

Sec. 12-714(a)-1. Share of a nonresident trust, estate or beneficiary in income from Connecticut sources

(a) A nonresident trust or estate's taxable income derived from or connected with sources within this state includes its share of federal distributable net income, after taking into consideration any applicable Connecticut modifications described in §§ 12-701(a)(10)-2 and 12-701(a)(10)-3 of this Part, to the extent such share is derived from or connected with sources within this state. Such share is in proportion to such trust or estate's share of federal distributable net income.

(b) The share of a nonresident beneficiary in items of trust or estate income, gain, loss and deduction derived from or connected with sources within this state is in proportion to such beneficiary's share of federal distributable net income.

(c) The share of a trust or estate in federal distributable net income is the amount, if any, by which the federal distributable net income exceeds the aggregate of the shares therein of all its beneficiaries.

(d) A nonresident trust or estate shall determine those items of income, gain, loss and deduction entering into the definition of federal distributable net income which are derived from or connected with sources within Connecticut under the applicable regulations of Part II. Such distributable net income from Connecticut sources includes Connecticut modifications to the extent the modified amount has not been included in federal distributable net income. (For example, tax exempt interest is included in determining federal distributable net income, thus eliminating the need to make a Connecticut modification as to this amount.)

(e) 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)