

Sec. 12-740(a)-1. Preamble and table of contents to Connecticut income tax regulations

(a) **Preamble.** Sections 12-701(c), 12-705(a), (b) and (c), 12-708 (b) and (d), 12-711(b)(3) and (c), 12-712(a)(1), (2) and (3), 12-713(b), 12-714(b)(2), 12-719(a), 12-720(b), 12-722(d), 12-723, 12-725(a), 12-726(b), 12-727(b), 12-739(d) and 12-740(a) and (c) of the general statutes authorize the adoption by the Commissioner of Revenue Services of this section and the regulations that are enumerated in (b) of this section to carry into effect the provisions of chapter 229 of the Connecticut General Statutes. Each such regulation has been assigned a section number that corresponds to the section of the Connecticut General Statutes pursuant to which such regulation is authorized or required or with respect to which such regulation pertains for purposes of implementation, procedural details or supplementary interpretation. However, whenever that section number corresponds to a section that does not include the authorization or requirement for such regulation, a reference is made to the section providing such authorization or requirement.

(b) **Table of contents.** The Connecticut income tax regulations are divided into 14 parts as follows:

Part I. Resident individuals

Sec. 12-701(a)(1)-1	Resident of this state.
Sec. 12-701(a)(20)-1	Connecticut adjusted gross income of a resident individual.
Sec. 12-701(a)(20)-2	Modifications increasing federal adjusted gross income.
Sec. 12-701(a)(20)-3	Modifications reducing federal adjusted gross income.
Sec. 12-701(a)(20)-4	Modification for Connecticut fiduciary adjustment.
Sec. 12-701(a)(20)-5	Modification of federal adjusted gross income for partnership income or loss reportable by resident partner.
Sec. 12-701(a)(20)-6	Connecticut adjusted gross income of resident shareholder of S corporation

Part II. Nonresident individuals

Sec. 12-700(b)-1	Connecticut income tax imposed upon nonresident individuals.
Sec. 12-701(a)(2)-1	Nonresident of this state.
Sec. 12-711(b)-1	Connecticut adjusted gross income derived from or connected with sources within this state.
Sec. 12-711(b)-2	Income and deductions from Connecticut sources—general property in Connecticut.
Sec. 12-711(b)-3	Items attributable to real or tangible personal property in Connecticut.
Sec. 12-711(b)-4	Business, trade, profession or occupation carried on in Connecticut.
Sec. 12-711(b)-5	Income from intangible personal property.
Sec. 12-711(b)-6	Deductions with respect to capital losses, passive activity losses

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	and net operating losses.
Sec. 12-711(b)-7	Compensation not constituting income derived from Connecticut sources.
Sec. 12-711(b)-8	Rentals and gains from the sale or exchange of real property.
Sec. 12-711(b)-9	Earnings of salespersons.
Sec. 12-711(b)-10	Employees compensated on mileage basis.
Sec. 12-711(b)-11	Wages of nonresident seamen.
Sec. 12-711(b)-12	Pension or other retirement benefit plans.
Sec. 12-711(b)-13	Income from vessels.
Sec. 12-711(b)-14	Prizes, awards and similar payments.
Sec. 12-711(b)-15	Other methods of apportionment.
Sec. 12-711(b)-16	Incentive stock options.
Sec. 12-711(b)-17	Property transferred in connection with the performance of services.
Sec. 12-711(b)-18	Nonqualified stock options.
Sec. 12-711(b)-19	Nonqualified deferred compensation.
Sec. 12-711(b)-20	Covenants not to compete.
Sec. 12-711(c)-1	Income and deductions partly from Connecticut sources.
Sec. 12-711(c)-2	Business, trade, profession or occupation carried on wholly within Connecticut.
Sec. 12-711(c)-3	Business, trade, profession or occupation carried on partly within and partly without Connecticut.
Sec. 12-711(c)-4	Allocation and apportionment of income from a business, trade, profession or occupation carried on partly within and partly without Connecticut.
Sec. 12-711(c)-5	Earnings of nonresident employees and officers rendering personal services within Connecticut.
Sec. 12-711(c)-6	Special rules for security and commodity brokers.
Sec. 12-711(c)-7	Professional athletes and entertainers.
Sec. 12-711(d)-1	Military pay.
Sec. 12-711(f)-1	Purchase and sale for own account.
Sec. 12-712(d)-1	Alternate method of allocation.

Part III. Part-year resident individuals and trusts

Sec. 12-700(c)-1	Part-year resident individuals.
Sec. 12-700(c)-2	Part-year resident trusts.
Sec. 12-701(a)(6)-1	Change of residence of trust.
Sec. 12-717(a)-1	Part-year resident individuals: income derived from or connected

	with sources within Connecticut.
Sec. 12-717(b)-1	Part-year resident trusts: income derived from or connected with sources within Connecticut.
Sec. 12-717(c)(1)-1	Special accruals: change from resident to nonresident.
Sec. 12-717(c)(2)-1	Special accruals: change from nonresident to resident.
Sec. 12-717(c)(3)-1	Accrued items not to be included in subsequent taxable periods.
Sec. 12-717(c)(4)-1	Special accruals not required in certain cases.
Sec. 12-717-1	Part-year residents: capital losses and passive activity losses.
Sec. 12-717-2	Part-year residents: net operating loss deduction.
Sec. 12-717-3	Part-year residents: income or loss from business, trade, profession or occupation.
Sec. 12-717-4	Part-year residents: distributive or pro rata share of partners and S corporation shareholders.
Sec. 12-717-5	Taxpayers to whom the special accrual rules apply.

