yet Assigned	9,310	210,562,903	31,844,545	7,557,610	171,160,748
<b>Total</b>	<b>38,912</b>	<b>\$1,510,000,259</b>	<b>\$208,279,734</b>	<b>\$21,556,794</b>	<b>\$1,280,163,981</b>

## CORPORATION BUSINESS TAX (cont.)

### 2023 Corporation Business Tax Returns

Tax Due Before Credits	Number of Returns	Tax Due Before Tax Credits	Business Tax Credits	Pass-Through Entity Tax Credits	Tax Due After Tax Credits
Exempt	3,712	\$0	\$0	\$0	\$0
\$250 or less	20,245	5,058,999	0	73,830	4,985,169
\$251 to \$999	5,738	3,256,301	49,964	94,791	3,111,546
\$1000 to \$24,999	9,582	56,570,168	1,999,763	2,322,816	52,247,589
\$25,000 to \$49,999	1,091	38,972,982	2,075,668	1,362,143	35,535,171
\$50,000 to \$99,999	774	54,624,618	2,876,307	2,368,692	49,379,619
\$100,000 to \$249,999	656	103,194,480	7,168,314	3,536,164	92,490,002
\$250,000 to \$499,999	345	121,628,884	10,841,638	3,058,077	107,729,169
\$500,000 to \$999,999	204	145,996,117	14,446,909	2,550,004	128,999,204
\$1M to \$2 million	147	195,392,371	29,331,685	4,259,283	161,801,403
\$2M to \$5 million	92	287,529,394	39,575,833	1,027,446	246,926,115
\$5 million and over	38	497,775,945	99,913,653	903,298	396,958,994
<b>Total</b>	<b>42,624</b>	<b>1,510,000,259</b>	<b>208,279,734</b>	<b>21,556,794</b>	<b>1,280,163,981</b>

# CORPORATION BUSINESS TAX CREDITS

Connecticut offers many Corporation Business Tax credits, which a corporation may take advantage of to reduce its liability to the state.

For a listing of the tax credits available under the Corporation Business Tax, see the [Corporation Tax Credit Guide](#) on the DRS website.

The table below shows the number and amount of corporation tax credits claimed by businesses. The figures represent credit claimed on 2023 returns and any credits carried forward from prior years and used in 2023.

## Tax Credits Claimed on 2023 Corporation Business Returns

Type of Credit	Number of Credits	Amount Claimed
Apprenticeship Training	10	\$173,614
Donation of Land	3	27,292
Electronic Data Processing	1,108	11,850,058
Film Production	36	61,138,052
Film Production Infrastructure	2	6,872,806
Fixed Capital Investments	1,367	57,173,701
Historic Structures Rehabilitation	2	4,723,832
Human Capital Investments	86	4,325,874
Machinery and Equipment	36	986,334
Manufacturing Facility in Targeted Investment Community or Enterprise Zone	6	324,859
Neighborhood Assistance	34	1,682,566
Research & Development	385	13,246,087
Research & Experimental Expenditures	364	39,036,427
Urban and Industrial Site Reinvestment	7	6,385,250
Undetermined		332,982
<b>Total</b>	<b>3,446</b>	<b>\$208,279,734</b>

## CORPORATION BUSINESS TAX CREDITS (cont.)

The table below shows the unused credit amounts reported on 2023 corporation business tax returns as being carried forward to the 2024 income year.

### Credits Carried Forward to 2024 Income Year

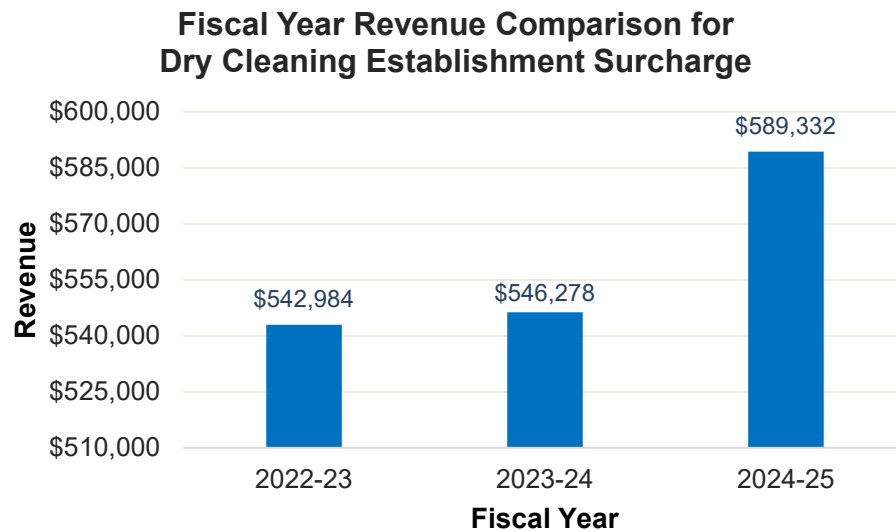
Type of Credit	Carryforward Amount
Donation of Land	\$1,916,721
Electronic Data Processing	57,984,019
Fixed Capital Investments	478,914,023
Historic Preservation	122
Historic Rehabilitation	444,378
Housing Program Contribution	13,984
Human Capital Investments	11,397,547
Research & Development	1,914,171,504
Research & Experimental Expenditures	614,257,761
Urban and Industrial Site Reinvestment	18,969,864
<b>Total Carryforward Credits</b>	<b>\$3,098,069,923</b>

# DRY CLEANING ESTABLISHMENT SURCHARGE

## Connecticut General Statutes

### Chapter 211b

*The Dry Cleaning Establishment Surcharge is used to provide grants to dry cleaning establishments for the containment and removal or mitigation of environmental pollution resulting from dry cleaning activity. Revenue is deposited into the Dry Cleaning Remediation Account, which is used to provide these grants and fund other measures undertaken to prevent pollution. See [Dry Cleaning Establishment Surcharge Information](#) on the DRS website.*



#### **Basis and Rate**

1% of gross receipts at retail.

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

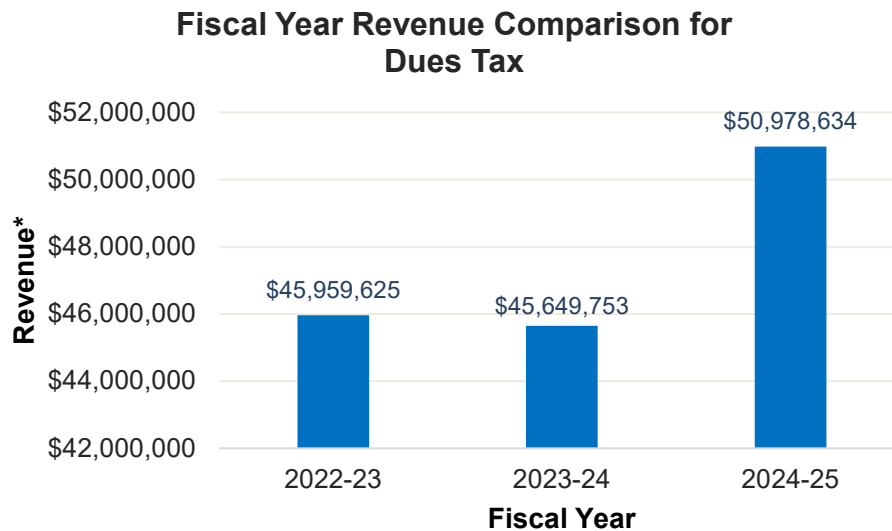
223 taxpayers / Quarterly

# DUES TAX

## Connecticut General Statutes

### Chapter 225

*A 10% Dues Tax applies to social, athletic, or sporting clubs in the state that impose initiation fees or membership dues. See Dues Tax Information on the DRS website.*



\* Includes revenue from the Transportation Network Company Fee.

#### **Basis and Rate**

10% of membership dues or initiation fees to social, athletic, or sporting club organizations.

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

341 taxpayers / Monthly

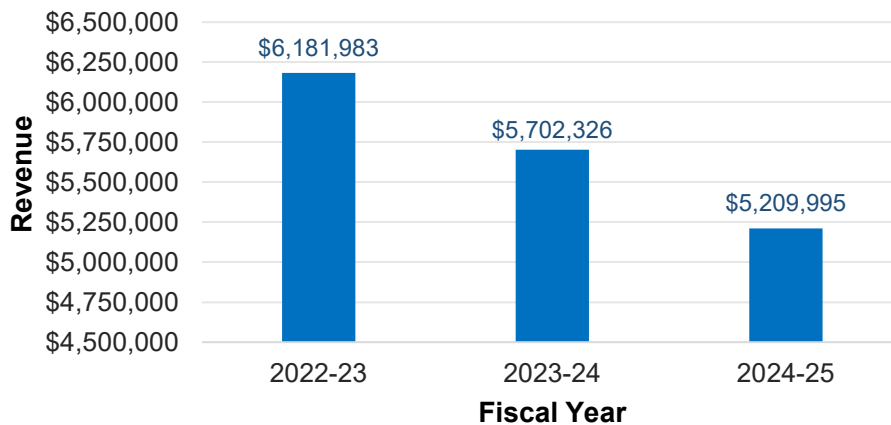
# ELECTRONIC CIGARETTE PRODUCTS TAX

## Connecticut General Statutes

### Chapter 214b

*A tax is imposed on electronic cigarette liquid and electronic cigarette products. Electronic cigarette liquid refers to any liquid that, when used in electronic nicotine delivery system or vapor product, produces a vapor containing nicotine that is inhaled by the user. Electronic cigarette products include electronic nicotine delivery systems, liquid nicotine containers, vapor products, and electronic liquids. This tax went into effect on October 1, 2019. See [Electronic Cigarette Tax Information](#) on the DRS website.*

**Fiscal Year Revenue Comparison for  
Electronic Cigarette Products Tax**



### **Basis and Rate**

The tax is imposed on the first sale or use in Connecticut of any electronic cigarette product at a rate of either:

- \$0.40 per milliliter of the electronic cigarette liquid contained within an electronic cigarette product that is prefilled, sealed by the manufacturer, and not intended to be refillable; or
- 10% of the wholesale sales price of any other electronic cigarette product.

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

223 distributors / Monthly

## ELECTRONIC CIGARETTE PRODUCTS TAX (cont.)

### Fiscal Year Electronic Cigarette Products Tax Liability

Fiscal Year	Tax Collected at \$0.40 per Milliliter of the E-Cig Liquid	Tax Collected at 10% of the Wholesale Sales Price
FY 2024-25	\$3,849,629	\$708,955
FY 2023-24	3,857,303	907,112
FY 2022-23	4,824,750	1,340,795

# ESTATE AND GIFT TAX

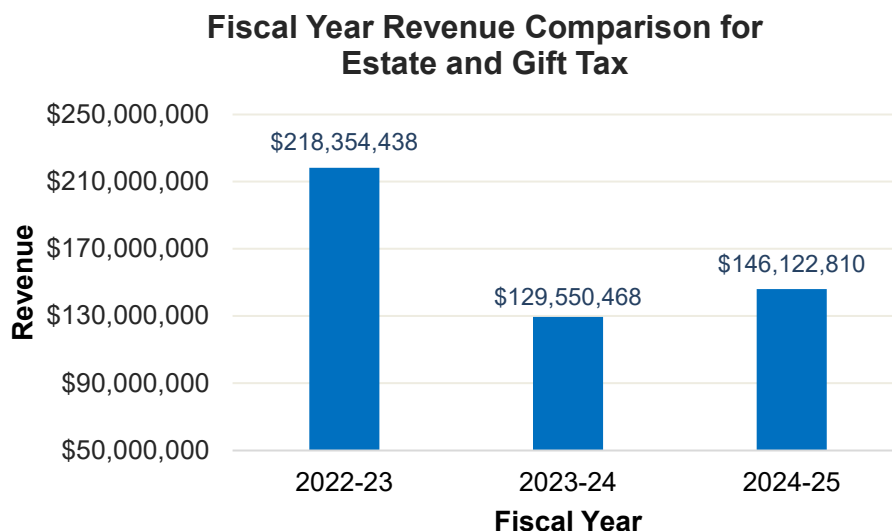
## Connecticut General Statutes

### Chapter 217 & Chapter 228c

*Resident and nonresident estates of decedents dying during 2025 are liable for the Connecticut Estate Tax on the amount of the Connecticut taxable estate that exceeds the federal basic exclusion amount.*

*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. See Estate and Gift Tax Information on the DRS website.*

*The maximum amount of tax paid by the estates of decedents who die on or after January 1, 2019, is \$15 million. This payment cap also applies to the gift tax amount paid by donors who make taxable gifts on or after January 1, 2019. The payment cap is reduced by the amount of any gift taxes paid on taxable gifts made on or after January 1, 2016.*



### Basis and Rate

For gifts made, or the estates of decedents dying **on or after January 1, 2023**, the Estate and Gift tax is 12% of the excess over the federal basic exclusion amount. In 2025, the federal basic exclusion amount was \$13.99 million.

