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Taxability of Social Security Benefits for Connecticut Income Tax Purposes

Taxability of Social Security Benefits for Federal Income Tax Purposes: In general, for federal income tax purposes, you are advised to use the worksheet in the instruction booklet of the federal form you are filing to determine if any of your Social Security benefits are subject to federal income tax. If you determined that any part of your benefits is taxable, you must use federal Form 1040A or Form 1040.

You may **not** use the worksheet in the instructions to federal Form 1040A or Form 1040 if any of the following exceptions apply:

- You contributed to a traditional IRA for the taxable year and you or your spouse were covered by a retirement plan at work or through self-employment. If this is the case, you must use the worksheet in federal Publication 590, Individual Retirement Arrangements (IRAs) (including Roth IRAs and Education IRAs), to determine if any of your Social Security benefits are subject to federal income tax.
- You repaid any benefits during the taxable year and the total repayments reported on your Form SSA-1099, box 4, were more than the total benefits reported on your Form SSA-1099, box 3. If this is the case, your benefits are not taxable. You may be able to take an itemized deduction for part of the excess repayments if the repayments were for benefits you included in gross income in an earlier year. Instead, we advise you to see federal Publication 915, Social Security and Equivalent Railroad Retirement Benefits, for more information.
- You filed federal Form 2555, Form 2555-EZ, Form 4563, or Form 8815 or excluded employer-provided adoption benefits or income from sources within Puerto Rico. Instead, use the worksheet in federal Publication 915, Social Security and Equivalent Railroad Retirement Benefits.

Calculating the Amount of Social Security Benefits Subject to Connecticut Income Tax for Taxpayers Using the Worksheets in the Federal Form 1040 or Form 1040A Instructions: If you used the worksheets in the instructions for federal Form 1040A or Form 1040, refer to the instructions for **Form CT-1040, Connecticut Resident Income Tax Return**, Line 42, or **Form CT-1040NR/PY, Connecticut Nonresident or Part-Year Resident Income Tax Return**, Line 44, to determine if any federally taxable Social Security benefits are subject to Connecticut income tax.

Your Social Security benefits are fully exempt from Connecticut income tax if your required filing status is:

- Single or married filing separately and your federal adjusted gross income as reported on Line 1 of your Connecticut income tax return is **less than \$50,000; or**
- Married filing jointly, qualifying widow(er), or head of household and your federal adjusted gross income as reported on Line 1 of your Connecticut income tax return is **less than \$60,000.**

If you report a federal adjusted gross income above these amounts, you must complete the *Connecticut Social Security Benefit Adjustment Worksheet* in the instruction booklet for Form CT-1040 or Form CT-1040NR/PY.

Using Worksheet 3 in Federal Publication 590:

If you used Worksheet 3 in federal Publication 590 to determine if your Social Security benefits are subject to federal income tax, use the following lines from that worksheet when completing the *Connecticut Social Security Benefit Adjustment Worksheet*.

- **Line A** – Use Line 4 from federal Worksheet 3;
- **Line B** – Use Line 10 from federal Worksheet 3; **and**
- **Line E** – Use Line 19 from federal Worksheet 3.

Using Worksheet 1 or Worksheet 4 in Federal Publication 915: If you used Worksheet 1 in federal Publication 915 and you filed federal Form 2555, Form 2555-EZ, Form 4563, or Form 8815 or you excluded employer-provided adoption benefits or you have income from sources within Puerto Rico, use the following lines from that worksheet when completing the *Connecticut Social Security Benefit Adjustment Worksheet*:

- **Line A** – Use Line 1 from federal Worksheet 1;
- **Line B** – Use Line 10 from federal Worksheet 1. However, if filing separately and you lived with your spouse at any time during the taxable year, use Line 8 from federal Worksheet 1; **and**
- **Line E** – Use Line 19 from federal Worksheet 1.

If you used Worksheet 4 in federal Publication 915 to determine if any Social Security benefits are subject to federal income tax under the lump-sum election method, use the following lines from that worksheet when completing the *Connecticut Social Security Benefit Adjustment Worksheet*:

- **Line A** – Use Line 1 from federal Worksheet 4;
- **Line B** – Use Line 10 from federal Worksheet 4. However, if filing separately and you lived with your spouse at any time during the taxable year, use Line 8 from federal Worksheet 4; **and**
- **Line E** – Use Line 21 from federal Worksheet 4.

However, if you cannot use the lump-sum election method, you must use Worksheet 1 in federal Publication 915.

Effective Date: Effective upon issuance.

Statutory Authority: Conn. Gen. Stat. §12-701(a) (20).

Effect on Other Documents: **Announcement 2012(7), Taxability of Social Security Benefits for Connecticut Income Tax Purposes**, is modified and

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superseded and may not be relied upon on or after the date of issuance of this Announcement.

Effect of This Document: Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential):

Taxpayers can use the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: Follow the prompts to log into the *TSC* to file returns and pay taxes.

Pay Electronically: Use the *TSC* to make payments for most Connecticut taxes, even ones that cannot be filed electronically.

DRS E-Alerts Service: Get connected to the latest news. **DRS E-Alerts** provide information about employer's withholding tax, Press Releases, and the Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *How Do I?* from the gold navigation bar.