



General Assembly

January Session, 2025

Proposed Bill No. 790

LCO No. 1173



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
SEN. FAZIO, 36th Dist.

**AN ACT CONCERNING THE TAXATION OF RESIDENTS BY OTHER
STATES ON INCOME DERIVED FROM SERVICES RENDERED
WITHIN THIS STATE.**

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

1 That (1) the general statutes be amended to reduce the credit for
2 income taxes paid to another state or political subdivision thereof or the
3 District of Columbia to ninety-nine and ninety-hundredths per cent of
4 the amount paid to such other jurisdiction, if such other jurisdiction
5 requires employee income to be sourced to an employer's location if a
6 nonresident renders services from an out-of-state location, (2) funding
7 be established to subsidize legal fees incurred by residents who file an
8 appeal with a court or tribunal to contest the taxes paid to such other
9 jurisdiction on income derived from services rendered while such
10 resident was within this state, and (3) the Commissioner of Revenue
11 Services be required to investigate the extent to which residents are
12 being taxed by such other jurisdictions on income derived from services
13 rendered while such resident was within this state and to pursue all
14 feasible actions to mitigate or eliminate such taxation, including, but not

15 limited to, legislative changes and working with the Attorney General
16 to bring a civil action against such other jurisdictions.

Statement of Purpose:

To (1) reduce the credit for income taxes paid to certain other states or political subdivision thereof, (2) establish funding to subsidize legal fees incurred by residents who file an appeal to contest the payment of such taxes, and (3) require the Commissioner of Revenue Services to investigate the extent to which residents are being taxed by such other jurisdictions on income derived from services rendered while such resident was within this state and to pursue all feasible actions to mitigate or eliminate such taxation.