## ESTATE AND GIFT TAX (cont.)

### Detail of Revenue

For Fiscal Year 2024-25, total Estate and Gift Tax revenue collected was \$146,122,810. Much of this revenue is attributable to prepayments that apply against upcoming tax returns. A breakdown of returns from estates received during Fiscal Year 2024-25 follows, as well as a breakdown of Calendar Year 2024 estate tax returns received to date.

### ESTATE AND GIFT TAX RETURNS FROM ESTATES OF DECEDENTS RECEIVED DURING FY 2024-25

Amount of Taxable Estate		Number of Returns	Tax Due	Tax Due After Credits *
More Than	Not Over			
	\$10 Million	38	\$98,722	\$98,722
\$10 Million	\$15 Million	25	1,291,113	1,158,638
\$15 Million	\$25 Million	30	16,500,684	14,485,558
\$25 Million		31	111,031,280	93,853,728
<b>Total</b>		<b>124</b>	<b>\$128,921,799</b>	<b>\$109,596,646</b>

### ESTATE AND GIFT TAX RETURNS FROM ESTATES OF DECEDENTS RECEIVED FOR CALENDAR YEAR 2024

Amount of Taxable Estate		Number of Returns	Tax Due	Tax Due After Credits *
More Than	Not Over			
	\$10 Million	27	\$0	\$0
\$10 Million	\$15 Million	14	680,379	566,459
\$15 Million	\$25 Million	23	13,665,260	12,351,768
\$25 Million		24	137,587,122	98,871,815
<b>Total</b>		<b>88</b>	<b>\$151,932,761</b>	<b>\$111,790,042</b>

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

## ESTATE AND GIFT TAX (cont.)

For Fiscal Year 2024-25, an additional amount of the estate and gift tax was attributable to gift tax returns filed by non-decedents. A breakdown of Calendar Year 2024 gift tax returns received to date is shown below.

### ESTATE AND GIFT TAX RETURNS 2024 GIFT TAX ONLY

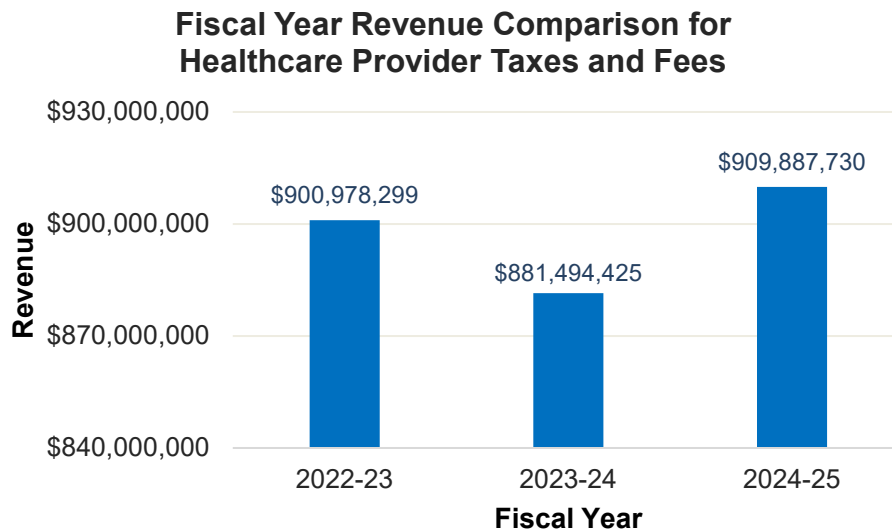
Amount of 2024 Taxable Gifts		Number of Returns	Tax Due
More Than	Not Over		
	\$3 Million	115	\$93,488
\$3 Million	\$4 Million	47	0
\$4 Million		193	3,709,666
Total		355	\$3,803,154

# HEALTHCARE PROVIDER FEES

## Connecticut General Statutes

### Chapter 211c

*There are three components to the healthcare provider fees established under Chapter 211c of the Connecticut General Statutes. They include the hospital user fee, intermediate care facility, and nursing home user fees. Each of the three provider types are outlined below.*



## HOSPITALS

*A quarterly user fee is imposed on each hospital's net revenue for the provision of inpatient hospital services and for the provision of outpatient hospital services.*

### Basis and Rate

The effective user fee rate on inpatient hospital services is 6% and the effective user fee rate on outpatient hospital services is 11.0976%.

### Number of Taxpayers / Filing Frequency

25 Taxpayers / Quarterly

## HEALTHCARE PROVIDER FEES (cont.)

### INTERMEDIATE CARE FACILITY USER FEE

*An intermediate care user fee is established on each residential facility for individuals with intellectual disabilities that meet certain federal requirements, and, in the case of a private facility, is licensed by the Department of Developmental Services.*

#### **Basis and Rate**

The intermediate care facility user fee is \$27.76. The amount due from each facility is determined by multiplying the user fee by the facility's resident days for the calendar quarter.

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

66 Taxpayers / Quarterly

---

### NURSING HOME USER FEE

*A nursing home user fee is established 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.*

#### **Basis and Rate**

The user fee is \$16.13 for municipally owned facilities and facilities with over 230 beds and \$21.02 for all other nursing homes. The amount due from each nursing home is determined by multiplying the appropriate user fee by the home's resident days for the calendar quarter.

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

184 Taxpayers / Quarterly

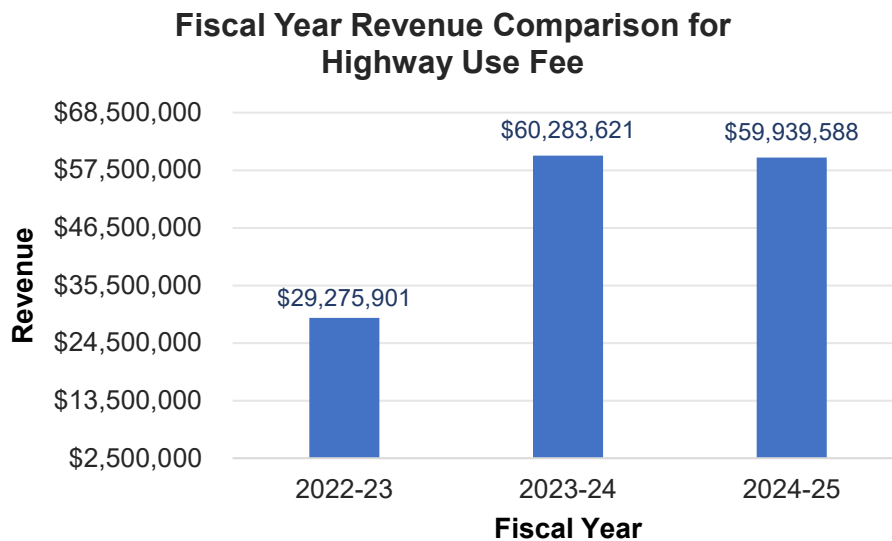
# HIGHWAY USE FEE

## Connecticut General Statutes

### Chapter 222a

*The Highway Use Fee is imposed on certain carriers for the privilege of operating, or causing to be operated, heavy multi-unit motor vehicles on any highway (i.e., public road) in Connecticut.*

*The fee is calculated based on the weight of the eligible motor vehicle and the number of miles driven in Connecticut. See [Highway Use Fee Information](#) on the DRS website.*



### Basis and Rate

A per-mile fee rate is based on the carrier's gross weight, ranging from 2.5 cents per mile for vehicles weighing 26,000-28,000 pounds (lbs.) to 17.5 cents per mile for vehicles weighing more than 80,000 lbs.

### Number of Taxpayers

28,641/Total

2,632/In-State

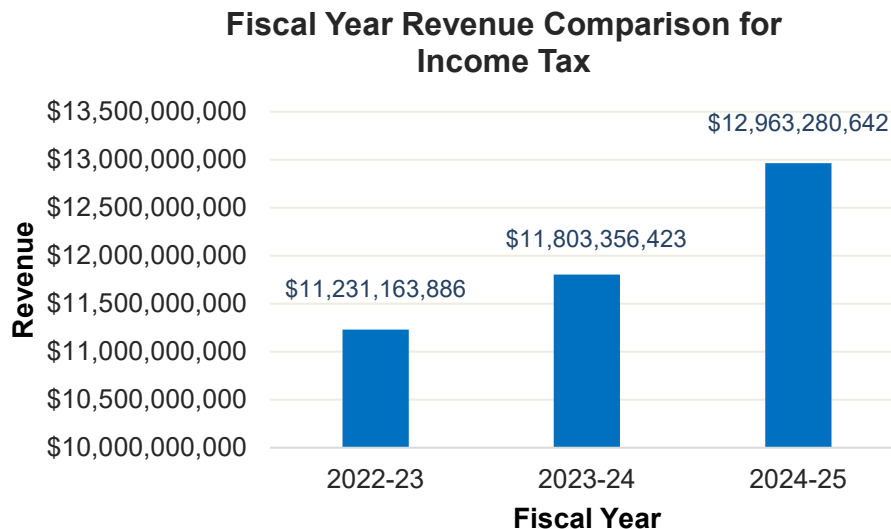
26,008/Out-of-State

# INCOME TAX

## Connecticut General Statutes

### Chapter 229

Connecticut imposes a tax on income earned by resident individuals, trusts, and estates. Nonresidents and part-year resident individuals, trusts, and estates are also subject to the tax on income derived from or connected with sources within the State. See [Income Tax Information](#) on the DRS website.



### Number of Taxpayers / Filing Frequency

2 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 by the 15<sup>th</sup> of the month (April, June, September & January).

### Tax Credits

#### Connecticut Earned Income Tax Credit

The Connecticut Earned Income Tax Credit is a refundable state income tax credit for low to moderate income working individuals and families. The state credit mirrors the federal Earned Income Tax Credit. See [CT Earned Income Tax Credit](#) on the DRS website for more information.

## INCOME TAX (cont.)

Earned Income Tax Credit			
Year	Number of Credits	Amount of Credit	EITC Rate
2022	184,135	\$129,698,137	30.5%
2023	191,209	190,103,143	40%
2024	193,283	195,066,537	40%

### Credit for Pass-Through Entity Taxes Paid

A member in a Pass-Through Entity (PE) is entitled to a credit equal to 87.5% of the member's direct and indirect share of the PE's tax liability.

