

**Sec. 12-714(a)-2. Character of items**

(a) Each of the trust or estate items of income, gain, loss or deduction has the same character for Connecticut income tax purposes as for federal income tax purposes. Where an item is not characterized for federal income tax purposes, the item has the same character as if realized directly from the source from which realized by the trust or estate, or incurred in the same manner as incurred by the trust or estate. The same is true if a trust or estate item is not required to be taken into account for federal tax purposes (such as interest on bonds of the State of California).

(b) While this section pertains to Section 12-714(a) of the general statutes, for purposes of supplementary interpretation, as the phrase is used in Section 12-2 of the general statutes, the adoption of this section is authorized by Section 12-740(a) of the general statutes.

(Effective November 18, 1994)