

**Sec. 12-711(c)-7. Professional athletes and entertainers**

**(a) Members of professional athletic team.**

(1) The Connecticut adjusted gross income derived from or connected with sources within Connecticut of a nonresident member of a professional athletic team includes that proportion of such individual's compensation received for services rendered as a member of such team that the duty days spent within Connecticut rendering services for such team in any manner during the taxable year bears to the duty days rendering services for such team in any manner during the taxable year. In determining whether duty days are spent within Connecticut, travel days are duty days spent within Connecticut if Connecticut is the travel destination and are not duty days spent within Connecticut if Connecticut is not the travel destination, provided, when a game is scheduled to be played on a travel day, the duty day is considered to be spent where the game is scheduled to be played.

(2) Definitions.

(A) "Professional athletic team" includes, but is not limited to, any professional hockey, football, basketball, soccer or baseball team.

(B) "Member of a professional athletic team" includes, but is not limited to, active players, players on the disabled list and any other persons who are required to travel with and perform services on behalf of a professional athletic team, on a regular basis, including coaches, managers, trainers and equipment managers.

(C) "Duty days" mean all days, from the first day of the official pre-season training period of the professional athletic team through the day of the last game, including post-season games, in which such team competes or is scheduled to compete during the taxable year. "Duty days" include game days, travel days and practice days. For a member of a professional athletic team who renders services for a team on a day that is not otherwise a "duty day" (e.g., representing a team at an all-star game), his "duty days" include such a day. "Duty days" for any member joining a team during the season shall begin on the day such person becomes a member and for any member leaving a team during the season shall end on the day such person ceases to be a member. "Duty days" do not include any try-out or pre-season cut days that a player shall survive in order to obtain a contract or any days for which a member is not compensated and is not rendering services for the team in any manner because such person has been suspended without pay and prohibited from performing any services for the team.

(D) "Duty days spent within Connecticut" mean duty days on which a member of a professional athletic team renders services, or is available to render services, for his team, within Connecticut. Days when a member is not available to render services for his team because of an injury are "duty days" for that member, but are not "duty days spent within Connecticut" for that member unless the team is based in Connecticut.

(E) "Compensation received for services rendered as a member of a professional athletic team" means the total compensation received for the official pre-season training period through the last game in which the team competes or is scheduled to compete during the taxable year, plus any additional compensation received for rendering services for the team on a date that is not otherwise a "duty day" (e.g., compensation for representing a team at an all-star game) during the taxable year. "Compensation received for services rendered as a member of a professional athletic team" includes, but is not limited to, salaries; wages;

guaranteed payments; except as otherwise provided herein, bonuses; strike benefits; severance pay; and termination pay. Bonuses are includable in “compensation received for services rendered as a member of a professional athletic team” if they are earned as a result of play during the season or for playing in championship, playoff or “all star” games. Bonuses are also so includable if paid for signing a contract, unless all of the following conditions are met: payment of the signing bonus by a team (i) is solely in consideration of a nonresident athlete giving up his amateur and free agent status and for agreeing to be the exclusive property of the team; (ii) is not conditional upon the athlete playing any games, or performing any subsequent services, for the team, or even making the team; (iii) is separate from the payment of salary or any other compensation; and (iv) is nonrefundable.

(3) The portion of compensation received for services rendered as a member of a professional athletic team that is derived from or connected with sources within Connecticut may be determined on the basis of a method other than that provided under this subsection, if (A) the member establishes, to the satisfaction of the Commissioner, that another method is fairer and more equitable or (B) in the discretion of the Commissioner, the Commissioner determines that the method provided under this subsection does not fairly and equitably reflect the proportion of compensation received for services rendered as a member of a professional athletic team that is derived from or connected with sources within Connecticut. It shall be presumed, however, that the method provided under this subsection is a fair and equitable method of determining the proportion of compensation received for services rendered as a member of a professional athletic team that is derived from or connected with sources within Connecticut.

(4) Examples.