Pass-Through Entity Tax Credit	
Year	Amount of Credit
2022	\$1,238,665,684
2023	1,138,421,488
2024	1,337,824,675

### Personal Income Tax Credits

2023 Personal Income Tax Credits			
Credit	Number of Credits Claimed	Amount of Credit	Credits Carried Forward to 2024 Tax Year
Angel Investor	269	\$5,203,261	\$2,686,652
Insurance Reinvestment Fund	37	65,904	475,174
Prior Year CT Alternative Minimum Tax	214	1,571,331	3,002,110
Birth of Stillborn Child	148	231,026	
<b>Total</b>	<b>668</b>	<b>\$7,071,522</b>	<b>\$6,163,936</b>

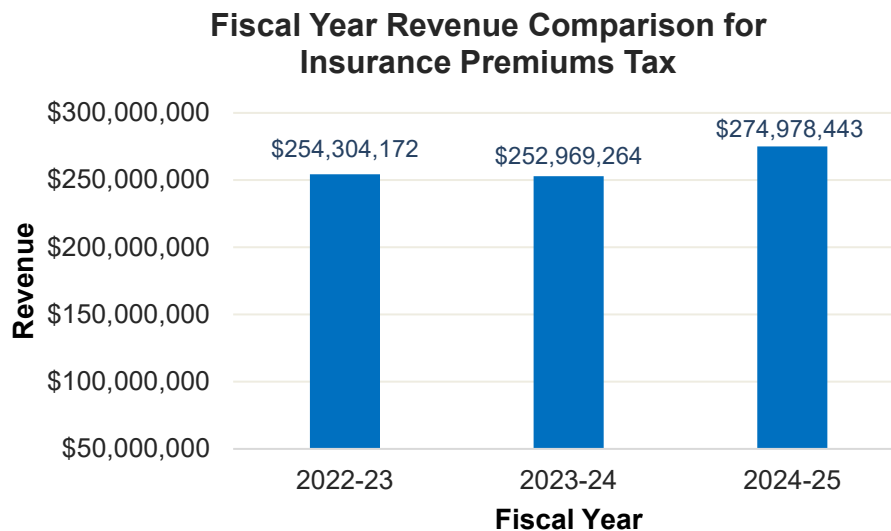
# INSURANCE PREMIUMS TAX

## Connecticut General Statutes

### Chapter 207

*Insurance companies, domestic and foreign, are taxed in Connecticut on the total net direct premiums received from policies written on property or risks within the State. Total net direct subscriber charges received on any new or renewal contract or policy by a health care center are also taxed.*

*The State also imposes a tax on premiums for unauthorized insurance. Specifically, insureds who procure non-admitted insurance are required to remit tax on premiums paid to a non-admitted insurer. Additionally, risk retention groups are required to pay tax on premiums collected on coverages within the State. Captive insurance companies are also subject to tax. These are created and wholly owned by one or more non-insurance companies to insure the risks of its owners as a type of self-insurance. See [Insurance Premiums Tax Information](#) on the DRS website.*



#### Basis and Rate

- 1.5% of net direct premiums by domestic and foreign insurance companies;
- Captive insurance companies are subject to an annual tax between \$7,500 and \$200,000;
- 4% of gross premiums charged by non-admitted and unauthorized insurers; and
- 1.5% of net direct subscriber charges of health care centers.

## INSURANCE PREMIUMS TAX (cont.)

### Number of Taxpayers / Filing Frequency

1,392 Insurance Companies / Annually with four estimated payments  
     92 Domestic Companies  
   1,104 Foreign Companies  
     12 Health Care Centers  
     22 Non-admitted Insurers  
   115 Risk Retention Groups  
     47 Captive Insurers

### Comparative Data - Revenue

	FY 2022-23	FY 2023-24	FY 2024-25
Domestic	\$47,897,022	\$49,320,976	\$56,206,379
Foreign	192,717,482	189,473,363	206,160,474
Health Care Center	3,401,206	2,249,237	1,635,982
Non-admitted/ Unauthorized/Captive	10,288,462	11,925,688	10,975,608
<b>Total</b>	<b>\$254,304,172</b>	<b>\$252,969,264</b>	<b>\$274,978,443</b>

### Calendar Year 2023 Insurance Tax Credits

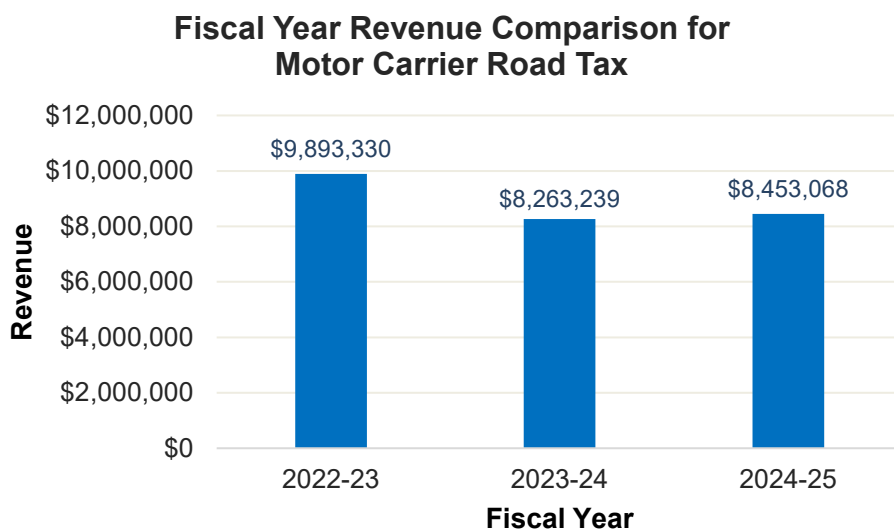
Type of Credit	Number of Credits	Amount of Credit Claimed
Electronic Data Processing	65	\$9,904,012
Insurance Department Assessment	10	441,905
Insurance Reinvestment	29	11,680,261
Second Insurance Reinvestment	73	21,293,504
Neighborhood Assistance	18	978,094
Urban & Industrial Site Reinvestment	10	451,486
Film Production	67	57,130,556
Film Production Infrastructure	1	590,245
Historic Rehabilitation	0	0
CIGA Assessment	337	3,393,706
CLHIGA Assessment	157	263,101
<b>Total Credits</b>	<b>767</b>	<b>\$106,126,870</b>

# MOTOR CARRIER ROAD TAX

## Connecticut General Statutes

### Chapter 222

Connecticut has participated in the International Fuel Tax Agreement (IFTA) since 1996. IFTA is a cooperative agreement among most states and provinces of Canada that simplifies how interstate motor carriers report and pay fuel use taxes. This allows interstate motor carriers to file one quarterly report with their home state, which then distributes the fuel tax owed to each state based on the miles driven in each state. See [Motor Carrier Road Tax Information and IFTA Information](#) on the DRS website.



#### Basis and Rate

	Rate per Gallon
Gasohol	25¢
Diesel Fuel 7/1/24 through 6/30/25*	52.4¢
Natural Gas or Propane	26¢

- \* Each fiscal year the Department is required to calculate the new diesel fuel rate using the average wholesale price per gallon of diesel fuel for the 12-month period ending on the preceding March 31<sup>st</sup>, as determined by statute.

#### Number of Taxpayers / Filing Frequency

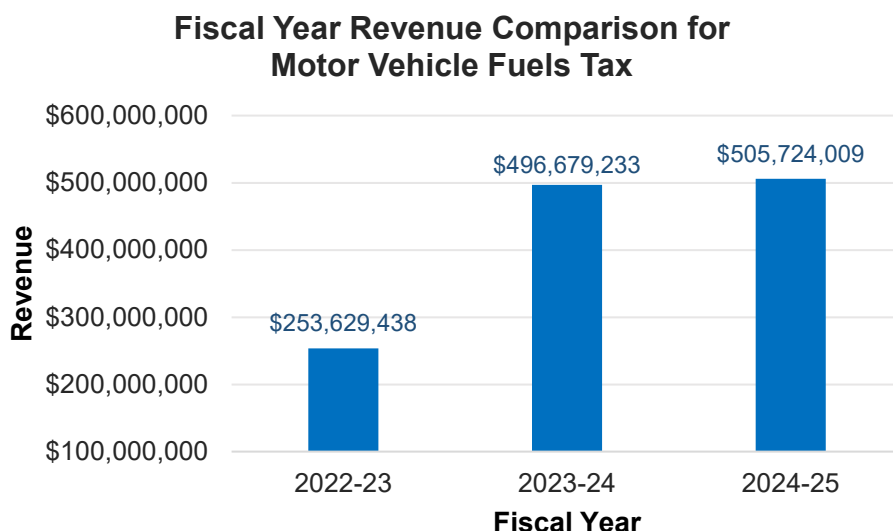
3,121 IFTA filers / Quarterly  
2,570 Intrastate Motor Carriers / Annual

# MOTOR VEHICLE FUELS TAX

## Connecticut General Statutes

### Chapter 221

*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. See Motor Vehicle Fuels Tax Information on the DRS website.*



#### Basis and Rate

	Rate per Gallon
Aviation Fuel 7/1/25 through 6/30/29	15¢
Gasohol	25¢
Diesel Fuel 7/1/24 through 6/30/25	52.4¢
Natural Gas or Propane	26¢

- Each fiscal year, the Department is required to calculate the new diesel fuel rate using the average wholesale price per gallon of diesel fuel for the 12-month period ending on the preceding March 31<sup>st</sup>, as determined by statute.
- Aviation Fuel Tax:** A new tax on companies that distribute aviation fuel in Connecticut will be in effect for the quarterly periods commencing on or after July 1, 2025, and prior to July 1, 2029. The tax is imposed on the first sale of aviation fuel at the rate of 15 cents per gallon.

#### Number of Taxpayers / Filing Frequency

638 taxpayers / Monthly

## MOTOR VEHICLE FUELS TAX (cont.)

### Comparative Data

	FY 2022-23 (gallons)	FY 2023-24 (gallons)	FY 2024-25 (gallons)
Gasohol	995,792,393	1,451,235,949	1,445,968,645
Gas Tax Holiday	494,187,906		
Special Fuel*	271,424,644	267,809,707	265,732,514
Alternative Fuels**	3,603,704	3,983,070	3,770,089
<b>Total Gallons</b>	<b>1,765,008,647</b>	<b>1,723,028,726</b>	<b>1,715,471,248</b>

\* Gallons reported under Special Fuel primarily contain diesel fuel, however, there are minimal amounts of Natural Gas and Propane reported under this category.

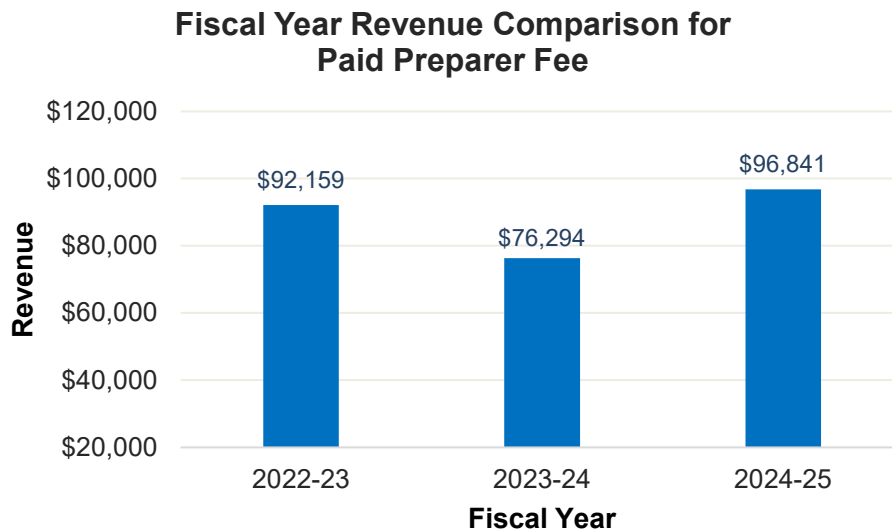
\*\* Alternative fuels consist of Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), and Liquefied Petroleum Gas (Propane).

# PAID PREPARER FEE

## Connecticut General Statutes

### Chapter 229

*The Connecticut General Assembly enacted a comprehensive law which established professional practice standards for all tax preparers and facilitators. In addition, any person that prepares federal or state personal income tax returns for a fee or other consideration, and is not expressly exempt, must have a permit. The permit must be renewed every two years. See Preparer Fee Information on the DRS website.*



### Fee

All tax preparers who are not exempt are required to have a permit. The initial application fee is \$100. The permit expires after two years. The renewal fee is \$50.

### Exempt Preparers

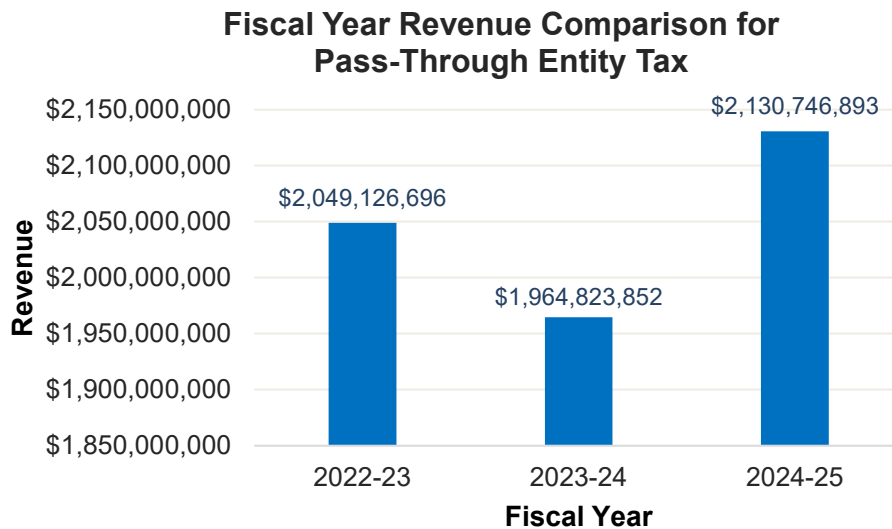
- Attorneys;
- Certified Public Accountants;
- Enrolled Agents;
- IRS qualified volunteer tax preparers participating in either a Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE) program;
- Employee of an attorney preparing tax returns under the supervision of the attorney;
- Employee of a local, state or federal governmental agency preparing returns in the performance of official duties;
- Employee of, or assistant to, a tax preparer or person exempted from the permit requirements, in the performance of official duties for such tax preparer or exempt person;
- Fiduciary acting on behalf of an estate; and
- Individuals employed, full-time or part-time, to act as a tax preparer solely for the business purposes of such individual's employer.

