

**Sec. 12-701(b)-1. Definitions**

(a) For Connecticut income tax purposes under chapter 229 of the general statutes, unless the context otherwise requires:

- (1) “Commissioner” means the Commissioner of Revenue Services;
- (2) “Department” means the Department of Revenue Services;
- (3) “Partnership” means a partnership as defined in section 7701(a)(2) of the Internal Revenue Code and 26 C.F.R. § 301.7701-3(a) and includes a limited liability company that is treated as a partnership for federal income tax purposes.
- (4) “Partner” means a partner as defined in section 7701(a)(2) of the Internal Revenue Code and 26 C.F.R. § 301.7701-3(d) and includes a member of a limited liability company that is treated as a partnership for federal income tax purposes.
- (5) “Partner’s distributive share” means the partner’s distributive share as determined under section 704 of the Internal Revenue Code.
- (6) “S corporation’s nonseparately computed income or loss” means the S corporation’s nonseparately computed income or loss as defined in section 1366(a)(2) of the Internal Revenue Code.
- (7) “S corporation’s separately computed income or loss” means the S corporation’s items of income, loss, deduction, or credit that are described in section 1366(a)(1)(A) of the Internal Revenue Code.
- (8) “S corporation shareholder’s pro rata share” means the shareholder’s pro rata share as determined under section 1377(a) of the Internal Revenue Code.
- (9) “Income Tax Act” means the provisions of chapter 229 of the Connecticut General Statutes.
- (10) “Income tax” or “Connecticut income tax” means the tax imposed under chapter 229 of the Connecticut General Statutes.
- (11) “Month or fraction thereof” means the period that begins on the day after the due date and ends on the day of the next month corresponding to the due date, e.g., from April 16 through May 15 (when the due date is April 15). However, if the due date is the last day of a calendar month, a month shall end on the last day of the next calendar month, e.g., February 28 or 29 (when the due date is January 31).
- (12) The provisions of the Internal Revenue Code and its applicable regulations with respect to the meaning of terms such as “employer,” “employee,” “payroll period,” and “wages” have the same meaning for Connecticut income tax purposes except as otherwise specifically provided in Part IX or where such federal definitions are clearly inconsistent with and inapplicable to the provisions of such Part.
- (13) “Connecticut obligations” means obligations issued by or on behalf of the State of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district, or similar public entity that is created under the laws of the State of Connecticut.
- (14) “Sale or exchange” means any transaction that is, or is treated as, a sale or exchange for federal income tax purposes.
- (15) “Trust” means an arrangement that is ordinarily created either by a will or by an inter vivos declaration whereby a trustee or trustees take title to property for the purpose of protecting or conserving it for beneficiaries and that, under 26 C.F.R. § 301.7701-4, is

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classified and treated as a trust (and not as an association, under 26 C.F.R. § 301.7701-2, or partnership, under 26 C.F.R. § 301.7701-3) for federal income tax purposes. “Trust” does not include any real estate mortgage investment conduit, as defined in section 860D of the Internal Revenue Code, that is created as a trust.

(16) The term “derived from or connected with sources within this state” is to be construed so as to accord with its usage in Part II of these sections.

(17) “Internal Revenue Code” means the Internal Revenue Code of 1986 (26 U.S.C. § 1 et seq.), or any subsequent corresponding Internal Revenue Code of the United States, as from time to time amended.

(b) While this section pertains to Section 12-701(b) 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 12-740(a) of the general statutes.

(Effective November 18, 1994)