



General Assembly

January Session, 2025

***Raised Bill No. 7147***

LCO No. 3990



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
(PD)

***AN ACT AUTHORIZING MUNICIPALITIES TO IMPOSE A TAX ON THE  
ENDOWMENT FUNDS OF PRIVATE INSTITUTIONS OF HIGHER  
EDUCATION.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

- 1       Section 1. (NEW) (*Effective October 1, 2025, and applicable to assessment*  
2       *years commencing on and after October 1, 2025*) (a) As used in this section:  
3       (1) "Applicable educational institution" means an independent  
4       institution of higher education, as defined in section 10a-173 of the  
5       general statutes, whose assets have an aggregate fair market value  
6       exceeding three hundred million dollars at the end of the preceding  
7       taxable year; and (2) "net investment income" has the same meaning as  
8       provided in 26 USC 4940(c), as amended from time to time.
- 9       (b) A municipality in which greater than fifty per cent of the students  
10      enrolled in an applicable educational institution attend classes may,  
11      upon the affirmative vote of the legislative body of such municipality,  
12      impose a tax not exceeding two per cent of the net investment income  
13      of such institution for each taxable year.
- 14      (c) The legislative body of a municipality, upon approving the

15 imposition of a tax pursuant to this section, shall determine whether  
16 such tax shall be due and payable in a single installment or in two  
17 semiannual installments and shall designate the date or dates on which  
18 such installment or installments shall be due and payable.

19 (d) This section shall be administered by the tax collector of a  
20 municipality. All forms necessary or convenient for the enforcement of  
21 this section shall be prescribed by the Commissioner of Revenue  
22 Services and shall be printed and furnished by such tax collector. The  
23 Commissioner of Revenue Services may adopt and enforce rules and  
24 regulations relating to the administration and enforcement of this  
25 chapter, in accordance with chapter 54 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025, and applicable to assessment years commencing on and after October 1, 2025</i>	New section

***Statement of Purpose:***

To authorize municipalities to impose a tax on the endowment funds of a private institution of higher education located in the municipality.

***[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]***