# PASS-THROUGH ENTITY TAX

## Connecticut General Statutes

### Chapter 228z

*Recent legislation made the Pass-Through Entity tax optional, effective January 1, 2024, and applicable to taxable years commencing on and after that date. Any entity that elects to pay such tax must give the Commissioner of Revenue Services written notice for each tax year it makes the election and must do so no later than the due date (or extended due date) for filing the return. See Pass-Through Entity Tax Information on the DRS website.*



#### **Basis and Rate**

Effective for taxable years commencing on or after January 1, 2024, any entity electing to pay the Pass-Through Entity tax must calculate the portion of the entity's Connecticut source income from its own activities that flows through to members who are chapter 229 taxpayers (income tax) plus the portion of the entity's income that flows through to members who are Connecticut residents and that is not sourced to any state.

The tax rate of 6.99% is applied to the base to determine the amount of tax due.

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

141,480 taxpayers / Annually with four estimated installments.

## PASS-THROUGH ENTITY (cont.)

### Composite Personal Income Tax

Pass-through entities can remit composite income tax in connection with the PE's taxable year on behalf of each of its members who are nonresident individuals. Pass-through entities remitted \$19,765,937 in Personal Income tax in Tax Year 2023.

For taxable years that begin on or after January 1, 2024, legislation **requires** that the pass-through entity file an income tax return and pay the tax on behalf of any nonresident member for whom the business is the only source of Connecticut income.

### Detail of Revenue

#### 2023 Pass-Through Entity Tax Returns

Tax Due	Number of Returns	Tax Due
Zero	78,616	\$0
\$1 to \$999	15,220	5,974,381
\$1000 to \$24,999	38,576	265,342,525
\$25,000 to \$49,999	4,211	147,626,827
\$50,000 to \$99,999	2,368	165,602,817
\$100,000 to \$249,999	1,560	236,660,641
\$250,000 to \$499,999	469	162,036,594
\$500,000 to \$999,999	247	175,011,328
\$1 million to \$2 million	129	178,438,829
\$2 million to \$3 million	37	91,092,765
\$3 million to \$4 million	15	50,178,089
\$4 million and over	32	212,097,332
<b>Total</b>	<b>141,480</b>	<b>\$1,690,062,128</b>

### Business Tax Credits

#### Tax Credits Claimed on 2023 Pass-Through Entity Returns

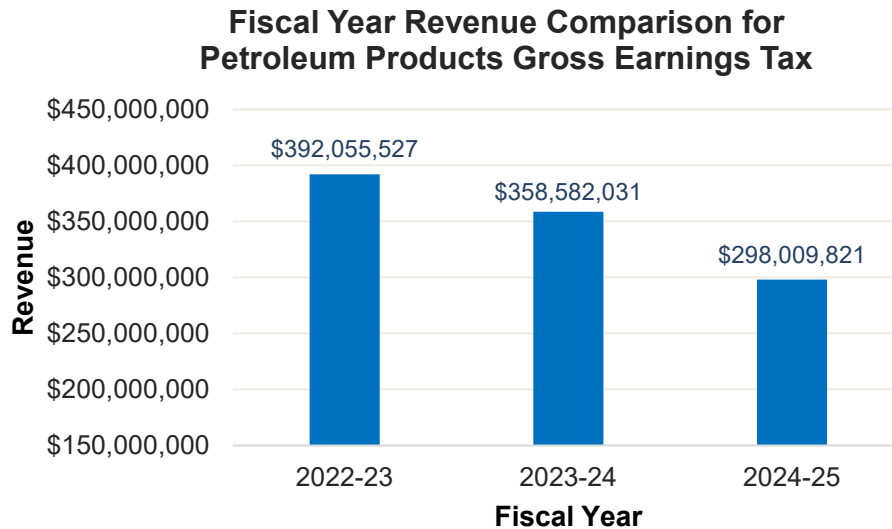
Type of Credit	Number of Credits	Amount Claimed
Apprenticeship Training	9	\$799,924

# PETROLEUM PRODUCTS GROSS EARNINGS TAX

## Connecticut General Statutes

### Chapter 227

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



#### **Basis and Rate**

8.1%

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

609 taxpayers / Quarterly

#### **Cap on Petroleum Products Gross Earnings Tax**

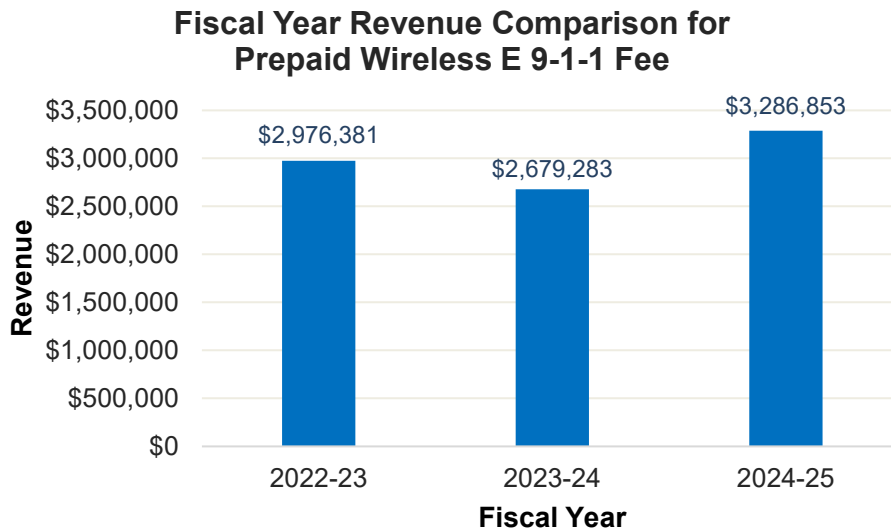
The petroleum products gross earnings tax has a \$3.00 per gallon cap on which the tax is calculated for the first sale for gasoline and gasohol. Petroleum products distributors are required to calculate the tax at \$3.00 per gallon even if the price exceeds said amount and any consideration received by the distributor in excess of \$3.00 is exempt from tax.

# PREPAID WIRELESS E 9-1-1 FEE

## Connecticut General Statutes

### Chapter 518a

*A Prepaid Wireless E 9-1-1 Fee is levied on each sale of prepaid wireless telecommunications service by a retailer. The fee is determined each June for the upcoming fiscal year by the Connecticut Public Utility Regulatory Authority (PURA). All monies collected are deposited in the Enhanced 9-1-1 Telecommunications Fund. Retailers may retain 1% of the Prepaid Wireless E 9-1-1 Fees they collect. See Prepaid Wireless E 9-1-1 Fee Information on the DRS website.*



#### **Basis and Rate**

\$0.69 for sales made on or after July 1, 2025.

\$0.73 for sales made between July 1, 2024, and June 30, 2025.

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

225 Retailers

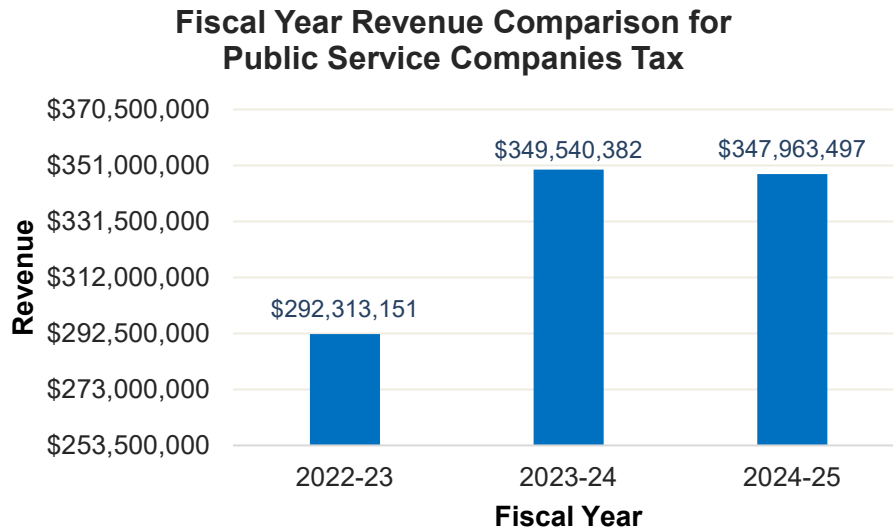
206 / Monthly

19 / Quarterly

# PUBLIC SERVICE COMPANIES TAX

## Connecticut General Statutes Chapters 210, 211, 212, 212a

*There are four statutory components to the public service companies taxes under Chapters 210, 211, 212, and 212a of the Connecticut General Statutes. Included under these tax chapters are: Gas Companies, Electric & Power Distribution Companies, Municipal Electric Utilities, Community Antenna TV & Certified Competitive Video Provider, Satellite TV Companies and Railroad Companies taxes. See Gross Earnings Tax Information, on the DRS website.*



### Basis and Rate

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

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

## PUBLIC SERVICE COMPANIES TAX (cont.)

### Number of Taxpayers / Filing Frequency

100 Taxpayers

59 Public Utility Companies / Quarterly

16 Community Antenna TV & Certified Competitive Video Provider  
Companies / Quarterly

15 Satellite TV Companies / Quarterly

10 Railroad Companies / Annually (July 1)

### Residential Credit

Companies claimed \$8,526,876 in Fiscal Year 2024-25 under the one-percent credit attributable to the sale of gas and electric power for residential use.

### Manufacturing Companies Credit

\$8,698,797 was claimed in credit for gas used directly by companies engaged in a manufacturing production process during Fiscal Year 2024-25.

### Comparative Data

	FY 2022-23	FY 2023-24	FY 2024-25
Cable, Satellite & Video	\$49,226,215	\$35,555,237	\$29,731,253
Electric & Power Companies	149,579,820	237,946,264	234,557,976
Gas Companies	90,207,200	72,970,332	80,215,019
Public, Educational & Governmental Programming Tax*	2,825,522	2,573,751	3,074,297
Railroad Companies	474,393	494,799	384,952
<b>Total Tax</b>	<b>\$292,313,151</b>	<b>\$349,540,382</b>	<b>\$347,963,497</b>

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

## PUBLIC SERVICE COMPANIES TAX (cont.)

### Fiscal Year 2024-25 Public Service Companies Tax Credits

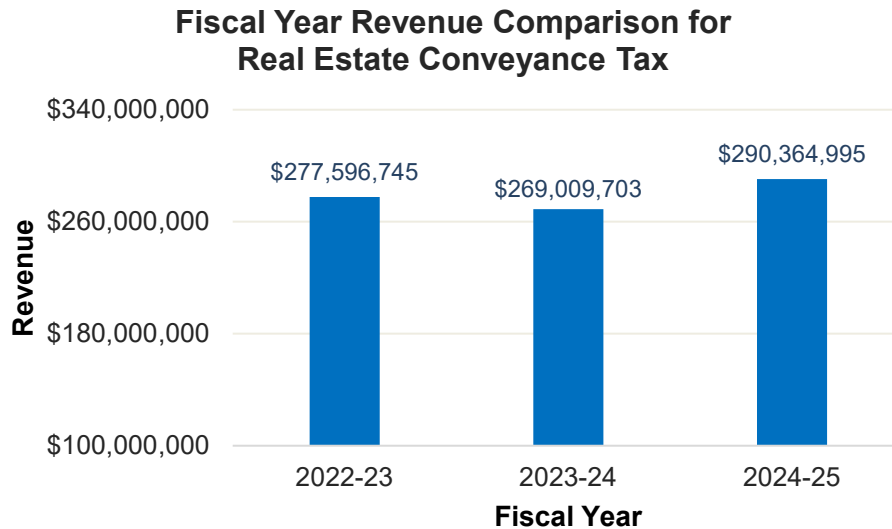
Type of Credit	Number of Credits	Amount of Credit Claimed
Electronic Data Processing	3	\$1,010,587
Neighborhood Assistance	9	1,089,066
Historic Homes Rehabilitation	4	2,712,153
Historic Rehabilitation	3	3,594,498
Historic Structures Rehabilitation	1	1,945,406
Housing Program Contribution	1	10,000,000
Urban & Industrial Site Reinvestment	2	7,400,000
<b>Total Tax Credits</b>	<b>23</b>	<b>\$27,751,709</b>