Part IV. Resident and nonresident trusts and estates

Sec. 12-701(a)(4)-1	Resident trust or estate.
Sec. 12-701(a)(9)-1	Connecticut taxable income of a resident trust or estate.
Sec. 12-701(a)(10)-1	Definition of Connecticut fiduciary adjustment.
Sec. 12-701(a)(10)-2	Modifications comprising the Connecticut fiduciary adjustment: additions.
Sec. 12-701(a)(10)-3	Modifications comprising the Connecticut fiduciary adjustment: subtractions.
Sec. 12-701(a)(10)-4	Treatment of set-asides for charitable purposes.
Sec. 12-713(a)-1	Connecticut taxable income derived from or connected with sources within Connecticut of a nonresident trust or estate.
Sec. 12-713(a)-2	Share of a nonresident trust or estate in distributable net income.
Sec. 12-713(a)-3	Items not in distributable net income of a nonresident trust or estate.
Sec. 12-713(a)-4	Items derived from or connected with Connecticut sources of a nonresident trust or estate.
Sec. 12-714(a)-1	Share of a nonresident trust, estate or beneficiary in income from Connecticut sources.
Sec. 12-714(a)-2	Character of items.
Sec. 12-714(b)-1	Special rule where a trust or estate has no federal distributable net income.
Sec. 12-716(a)-1	Allocating the Connecticut fiduciary adjustment among trust or estate and its beneficiaries.
Sec. 12-716(b)-1	Method of attributing certain modifications among trust or estate

and beneficiaries.

Part V. Filing status

- Sec. 12-702(c)(1)-1 Connecticut income tax returns of husband and wife.
- Sec. 12-702(c)(1)-2 Relief of spouse from Connecticut income tax liability on joint Connecticut income tax return.
- Sec. 12-702(c)(1)-3 Enrolled member of federally recognized tribe.

Part VI. Credit for income taxes paid to another jurisdiction

- Sec. 12-704(a)-1 Resident or part-year resident credit for taxes paid to another state, political subdivision of another state, the District of Columbia, a province of Canada or political subdivision of a province of Canada.
- Sec. 12-704(a)-2 Limitations—general.
- Sec. 12-704(a)-3 Limitations where credit is claimed for income taxes paid both to a qualifying jurisdiction and also to one or more of its political subdivisions.
- Sec. 12-704(a)-4 Definitions.
- Sec. 12-704(b)-1 Amended Connecticut income tax return to report any change in the amount of income tax required to be paid to a qualifying jurisdiction.
- Sec. 12-704(c)-1 Disallowance where credit is claimed against the income tax imposed by a qualifying jurisdiction for a taxpayer's Connecticut tax liability.
- Sec. 12-704(d)-1 Renumbered

Part VII. Partnerships and S corporations

- Sec. 12-712(a)(1)-1 Partnership income and deductions of a nonresident partner derived from Connecticut sources.
- Sec. 12-712(a)(2)-1 Nonresident shareholder's pro rata share of S corporation income derived from or connected with sources within Connecticut.
- Sec. 12-712(b)-1 Special rules as to nonresident partners.
- Sec. 12-715(a)-1 Modification of partnership items in partner's income tax return.
- Sec. 12-715(a)-2 Modification of S corporation items in shareholder's income tax return.
- Sec. 12-715(b)-1 Character of partnership items.
- Sec. 12-715(b)-2 Character of S corporation items.
- Sec. 12-715(c)-1 Connecticut income tax avoidance or evasion.
- Sec. 12-726(a)-1 Informational return required from partnership.
- Sec. 12-726(b)-1 Informational return required from S corporation.

Part VIII. Estimated tax

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Sec. 12-701(a)(11)-1	Estimated tax.
Sec. 12-701(a)(12)-1	Required annual payment.
Sec. 12-722-1	Estimated payments by husband and wife. Change of status. Death of a spouse.
Sec. 12-722(a)-1	Addition to tax not subject to interest or penalty.
Sec. 12-722(d)(2)-1	Annualized income installments.
Sec. 12-722(n)-1	Installments due after date of death.

