

Income/Franchise:

Connecticut: New Law Extends Corporation Business Tax Surcharge and Revises PTE Tax

H.B. 6941, signed by gov. 6/12/23. New law implementing Connecticut's budget for Fiscal Year 2024 and Fiscal Year 2025 includes provisions that extend Connecticut's 10% corporation business tax surcharge for three additional years to the 2023, 2024, and 2025 income years. The legislation also implements several changes to Connecticut's pass-through entity tax, including making the tax optional beginning in 2024, changing the method for calculating the tax base, eliminating the corporation tax credit for pass-through entity taxes paid, and eliminating the option for pass-through entities to file a state combined return with one or more commonly owned pass-through entities. The new law also reimposes a requirement that pass-through entities 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.

URL: https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&which_year=2023&bill_num=6941

See forthcoming Multistate Tax Alert for more details on these new provisions, and please contact us with any questions in the meantime.

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