# REAL ESTATE CONVEYANCE TAX

## Connecticut General Statutes

### Chapter 223

*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. See Real Estate Conveyance Tax Information on the DRS website.*



### Basis and Rate

Conveyances made on or after July 1, 2020:

Classification	Rate
Unimproved Land	0.75%
Nonresidential property other than Unimproved Land	1.25%
Residential Dwelling:	
Portion \$800,000 or less	0.75%
Portion between \$800,000 and \$2.5 million	1.25%
Portion that exceeds \$2.5 million	2.25%
Residential Property other than Residential Dwelling	0.75%
Delinquent Mortgage	0.75%

## REAL ESTATE CONVEYANCE TAX (cont.)

### Fiscal Year 2024-25 Conveyances

Amount of Consideration	Number of Taxable Conveyances	Number of Non-Taxable Conveyances	Number of Exempt Conveyances	Tax Due
Under \$2,000	0	28,288	4,224	0
\$2,000 to \$29,999	887	0	42	124,978
\$30,000 to \$39,999	232	0	*	62,546
\$40,000 to \$49,999	271	0	*	93,868
\$50,000 to \$59,999	301	0	*	123,756
\$60,000 to \$69,999	312	0	*	152,994
\$70,000 to \$79,999	302	0	10	175,368
\$80,000 to \$89,999	314	0	*	204,020
\$90,000 to \$99,999	290	0	*	210,716
\$100,000 to \$109,999	405	0	11	333,622
\$110,000 to \$119,999	325	0	*	285,768
\$120,000 to \$129,999	443	0	*	431,171
\$130,000 to \$139,999	397	0	*	403,469
\$140,000 to \$149,999	401	0	12	435,004
\$150,000 to \$159,999	565	0	12	667,642
\$160,000 to \$169,999	468	0	20	590,137
\$170,000 to \$179,999	553	0	18	740,190
\$180,000 to \$189,999	608	0	19	848,858
\$190,000 to \$199,999	570	0	15	837,003
\$200,000 to \$249,999	3,724	0	79	6,330,599
\$250,000 to \$299,999	4,915	0	91	10,174,273
\$300,000 to \$399,999	10,525	0	115	27,479,221
\$400,000 to \$499,999	7,295	0	52	24,431,966
\$500,000 to \$599,999	4,491	0	33	18,573,034

Note that conveyances for no consideration or consideration of less than \$2,000 are non-taxable.

## REAL ESTATE CONVEYANCE TAX (cont.)

### Fiscal Year 2024-25 Conveyances

Amount of Consideration	Number of Taxable Conveyances	Number of Non-Taxable Conveyances	Number of Exempt Conveyances	Tax Due
\$600,000 to \$699,999	3,006	0	17	14,745,568
\$700,000 to \$799,999	1,997	0	15	11,391,670
\$800,000 to \$899,999	1,313	0	*	8,902,575
\$900,000 to \$999,999	874	0	*	6,989,309
\$1,000,000 to \$1,099,999	489	0	*	4,480,385
\$1,100,000 to \$1,199,999	511	0	*	5,330,218
\$1,200,000 to \$1,299,999	467	0	*	5,422,388
\$1,300,000 to \$1,399,999	347	0	*	4,473,767
\$1,400,000 to \$1,499,999	267	0	*	3,765,700
\$1,500,000 to \$1,999,999	1,017	0	*	17,612,031
\$2,000,000 to \$2,499,999	520	0	*	12,455,607
\$2,500,000 to \$2,999,999	340	0	*	10,830,114
\$3,000,000 to \$3,499,999	220	0	*	9,202,855
\$3,500,000 to \$3,999,999	189	0	*	9,761,844
\$4,000,000 to \$4,499,999	133	0	*	8,168,537
\$4,500,000 to \$4,999,999	77	0	*	5,529,460
\$5,000,000 and over	407	0	*	58,428,303
<b>Total</b>	<b>50,768</b>	<b>28,288</b>	<b>4,902</b>	<b>\$291,200,534</b>

Note that conveyances for no consideration or consideration of less than \$2,000 are non-taxable.

\* Less than 10 conveyances

## REAL ESTATE CONVEYANCE TAX (cont.)

### Fiscal Year 2024-25 Conveyances by Town

Municipality	Taxable Conveyances	Nontaxable and Exempt Conveyances	Consideration for Taxable Consideration	Tax Due
ANDOVER	40	24	12,785,023	94,800
ANSONIA	145	99	50,136,964	377,733
ASHFORD	38	35	10,483,550	78,627
AVON	279	214	150,647,200	1,240,371
BARKHAMSTED	46	34	14,829,900	119,614
BEACON FALLS	65	56	26,302,950	194,240
BERLIN	275	194	99,782,336	759,773
BETHANY	71	65	32,643,847	252,966
BETHEL	216	163	109,616,240	854,945
BETHLEHEM	54	46	18,973,400	145,776
BLOOMFIELD	270	192	133,571,958	1,077,270
BOLTON	68	60	24,457,608	190,307
BOZRAH	51	28	15,269,500	114,521
BRANFORD	484	302	266,979,404	2,358,612
BRIDGEPORT	615	498	330,462,359	2,783,764
BRIDGEWATER	27	30	23,008,724	230,713
BRISTOL	626	399	200,895,473	1,537,475
BROOKFIELD	222	151	122,853,501	1,064,139
BROOKLYN	112	104	40,549,574	322,956
BURLINGTON	118	101	51,668,310	397,026
CANAAN	31	28	31,623,124	356,773
CANTERBURY	70	66	19,780,579	159,666
CANTON	125	93	51,286,391	414,361
CHAPLIN	51	29	14,407,657	117,182
CHESHIRE	383	251	191,194,798	1,496,433
CHESTER	60	37	30,926,149	249,434
CLINTON	162	127	80,876,314	684,219
COLCHESTER	203	143	84,866,122	641,845
COLEBROOK	21	14	9,117,700	61,483
COLUMBIA	77	56	27,998,963	224,890
CORNWALL	21	22	13,350,903	120,832
COVENTRY	161	97	59,110,844	458,310
CROMWELL	235	129	95,845,996	750,286
DANBURY	718	722	463,707,705	3,968,430
DARIEN	209	138	394,976,354	4,923,834
DEEP RIVER	60	63	32,132,189	284,567
DERBY	100	54	38,761,451	307,342
DURHAM	82	59	33,718,790	267,923
EAST GRANBY	47	43	21,765,102	182,763
EAST HADDAM	101	99	43,843,204	333,259

# REAL ESTATE CONVEYANCE TAX (cont.)

## Fiscal Year 2024-25 Conveyances by Town

Municipality	Taxable Conveyances	Nontaxable and Exempt Conveyances	Consideration for Taxable Consideration	Tax Due
EAST HAMPTON	173	108	58,971,907	444,789
EAST HARTFORD	370	252	132,320,531	1,134,779
EAST HAVEN	298	208	123,625,743	1,026,343
EAST LYME	255	197	122,802,305	973,575
EAST WINDSOR	134	75	38,631,647	303,647
EASTFORD	29	19	8,713,100	67,348
EASTON	89	73	67,722,567	618,227
ELLINGTON	236	124	87,620,932	674,549
ENFIELD	345	217	110,566,671	846,804
ESSEX	1,435	3,117	904,497,701	8,377,053
FAIRFIELD	696	468	693,791,097	6,994,102
FARMINGTON	354	310	237,209,199	1,951,525
FRANKLIN	31	21	8,431,495	71,111
GLASTONBURY	555	364	275,554,533	2,296,775
GOSHEN	60	54	24,228,175	201,502
GRANBY	181	101	82,056,198	626,212
GREENWICH	590	549	1,535,460,148	22,222,565
GRISWOLD	104	78	30,928,136	236,374
GROTON	242	190	102,029,851	827,926
GUILFORD	357	253	224,474,482	1,967,775
HADDAM	107	93	44,297,881	367,171
HAMDEN	462	327	201,670,342	1,614,793
HAMPTON	32	13	9,604,600	73,785
HARTFORD	502	401	223,887,980	1,927,471
HARTLAND	16	10	4,610,118	34,576
HARWINTON	90	49	42,648,715	364,686
HEBRON	132	77	46,381,717	352,868
KENT	31	15	18,963,379	162,480
KILLINGLY	213	138	70,277,083	545,526
KILLINGWORTH	74	61	28,103,671	217,349
LEBANON	97	66	31,657,842	264,659
LEDYARD	167	105	62,287,652	512,833
LISBON	115	66	38,724,008	294,515
LITCHFIELD	151	131	67,026,720	541,674
LYME	29	32	20,361,700	196,819
MADISON	256	202	145,585,520	1,246,987
MANCHESTER	489	341	162,825,667	1,270,355
MANSFIELD	112	107	34,254,678	285,910
MARLBOROUGH	60	48	21,483,899	163,054
MERIDEN	415	275	132,691,100	1,034,501

## REAL ESTATE CONVEYANCE TAX (cont.)

### Fiscal Year 2024-25 Conveyances by Town

Municipality	Taxable Conveyances	Nontaxable and Exempt Conveyances	Consideration for Taxable Consideration	Tax Due
MIDDLEBURY	140	99	58,198,206	448,796
MIDDLEFIELD	54	58	20,569,887	164,208
MIDDLETOWN	392	295	151,384,895	1,206,536
MILFORD	732	414	398,400,273	3,201,240
MONROE	242	140	135,057,333	1,087,502
MONTVILLE	175	153	59,560,354	458,700
MORRIS	34	23	17,303,629	142,945
NAUGATUCK	265	195	85,177,981	659,799
NEW BRITAIN	377	281	121,963,853	887,521
NEW CANAAN	257	179	498,045,392	6,252,707
NEW FAIRFIELD	116	121	65,256,686	565,328
NEW HARTFORD	83	65	27,938,575	211,814
NEW HAVEN	543	513	283,691,028	2,276,261
NEW LONDON	194	149	91,005,852	761,143
NEW MILFORD	268	186	118,357,385	968,543
NEWINGTON	355	244	161,889,931	1,297,544
NEWTOWN	344	250	201,587,833	1,645,316
NORFOLK	25	27	8,977,638	71,757
NORTH BRANFORD	170	133	85,407,125	752,103
NORTH CANAAN	10	8	4,117,900	41,434
NORTH HAVEN	309	209	126,649,576	988,000
NORTH STONINGTON	56	71	20,819,751	172,108
NORWALK	647	482	728,428,560	7,120,136
NORWICH	331	284	92,168,056	694,772
OLD LYME	145	136	93,512,488	865,824
OLD SAYBROOK	218	168	120,040,779	1,020,701
ORANGE	213	145	106,578,852	886,424
OXFORD	200	135	109,288,975	983,479
PLAINFIELD	190	134	58,464,462	465,279
PLAINVILLE	251	142	103,456,764	810,015
PLYMOUTH	151	91	53,522,915	452,892
POMFRET	61	34	21,313,300	180,075
PORTLAND	112	86	48,270,141	382,579
PRESTON	65	60	21,728,185	168,449
PROSPECT	119	93	42,701,886	340,689
PUTNAM	112	97	37,995,213	305,090
REDDING	98	79	80,648,264	733,601
RIDGEFIELD	225	191	203,886,722	1,884,084
ROCKY HILL	235	228	92,730,653	717,019
ROXBURY	42	33	34,599,455	319,215