Part IX. Withholding

Sec. 12-705(a)-1	Requirement of withholding
Sec. 12-705(a)-2	Determining Connecticut income tax to be deducted and withheld from wages paid to resident employees.
Sec. 12-705(a)-3	Certain supplemental compensation.
Sec. 12-705(a)-4	Withholding or exemption certificate.
Sec. 12-705(a)-5	Addition to or reduction from withholding
Sec. 12-705(a)-6	Determining Connecticut income tax to be withheld on wages paid to nonresident employees.
Sec. 12-705(a)-7	Wages paid through an agent, fiduciary or other person on behalf of two or more employers.
Sec. 12-705(a)-8	Furnishing amended withholding or exemption certificate.
Sec. 12-705(b)-1	Professional athletes and entertainers.
Sec. 12-705(b)-2	Gambling winnings.
Sec. 12-705(b)-3	Withholding for resident individuals who are recipients of pensions or annuities.
Sec. 12-705(b)-4	Distributions.
Sec. 12-705(b)-5	Liability of third parties paying wages.
Sec. 12-705(c)-1	Voluntary withholding other than by employers.
Sec. 12-705(c)-2	Voluntary withholding by employers.
Sec. 12-705(c)-3	Voluntary withholding for military retirees.
Sec. 12-705(c)-4	Voluntary withholding for civil service retirees.
Sec. 12-706(b)-1	Wage and tax statement.
Sec. 12-706(c)-1	Withheld amounts to be credited against income tax liability of employees.
Sec. 12-707-1	Schedule for filing withholding tax returns and payment of taxes.
Sec. 12-707-2	Liability for tax.
Sec. 12-707-3	Withheld taxes trust fund.

Part X. Extensions

Sec. 12-723-1	Extension of time for filing returns.
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Sec. 12-723-2	Extension of time for filing group returns.
Sec. 12-723-3	Extension of time for payment of Connecticut income tax.
Sec. 12-723-4	Extension of time to file informational returns.
Sec. 12-723-5	Extension of time to file withholding tax returns.
Sec. 12-723-6	Person other than taxpayer requesting extension.
Sec. 12-723-7	Definitions.

Part XI. Returns

Sec. 12-725-1	Signing of Connecticut income tax returns, declarations, statements or other documents.
Sec. 12-725-2	Signing of Connecticut returns prepared by a person other than the taxpayer.
Sec. 12-727(a)-1	Filing on magnetic media.
Sec. 12-727(a)-2	Informational reporting by certain employers, payers or real estate reporting persons.
Sec. 12-740-1	Who must file a Connecticut income tax return.
Sec. 12-740-2	Returns by or for minors or persons under a disability.
Sec. 12-740-3	Returns by receivers.
Sec. 12-740-4	Returns for decedents.
Sec. 12-740-5	Filing of fiduciary income tax returns.
Sec. 12-740-6	Connecticut income tax returns for short taxable periods.
Sec. 12-740-7	Returns must be made and filed even if not mailed by the Department
Sec. 12-740-8	Filing of returns by nonresident aliens or persons who have not been issued a social security number

Part XII. Deficiencies, refunds, interest and penalties

Sec. 12-728(a)-1	Interest on deficiency assessments.
Sec. 12-728(a)-2	Penalties on deficiency assessments.
Sec. 12-728(b)-1	Notice of deficiency.
Sec. 12-731-1	Mathematical errors.
Sec. 12-732(a)-1	Claim for refund.
Sec. 12-732(a)-2	Claim for refund by nonobligated spouse.
Sec. 12-732(b)-1	Timely filing of claim for refund after the period three-year provided by section 12-732(a).
Sec. 12-733(a)-1	Notice of proposed deficiency.
Sec. 12-733(f)-1	Agreement extending time for assessing deficiency or claiming refund.
Sec. 12-734-1	Liens.

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Sec. 12-735(a)-1	Penalties and interest.
Sec. 12-735(b)-1	Commissioner's assessment on best information.
Sec. 12-735(d)-1	Penalty for failure to file statement of payment to another person.
Sec. 12-736(a)-1	Penalty on responsible person or persons.
Sec. 12-739(d)-1	Application of reported overpayments.
Sec. 12-742-1	Offset of refunds against certain debts or obligations

Part XIII. Accounting periods and accounting methods

Sec. 12-708-1	Accounting period.
Sec. 12-708-2	Change of accounting period.
Sec. 12-708-3	Method of changing accounting period.
Sec. 12-708-4	Short taxable year resulting from a change in accounting period.
Sec. 12-708-5	Connecticut returns of trusts, estates or partnerships for short taxable years.
Sec. 12-708-6	Accounting methods.
Sec. 12-708-7	Change of accounting method.
Sec. 12-708-8	Change other than from accrual to installment method of accounting.
Sec. 12-708-9	Change from accrual to installment method of accounting.

Part XIV. Miscellaneous

Sec. 12-701(b)-1	Definitions.
Sec. 12-727(b)-1	Timely-amended federal income tax returns.
Sec. 12-727(b)-2	Report of amended federal income or income tax withholding return.
Sec. 12-727(b)-3	Federal changes not binding.
Sec. 12-727(b)-4	Final determination.
Sec. 12-727(b)-5	Recomputation of Connecticut income tax.
Sec. 12-740(c)-1	Retention of records.
Sec. 12-740(c)-2	Records of employers and other persons required to file Connecticut informational returns.

(Effective November 18, 1994; Amended March 8, 2006)