*Example 1:* Player A, a nonresident individual, is a member of a professional athletic team. His accounting period for federal income tax purposes (and, hence, for Connecticut income tax purposes) is the calendar year. Player A’s contract with the team requires Player A to report to his team’s training camp and to participate in all exhibition, regular season and playoff games. This two-season contract covers an athletic season that begins during calendar year 1993 and ends during calendar year 1994 (for which season, Player A shall be paid \$400,000) and an athletic season that begins during calendar year 1994 and ends during calendar year 1995 (for which season, Player A shall be paid \$600,000). Assuming that Player A is paid \$500,000 during 1994 (50% of his salary for the 1993-1994 season and 50% of his salary for the 1994-1995 season), the proportion of such compensation received by Player A for calendar year 1994 that is derived from or connected with Connecticut sources is that proportion of the \$500,000 that the duty days spent within Connecticut for Player A during calendar year 1994 (in both the 1993-1994 and 1994-1995 seasons) bears to the duty days for Player A during calendar year 1994 (in both the 1993-1994 and 1994-1995 seasons).

*Example 2:* Player B, a nonresident individual, is a member of a professional athletic team. During the season, Player B is injured and is unable to render services for his team. While Player B is undergoing medical treatment for this injury at a Connecticut clinic, his team, which is not based in Connecticut, travels to Connecticut for a game. The days that Player B’s team spends in Connecticut for travel, practice and the game while Player B is at the clinic are not considered to be duty days spent within Connecticut for Player B for

that taxable year but are included in duty days for Player B for that taxable year.

*Example 3:* Player C, a nonresident individual, is a member of a professional athletic team. During the season, Player C travels to Connecticut to participate in the annual all-star game as a representative of his team. The days that Player C spends in Connecticut for travel, practice and the game are considered to be duty days spent within Connecticut by Player C during the taxable year and are included in duty days for Player C during the taxable year.

*Example 4:* Assume that the facts are the same as in Example 3, except that Player C is not participating in the all-star game and is not rendering services for his team in any manner. Player C is travelling to and attending the game solely as a spectator. If Player C is not required to render services for the team during the all-star game break, then the days that Player C spends in Connecticut during the break are not considered to be duty days spent within Connecticut by Player C during the taxable year and are not included in duty days for Player C during the taxable year.

(b) **Entertainers and professional athletes** (other than members of professional athletic teams).

(1) In the case of a nonresident entertainer or athlete (other than a member of a professional athletic team) who is paid specifically for a performance or athletic event in Connecticut, the entire amount received is included in Connecticut adjusted gross income derived from or connected with sources within Connecticut if the entertainer or athlete is carrying on a business, trade, profession or occupation in Connecticut (and his or her presence for business in Connecticut is not considered to be casual, isolated and inconsequential under § 12-711(b)-4 of this Part).

(2)

(A) In the case of a nonresident entertainer who is not paid specifically for a performance in Connecticut, such entertainer's Connecticut adjusted gross income derived from or connected with sources within Connecticut includes that proportion of such entertainer's income received from performances within and without Connecticut that the number of performances that the entertainer gave (or, in the case of an understudy, was available to give) within Connecticut during the taxable year bears to the total number of performances that the entertainer was obligated to perform (or, in the case of an understudy, was obligated to be available to perform), under contract or otherwise, within and without Connecticut during the taxable year.

(B) In the case of a nonresident athlete (other than a member of a professional athletic team) who is not paid specifically for athletic events in Connecticut, such athlete's Connecticut adjusted gross income derived from or connected with sources within Connecticut includes that proportion of such athlete's income received from athletic events within and without Connecticut that the number of athletic events that the athlete played in within Connecticut during the taxable year bears to the total number of athletic events that the athlete played in within and without Connecticut during the taxable year.

(3) Examples:

*Example 1:* A nonresident professional tennis player plays in one tournament in Connecticut during 1994. She is specifically paid for playing in the tournament and wins \$75,000. The entire \$75,000 is includible in Connecticut adjusted gross income derived

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from or connected with sources within this state.

*Example 2:* A nonresident professional boxer fights in one boxing match in Connecticut during 1993. He is specifically paid \$5000 for fighting that match and has no other income derived from or connected with Connecticut sources. Because the gross income from his presence in Connecticut did not exceed \$6,000, his presence for business in Connecticut is casual, isolated and inconsequential under § 12-711(b)-4 of this Part), and he is not considered to be carrying on a business, trade, profession or occupation in Connecticut.

(c) While this section pertains to Sections 12-701(c) and 12-711(c) 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 Sections 12-701(c) and 12-711(c) of the general statutes.

(Effective November 18, 1994)