## REAL ESTATE CONVEYANCE TAX (cont.)

### Fiscal Year 2024-25 Conveyances by Town

Municipality	Taxable Conveyances	Nontaxable and Exempt Conveyances	Consideration for Taxable Consideration	Tax Due
SALEM	57	22	20,725,267	173,333
SALISBURY	56	53	51,365,699	550,155
SCOTLAND	12	7	4,166,200	33,956
SEYMOUR	143	114	53,274,853	414,026
SHARON	31	52	18,778,830	168,784
SHELTON	604	310	507,153,284	4,067,919
SHERMAN	42	30	20,142,677	160,808
SIMSBURY	295	207	135,287,653	1,091,555
SOMERS	91	79	33,353,979	256,250
SOUTH WINDSOR	375	235	145,827,508	1,155,215
SOUTHBURY	413	211	208,934,711	1,699,143
SOUTHINGTON	667	420	273,579,347	2,172,908
SPRAGUE	36	26	9,238,250	69,287
STAFFORD	128	93	34,527,680	265,643
STAMFORD	1,003	666	940,840,971	9,395,690
STERLING	32	30	9,451,105	72,683
STONINGTON	327	285	184,475,091	1,592,566
STRATFORD	487	305	232,262,787	1,869,589
SUFFIELD	206	163	88,843,706	713,736
THOMASTON	97	53	29,452,278	230,787
THOMPSON	91	64	32,635,753	253,129
TOLLAND	185	143	62,306,121	488,012
TORRINGTON	360	224	128,811,559	1,119,251
TRUMBULL	429	311	225,495,574	1,843,661
UNION	8	14	1,582,750	11,871
VERNON	260	186	85,914,305	686,206
VOLUNTOWN	29	47	10,709,920	87,724
WALLINGFORD	525	328	205,299,414	1,609,544
WARREN	18	16	13,319,500	122,526
WASHINGTON	45	43	42,524,250	410,247
WATERBURY	645	434	213,399,259	1,699,739
WATERFORD	289	233	109,387,125	850,771
WATERTOWN	249	185	99,739,100	891,249
WEST HARTFORD	943	1095	571,346,988	5,228,606
WEST HAVEN	352	234	129,609,589	1,017,411
WESTBROOK	94	95	51,265,244	455,840
WESTON	129	80	123,840,375	1,214,367
WESTPORT	409	273	782,406,631	9,770,170
WETHERSFIELD	309	238	127,711,024	1,035,153
WILLINGTON	48	21	13,209,932	99,574
WILTON	231	134	237,764,905	2,295,366

# REAL ESTATE CONVEYANCE TAX (cont.)

## Fiscal Year 2024-25 Conveyances by Town

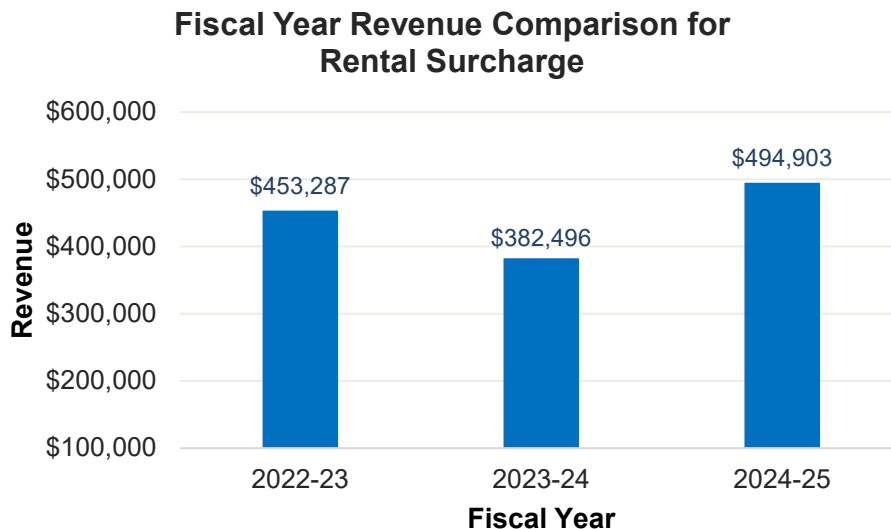
Municipality	Taxable Conveyances	Nontaxable and Exempt Conveyances	Consideration for Taxable Consideration	Tax Due
WINCHESTER	110	76	33,469,939	271,020
WINDHAM	111	83	30,774,804	245,313
WINDSOR	228	216	81,681,222	632,285
WINDSOR LOCKS	157	113	54,183,702	434,634
WOLCOTT	234	116	75,813,065	583,348
WOODBIDGE	137	91	89,911,895	762,301
WOODBURY	137	110	63,201,814	536,361
WOODSTOCK	88	101	35,156,281	271,471
TOWN UNKNOWN	608	337	319,568,803	2,952,713
OUT OF STATE	12,795	3,349	9,420,263,955	90,736,007
OUT OF COUNTRY	34	8	28,612,944	304,557
<b>Total</b>	<b>50,768</b>	<b>33,190</b>	<b>31,045,485,214</b>	<b>\$291,200,534</b>

# RENTAL SURCHARGE

## Connecticut General Statutes

### Chapter 228h

*The Rental Surcharge is imposed on the rental of machinery by a rental company. The surcharge is imposed on machinery rented for a period of less than 365 days, or under an open-ended contract for an undefined period. See [Rental Surcharge Information](#) on the DRS website.*



#### Basis and Rate

2.75% of the total rental charges on machinery.

#### Number of Taxpayers / Filing Frequency

38 taxpayers / Annually

#### Comparative Data

Gross collections of the surcharge by rental companies during FY 2024-25 amounted to \$2,750,767. Rental companies retained the difference between gross collections and the amounts remitted to reimburse personal property taxes and titling and registration fees paid in Connecticut.

## REPEALED TAXES



### **BUSINESS ENTITY TAX (Chapter 228z)**

*The following business entities were subject to a Business Entity Tax if they were formed under Connecticut law or were foreign entities that were 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) were not liable);*
- *Limited liability companies (LLCs or SMLLCs) that, for federal income tax purposes, were either:*
  - *Treated as a partnership, if it had two or more members; or*
  - *Disregarded as an entity separate from its owner, if it had a single member;*
- *Limited liability partnerships (LLPs); and*
- *Limited partnerships (LPs).*

*Public Act 19-117 sunset the Connecticut Business Entity Tax with the 2017 and 2018 biennial period.*

*Revenue collected for Fiscal Year 2024-25: (\$686,027)*

### **GIFT TAX (Chapter 228c)**

*The Connecticut Gift Tax applied to Connecticut taxable gifts made prior to January 1, 2005, that had been taxable for federal purposes. The Gift Tax was replaced by the Estate and Gift Tax for taxable gifts made on or after January 1, 2005.*

*Revenue collected for Fiscal Year 2024-25: \$37,692*

### **SUCCESSION TAX (Chapter 216)**

*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 beneficiary. The Connecticut Succession Tax does not apply to estates of decedents dying on or after January 1, 2005.*

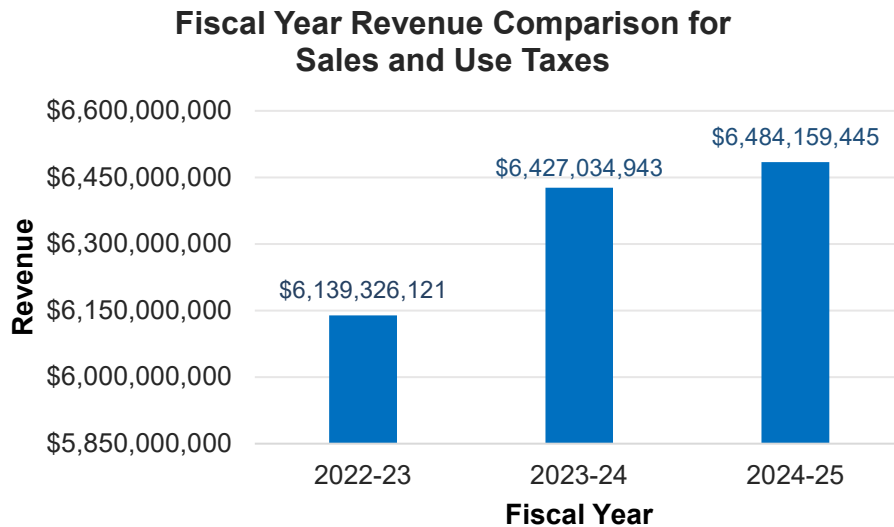
*Revenue collected for Fiscal Year 2024-25: \$60,988*

# SALES AND USE TAXES

## Connecticut General Statutes

### Chapter 219

*Connecticut levies sales and use taxes on the gross receipts of retailers from the sale of tangible personal property at retail, from the rental or leasing of tangible personal property, and on the gross receipts from the rendering of certain services. See [Sales and Use Tax Information](#) on the DRS website.*



#### Basis and Rate

6.35%	on the gross receipts from the sale, rental or leasing of tangible personal property, and the rendering of certain services (general rate);
7.35%	on the sale of meals and certain drinks;
7.75%	This tax rate applies to: <ul style="list-style-type: none"> <li>• Most motor vehicles with a sales price of more than \$50,000;</li> <li>• Items of jewelry with a sales price of more than \$5,000; and</li> <li>• Articles of clothing or footwear or a handbag, luggage, umbrella, wallet, or watch, with a price of more than \$1,000.</li> </ul>
1.0%	on computer and data processing services;
2.99%	for sales and purchases of vessels, motors for vessels, and trailers used for transporting a vessel;
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;
9.35%	for the rental or leasing of a passenger motor vehicle for a period of 30 consecutive calendar days or less;
11.0%	for occupancy in bed and breakfast establishments;
15.0%	for the rental of rooms in a hotel or lodging house

## SALES AND USE TAXES (cont.)

### FY 2024-25 SALES TAX EXEMPTIONS (In Millions)

Deductible Item	Total Deductions	Revenue Forgone
Sale for Resale – Goods	\$117,077.8	\$7,443.2
Sale for Resale – Leases and Rentals	2,290.4	156.6
Sale for Resale – Labor and Services	3,542.8	225.0
Magazines by Subscription and All Newspapers	93.7	5.9
Trucks with Gross Vehicle Weight Over 26,000 Pounds or Used for Interstate Freight	167.1	10.6
Food Products for Human Consumption	10,778.5	689.4
Fuel for Motor Vehicles	7,746.7	491.9
Electricity/Gas/Heating Fuel (residential)	3,063.1	194.5
Electricity (\$150 monthly per business)	167.8	10.7
Electricity/Gas/Heating Fuel for Manufacturing or Agricultural Production	970.1	61.6
Aviation Fuel	395.2	25.1
Sales of Tangible Personal Property to Farmers	124.7	7.9
Machinery/Materials/ Tools/Fuel – Mfg. Product	2,084.1	132.3
Machinery/Materials/ Equip. – Printing	38.2	2.4
Machinery/Materials/ Tools/Fuel – Comm. Fishing	92.1	5.8

## SALES AND USE TAXES (cont.)

### FY 2024-25 SALES TAX EXEMPTIONS (cont.) (In Millions)

Deductible Item	Total Deductions	Revenue Forgone
Out-of-State – Sale of Goods	30,460.0	1,936.3
Out-of-State – Leases/Rentals	766.7	49.8
Out-of-State – Labor and Services	15,760.6	1,000.8
Sales of Motor Vehicles, Vessels to Nonresidents	1,699.2	117.0
Prescription Medicines	10,863.7	689.8
Nonprescription Drugs and Medicines	359.7	22.8
Charitable/Religious – Sale of Goods	1,384.9	89.1
Charitable/Religious – Leases and Rentals	77.1	4.9
Charitable/Religious – Labor and Services	1,204.8	76.5
Government – Sale of Goods	15,110.0	960.5
Government – Leases and Rentals	75.2	4.8
Government – Labor and Services	9,605.4	609.9
Pollution Abatement	6.3	0.4
Non-Taxable Labor and Services	26,389.5	1,675.7
Business Services/Parent Owned Subs.	793.5	50.4
Trade-ins of Like-Kind Personal Property	1,249.9	85.6
Taxed Goods returned within 90 days	166.2	10.6
Oxygen, Plasma, Prostheses, etc.	471.1	29.9
Funeral Expenses up to \$2,500	113.1	7.2
Repair or Replacement Parts/Repair Services to Aircraft	1,457.8	92.6

