

**Sec. 12-717-3. Part-year residents: income or loss from business, trade, profession or occupation**

(a) Where the federal income tax return of an individual for a taxable year in which a change of resident status occurs includes net income or net loss from the operation of a business, trade, profession or occupation (as distinguished from personal services rendered as an employee), a separate computation of the business net income or net loss shall be made with respect to each portion of the year in which the change of residence occurred. If it is not practicable to compute separate amounts of business net income or net loss attributable to such portions of the taxable year, the amount reportable on the federal income tax return for the entire taxable year may be allocated to the portion prior to and the portion subsequent to the change of residence on the basis of the federal gross income or gross receipts of the business, trade, profession or occupation attributable to each portion, provided that the results of such allocation are consistent with the business or professional activities actually carried on during the taxable year. The amount computed in accordance with this subsection is subject to the provisions of this Part regarding special accruals, to the extent such accruals relate to the conduct of the business, trade, profession or occupation.

(b) The provisions of this section also apply to part-year resident trusts, and wherever reference is made in this section to a part-year resident individual carrying on a business, trade, profession or occupation, such reference shall be construed to include a part-year resident trust carrying on a business, trade, profession or occupation.

(c) While this section pertains to Section 12-717 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 12-711(c) of the general statutes.

(Effective November 18, 1994)