## SALES AND USE TAXES (cont.)

### FY 2024-25 SALES TAX EXEMPTIONS (cont.) (In Millions)

Deductible Item	Total Deductions	Revenue Forgone
Certain Machinery – Manufacturing Recovery Act of 1992 (Difference between the Full and 3% Rates)	27.5	1.7
Sales of Machinery, Equipment, Tools, Fuel, and Supplies used in the Biotechnology Industry	46.4	2.9
Sales of Repair and Maintenance Service to Vessels	75.1	4.8
Computer and Data Processing Services (Difference between the Full and 1% Rates)	8,521.7	541.1
Renovation Services to Residential Property	1,211.7	76.9
Sales to Direct Payment Permit Holders	954.4	60.6
Sales of College Textbooks	26.2	1.7
Sales Tax Holidays	29.4	1.9
Motor Vehicles Sold to Armed Forces (Difference between the Full and 4.5% Rates)	1.8	0.1
Purchases of Cigarettes Taxed by a Distributor	528.7	33.6
Sales of Vessels and Motors or Trailers for Vessels (Difference between the Full and 2.99% Rates)	730.1	46.4
Other Adjustments – Sales of Goods	25,842.2	1,642.8
Other Adjustments – Leases and Rentals	533.2	34.3
Other Adjustments – Labor and Services	2,043.8	129.8
<b>TOTAL</b>	<b>\$307,218.8</b>	<b>\$19,556.4</b>

## SALES AND USE TAXES (cont.)

### Number of Taxpayers / Filing Frequency

#### **198,378 Sales & Use Taxpayers**

9,574 Annual  
34,685 Quarterly  
70,573 Monthly  
83,546 Filers with no tax due

#### **715 Room & Occupancy Taxpayers**

595 Monthly  
120 Quarterly

### Comparative Data

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

**Table I**  
**Sales and Use Tax Collections**  
**Fiscal Years 2023 – 2025**

	FY 2022-23	FY 2023-24	FY 2024-25
Sales and Use	\$5,975,522,983	\$6,250,195,204	\$6,307,768,694
Individual Use	6,827,183	15,134,000	5,690,881
Room Occupancy	156,975,955	161,705,739	170,699,871
<b>Total Tax</b>	<b>\$6,139,326,121</b>	<b>\$6,427,034,943</b>	<b>\$6,484,159,445</b>

## SALES AND USE TAXES (cont.)

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

**Table II**  
**Gross Receipts Reported on Sales Tax Returns**  
**Periods Ending in Fiscal Year 2024-25**  
*(In Millions)*

<b>Tax Rate</b>	<b>Sales of Tangible Personal Property</b>	<b>Leasing/Rental of Tangible Personal Property</b>	<b>Sales of Services</b>
6.35% - General Rate	\$302,477.5	\$3,801.5	\$68,952.5
7.35% - Meals and Beverages	12,715.1	0	0
7.75% - Luxury Goods	4,393.9	707.6	0
9.35% - Motor Vehicle Rental	0	320.3	0

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

**Table III**  
**Taxable Receipts**  
**Periods Ending in Fiscal Year 2024-25**  
*(In Millions)*

<b>Taxable Receipts Attributable to:</b>	<b>Tax Rate</b>	<b>Taxable Receipts</b>
Room Occupancy in Hotel or Lodging House	15%	\$1,121.8
Room Occupancy in Bed and Breakfast Establishments	11%	6.2
Rental or Leasing of Motor Vehicles for 30 days or less	9.35%	318.2

## SALES AND USE TAXES (cont.)

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

**Table IV**  
**Purchases Subject to Business Use Tax**  
**Periods Ending in Fiscal Year 2024-25**  
*(In Millions)*

<b>Tax Rate</b>	<b>Purchases of Tangible Personal Property</b>	<b>Leasing/Rental of Tangible Personal Property</b>	<b>Purchases of Services</b>
6.35% - General Rate	\$6,176.9	\$38.9	\$3,257.0
7.35% - Meals and Beverages	7.8	0	0
7.75% - Luxury Goods	0.6	9.7	0
9.35% - Motor Vehicle Rental	0	0.1	0

**Table V** provides a summary of the Film Production Tax Credit claims under sales and use tax.

**Table V**  
**Film Production Tax Credit Claims for Fiscal Year 2024-25**

<b>Fiscal Year</b>	<b>Number of Claims</b>	<b>Tax Credit Claimed</b>
FY 2024-25	6	\$27,590,180
FY 2023-24	12	7,059,475

Table VI on the following page provides total sales and use taxes revenues by the economic activities sectors of the North American Industry Classification System (NAICS) for Fiscal Year 2024-25. The revenues are from regular payments and represent 95% of the total sales and use taxes collected in FY 2024-25.

## SALES AND USE TAXES (cont.)

**TABLE VI: Sales & Use Tax - From Periods Ending in Fiscal Year 2024-25**  
(In Millions)

	Tax Due at 6.35%	Tax Due at 7.35%	Tax Due at 7.75%	Total Tax Due (Includes 9.35% Rate)
22 Utilities	\$183.7	\$0.0	\$0.0	\$183.7
23 Construction	216.5	1.6	0.0	218.1
31-33 Manufacturing	301.2	16.0	0.5	317.7
42 Wholesale Trade	320.6	1.7	1.4	323.7
441 Motor Vehicle and Parts Dealers	482.1	0.0	137.8	620.2
442 Furniture and Home Furnishings	118.9	0.0	0.0	118.9
443 Electronics and Appliance Stores	89.8	0.0	0.0	89.8
444 Building Material & Garden Equipment	256.0	0.0	0.0	256.3
445 Food and Beverage Stores	210.2	61.9	0.0	272.1
446 Health and Personal Care Stores	51.2	0.9	0.2	52.3
447 Gasoline Stations	30.7	6.6	1.6	39.0
448 Clothing and Clothing Accessories Stores	216.5	0.6	21.4	238.4
451 Sporting Goods, Hobby, Book Stores	57.1	0.9	0.0	58.0
452 General Merchandise Stores	255.4	3.0	0.5	258.9
453 Miscellaneous Store Retailers	268.9	7.9	7.4	284.1
454 Non-store Retailers	545.2	3.5	2.2	550.9
44-45 Retail Sector Subtotal	2,582.1	85.1	171.1	2,838.9
51 Information	318.0	36.4	2.2	356.7
52 Finance and Insurance	93.2	0.0	2.7	95.9
53 Real Estate and Rental and Leasing	142.8	1.2	18.6	187.7
54 Professional, Scientific and Technical Services	277.8	42.5	0.4	320.6
56 Administrative and Support	273.4	0.7	0.7	274.8
71 Arts, Entertainment & Recreation	39.0	17.2	0.0	56.2
72 Accommodation and Food Services	17.5	610.2	0.2	627.9
81 Other Services (except Public Admin)	262.4	6.2	12.8	281.3
All Other Businesses	136.8	6.2	3.1	150.0
<b>TOTAL SALES &amp; USE TAX</b>	<b>\$5,165.1</b>	<b>\$824.9</b>	<b>\$213.7</b>	<b>\$6,233.4</b>

## SALES AND USE TAXES (cont.)

Table VII below provides a summary of retail sales of goods for the state of Connecticut over the past three fiscal years. These sales include those goods that are exempt from the sales and use tax.

Data is provided for the Retail Trade subsectors within the North American Industry Classification System (NAICS). Approximately 44% of all the sales and use tax revenue is generated by the retail trade sector.

**TABLE VII:**  
**Retail Sales Volume - Fiscal Years 2023 – 2025**  
*(In Millions)*

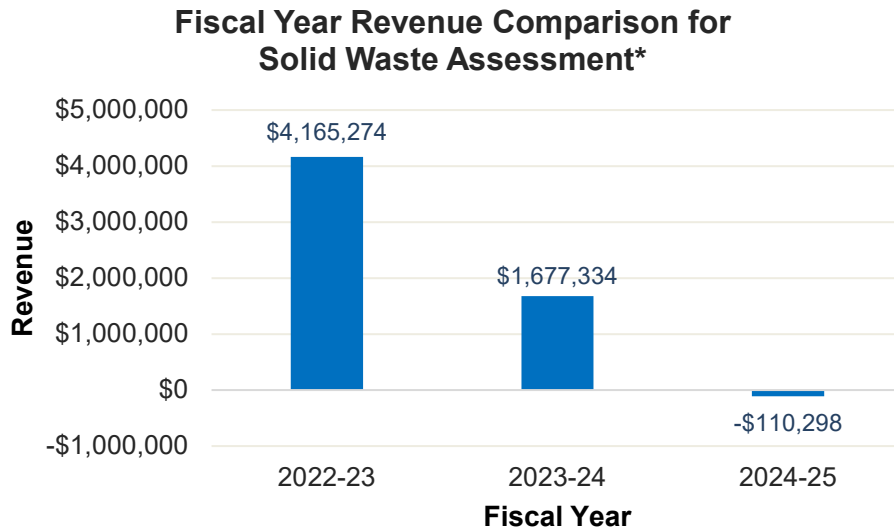
	FY 2022-23	FY 2023-24	FY 2024-25
Motor Vehicle and Parts Dealers (NAICS 441)	\$14,317.8	\$14,676.6	\$13,196.6
Furniture and Home Furnishings Stores (NAICS 442)	2,336.7	2,132.8	2,135.4
Electronics and Appliance Stores (NAICS 443)	1,638.9	1,602.0	1,596.9
Building Material and Garden Equipment and Supplies Dealers (NAICS 444)	4,616.6	4,505.4	4,514.7
Food and Beverage Stores (NAICS 445)	13,279.2	13,794.3	14,559.6
Health and Personal Care Stores (NAICS 446)	6,014.7	6,453.9	6,786.6
Gasoline Stations (NAICS 447)	4,748.8	4,636.3	4,285.2
Clothing and Clothing Accessories Stores (NAICS 448)	3,819.4	3,866.3	3,900.7
Sporting Goods, Hobby, Book and Music Stores (NAICS 451)	1,055.0	1,035.2	1,053.2
General Merchandise Stores (NAICS 452)	7,125.7	7,522.6	7,490.3
Miscellaneous Store Retailers (NAICS 453)	9,381.9	9,249.2	9,318.5
Non-store Retailers (NAICS 454)	13,100.8	14,115.3	14,496.4
<b>Total Retail Trade (NAICS 44-45)</b>	<b>\$81,435.5</b>	<b>\$83,590.0</b>	<b>\$83,334.2</b>

# SOLID WASTE ASSESSMENT

## Connecticut General Statutes

### Chapter 446d

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



*\*Revenue amounts reflect deposits adjusted into other tax types.*

### Basis and Rate

\$1.50 per ton of solid waste processed.

### Comparative Data

#### Fiscal Year Solid Waste Assessment Tax Liability

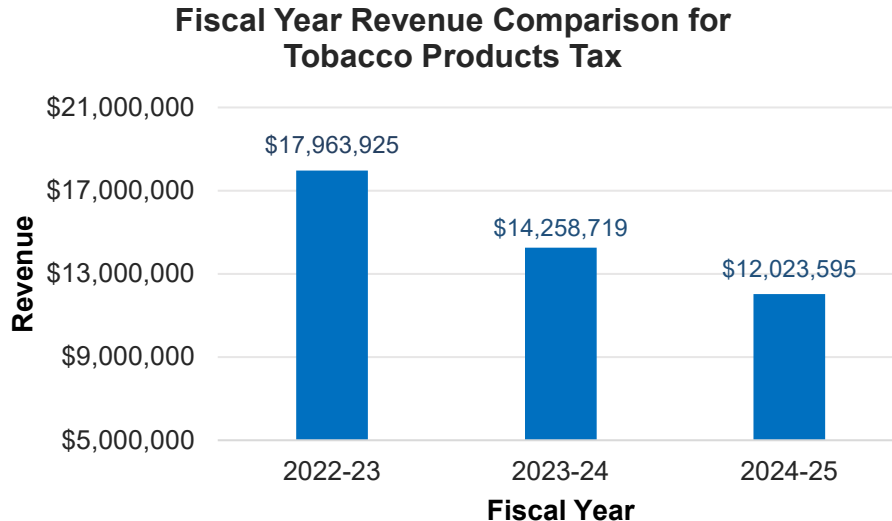
Fiscal Year	# of Taxpayers	Tons of Solid Waste	Tax Due
FY 2024-25	4	1,382,442	\$2,073,666
FY 2023-24	4	1,434,403	\$2,151,608
FY 2022-23	5	1,387,050	\$2,080,579

# TOBACCO PRODUCTS TAX

## Connecticut General Statutes

### Chapter 214a

*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. See Tobacco Products Tax Information on the DRS website.*



#### Basis and Rate

- Tobacco products are taxed at 50% of the wholesale sales price, except for snuff and cigars in excess of \$1.00 per cigar.
- Cigars are taxed at 50% of the wholesale sales price, not to exceed 50¢ per cigar.
- Snuff tobacco products are taxed at \$3.00 per ounce.

**Note:** The tax on tobacco products is reduced by 50% for any product the Secretary of the United States Department of Health and Human Services determines to be a “modified risk tobacco product” pursuant to 21 U.S.C. §387k.

#### Number of Taxpayers / Filing Frequency

121 distributors / Monthly

## TOBACCO PRODUCTS TAX (cont.)

### Comparative Data

Type	FY 2022-23	FY 2023-24	FY 2024-25
Snuff Tobacco Products	\$8,680,185	\$7,041,711	\$5,748,888
Cigars in excess of \$1.00 per cigar	1,233,365	1,158,836	1,034,749
Other Tobacco Products*	7,699,392	5,485,403	4,731,523

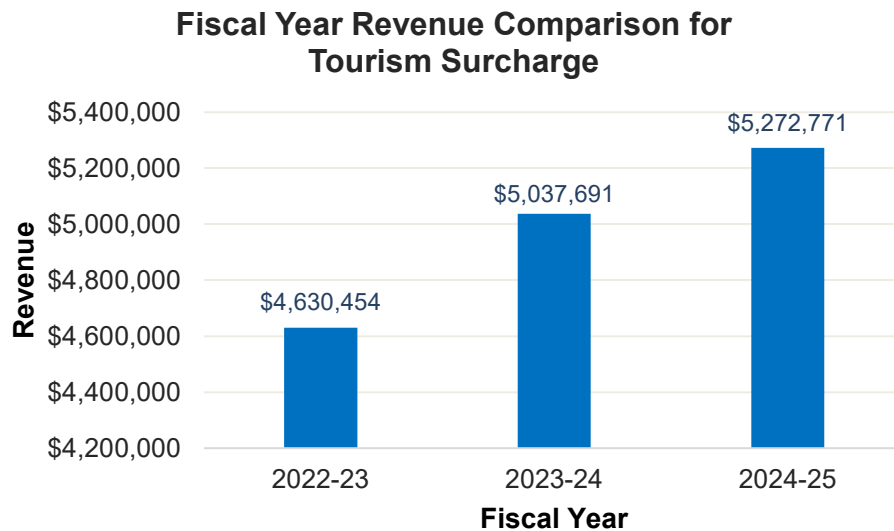
\*Other Tobacco Products consists of all taxable tobacco products other than snuff and cigars in excess of \$1.00 per cigar.

# TOURISM SURCHARGE

## Connecticut General Statutes

### Chapter 228e

*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. See Tourism Surcharge Information on the DRS website.*



#### **Basis and Rate**

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

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

19 taxpayers / Monthly  
51 taxpayers / Quarterly

# TRANSPORTATION NETWORK COMPANY FEE

## Connecticut General Statutes

### Chapter 244c

*Each transportation network company pays a fee on each prearranged ride that originates in this state. Revenue from this fee is reported together with the Dues tax. See Transportation Network Company Fee Information on the DRS website.*

#### **Basis and Rate**

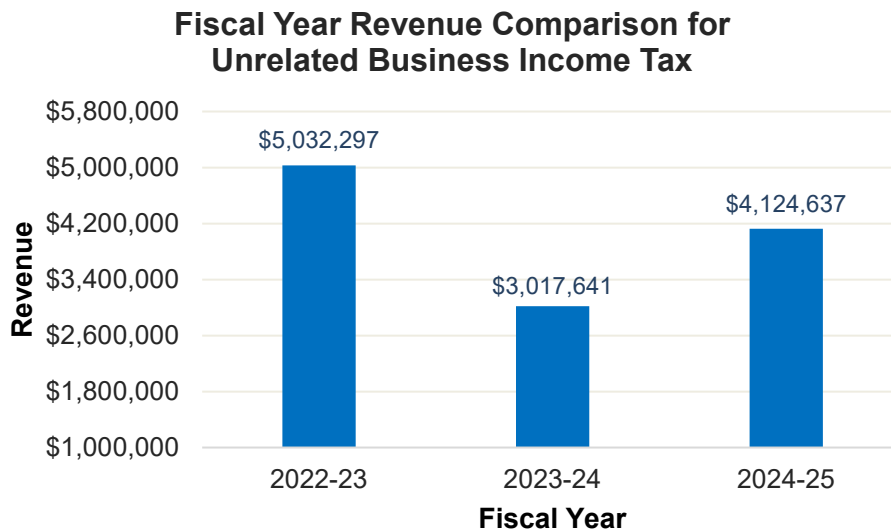
30¢ on each prearranged ride that originates in Connecticut.

# UNRELATED BUSINESS INCOME TAX

## Connecticut General Statutes

### Chapter 208a

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



#### Basis and Rate

7.5% of the unrelated business income of the organization. A surtax of 10% applies to organizations whose gross income is \$100 million or more for income years 2018 through 2028.

No minimum tax is required.

#### Number of Taxpayers / Filing Frequency

490 organizations / Annually

#### Credits

For the 2023 income year, 27 taxpayers claimed \$74,125 in electronic data processing equipment property tax credits.

## PENALTY AND INTEREST RECEIPTS

*Failure to pay taxes or file tax returns in a timely manner generally results in a penalty to the taxpayer of \$50 or 10% of the tax due, whichever is greater. If the taxpayer is subject to a penalty for late payment, the late filing penalty is not applicable. Penalties can also be imposed on tax returns which are not submitted as true, complete, and correct; either through negligence or an intent to evade.*

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

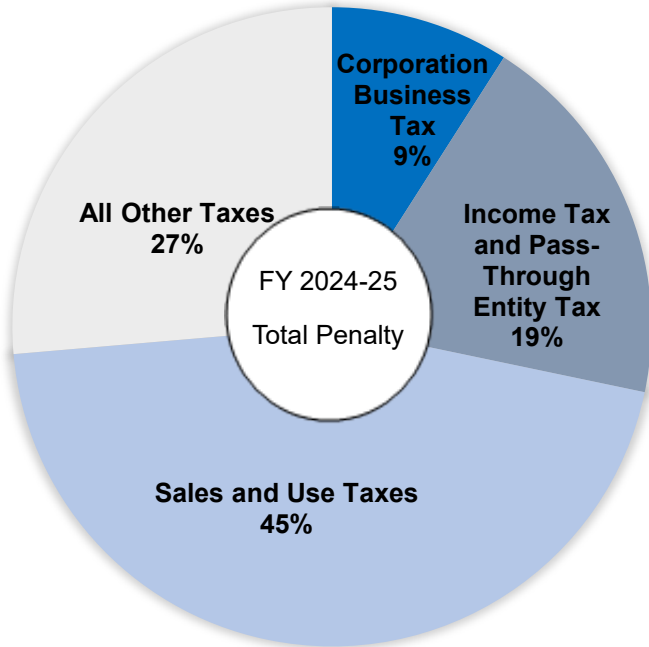
*Interest is also charged on any amount of tax due that is not paid on or before the due date or on the underpayment of estimated tax requirements. Interest is charged on a monthly basis at a rate of 1% per month from the due date.*

*Generally, tax payments satisfy penalty first, then interest, then tax, in that order.*

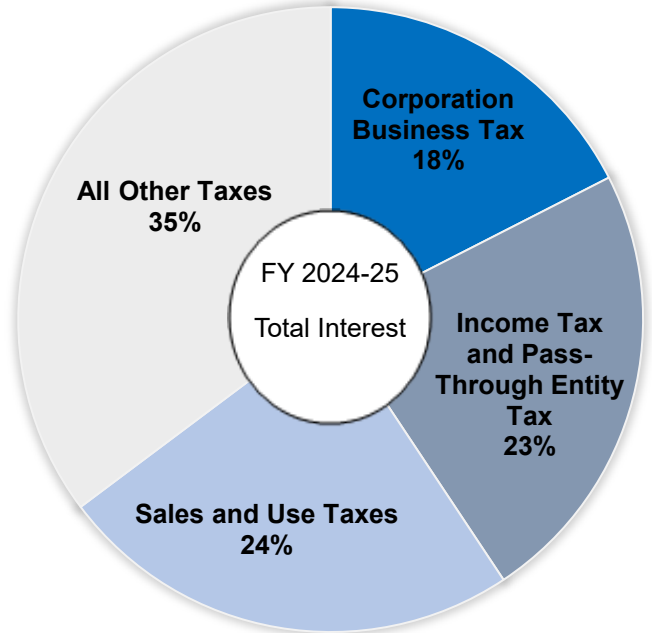
Penalty and Interest Revenue			
By Tax Source			
Tax Type		FY 2023-24	FY 2024-25
Corporation Business Tax	Penalty	\$4,543,976	\$4,943,062
	Interest	14,951,736	19,292,530
Income Tax and Pass-Through Entity Tax	Penalty	7,011,277	10,509,766
	Interest	22,645,926	25,562,858
Sales & Use Taxes	Penalty	23,967,299	24,781,505
	Interest	21,329,519	26,587,489
All Other Taxes	Penalty	11,550,811	14,404,513
	Interest	35,222,713	38,863,230
Total	Penalty	\$47,073,362	\$54,638,846
	Interest	\$94,149,893	\$110,306,107

## PENALTY AND INTEREST RECEIPTS (cont.)

**FY 2024-25  
TOTAL PENALTY**



**FY 2024-25  
TOTAL INTEREST**



## TAX REFUNDS

The tax refund amounts shown below represent refund claims made by taxpayers and processed by the Department of Revenue Services for the most recent three fiscal years below.

Refund claims 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 58,725 external offsets totaling \$32,311,560 in Fiscal Year 2024-25, compared to 35,388 external offsets that totaled \$17,012,238 in Fiscal Year 2023-24.

AMOUNT OF TAXES REFUNDED			
	FY 2022-23	FY 2024-25	FY 2024-25
Alcoholic Beverages	\$223,818	\$552,114	\$226,026
Ambulatory Surgical Center	5,958	46,897	0.00
Beverage Container Deposits	1,316,113	252,966	215,923
Business Entity Tax (Repealed)	3,053,211	3,512,042	216,225
Cable, Satellite & Video Companies Tax	7,768,542	8,123,481	8,080,180
Cigarette Tax	440,800	609,829	384,427
Controlling Interest Transfer Tax	918,980	1,953,299	702,185
Corporation Business	129,918,479	159,342,364	98,690,999
Corporation R&D Credit Buyback	6,061,233	9,027,570	6,449,150
Dry Cleaning Establishment Surcharge	3,208	2,942	1,592
Dues Tax	163,571	54,642	142,884
Electric & Power Companies	243,419	2,885,381	517,756
Electronic Cigarette Products	480,995	17,405	7,876
Estate & Gift Tax	24,723,155	16,569,854	15,275,877
Gas Companies	77,411	40,473	21,110
Gift Tax (Repealed)	37,159	0	0
Health Care Centers Tax	82,579	87,265	361,553
Healthcare Provider Taxes and Fees	468,599	536,061	121,826
Highway Use Fee	107,676	377,386	215,945
Income Tax	1,618,558,632	1,739,374,987	1,710,822,546
Insurance Premiums Tax, Domestic	1,599,297	1,305,439	1,829,769
Insurance Premiums Tax, Foreign	8,252,408	10,247,377	15,754,156
Insurance, Non-admitted/Unauthorized	20,074	(3,342)	10,275

## TAX REFUNDS (cont.)

AMOUNT OF TAXES REFUNDED (cont.)			
	FY 2022-23	FY 2023-24	FY 2024-25
Occupational Tax	473,930	310,286	345,821
Pass-Through Entity	139,701,810	143,620,836	162,524,517
PEG Account	10,919	2,174	0.00
Petroleum Products Gross Earnings	2,728,070	4,947,924	301,293
Pre-Paid Wireless	13,789	2,319	(708)
Real Estate Conveyance Tax	2,353,418	1,895,698	588,294
Room Occupancy Tax	191,406	285,054	327,930
Sales & Use Taxes	28,152,935	31,734,462	48,654,098
Solid Waste	0	288,131	2,956
Tobacco Products Tax	342,237	2,096,612	144,911
Unrelated Business Income Tax	884,603	973,696	1,035,908
Withholding	27,678,361	29,953,545	\$32,868,150
Miscellaneous	69,821	45,531	75,867
<b>Total</b>	<b>\$2,013,184,603</b>	<b>\$2,176,241,528</b>	<b>\$2,114,149,324</b>



# **CONNECTICUT**

## **Revenue Services**

# **FY 24–25 Annual Report**



**Prepared by:**  
**Education & Outreach Unit**  
**Research, Analytics, and Forecasting Unit**