



General Assembly

Substitute Bill No. 5506

February Session, 2010

* _____HB05506ET_____032410_____*

AN ACT CONCERNING THE TAXATION OF TELECOMMUNICATIONS COMPANY PROPERTY AND UTILITY DEPOSITS FOR BUSINESS CUSTOMERS.

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

1 Section 1. Section 12-80a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2010*):

3 (a) Any (1) taxpayer which, prior to January 1, 1990, was subject to
4 tax under chapter 211 with respect to the rendering of
5 telecommunications service and which, on or after January 1, 1990, is
6 subject to tax under chapter 219 for rendering telecommunications
7 service, and (2) other taxpayer that is subject to tax under chapter 219
8 for rendering telecommunications service and which has elected in the
9 manner specified in this section to have personal property taxed as
10 provided in this section, shall be required to submit to the
11 Commissioner of Revenue Services and the Secretary of the Office of
12 Policy and Management, not later than the thirtieth day of November
13 of each year during which it is subject to tax under chapter 219, a list of
14 all personal property on a town-by-town basis that is owned by such
15 taxpayer in this state on the first day of October of such year and that
16 is used solely and exclusively for rendering telecommunications
17 service, as defined in said chapter 219, including the location of each
18 item of such property and the fair market value thereof, recognizing
19 depreciation of such property to the maximum extent allowed for

20 purposes of the corporation business tax in this state, as certified by
21 the Commissioner of Revenue Services. [Each] Not later than the
22 thirtieth day of November each year, each such taxpayer shall also
23 submit said list to each municipality in which such taxpayer owns
24 property, provided the list submitted to a municipality shall contain
25 only the personal property owned by such taxpayer that is located in,
26 or allocated pursuant to this subsection to, said municipality. If the
27 records of a taxpayer subject to the requirements of this subsection do
28 not contain the data necessary to develop the list as required without
29 undue cost, the taxpayer may, for purposes of requirements under this
30 subsection, petition the Commissioner of Revenue Services for
31 approval of an alternate method of determining the value of the plant
32 used solely and exclusively to render telecommunications services, but
33 not including central office or switching equipment of that taxpayer,
34 located in each town in the state. If the commissioner finds that the
35 alternative method proposed results in a reasonable approximation of
36 the value of the property of the taxpayer located in each town and
37 used solely and exclusively for rendering telecommunications service,
38 the commissioner shall notify the taxpayer that the proposed alternate
39 method is acceptable and the taxpayer shall be permitted to use the
40 alternate method in developing the list required under this subsection.

41 (b) (1) Not later than the first day of February immediately
42 following the end of such tax year, the Secretary of the Office of Policy
43 and Management shall determine, with respect to such company, a
44 value for personal property equivalent to seventy per cent of the value
45 of personal property included in the list of such property prepared and
46 certified in accordance with subsection (a) of this section. The amount
47 of tax applicable with respect to such personal property of any
48 taxpayer subject to the tax imposed under this section shall be
49 determined by multiplying the value of personal property of such
50 company, as determined under this subsection, by a mill rate of forty-
51 seven mills. Said secretary shall, not later than the first day of March
52 immediately following the end of such tax year, submit a tax bill to
53 each company stating the amount of tax payable to each town in

54 relation to the personal property of such taxpayer located in such
55 town. Such tax shall be due and payable to the town in which such
56 personal property is located not later than the first day of April
57 immediately following. Any city or borough not consolidated with the
58 town in which it is located and any town containing such a city or
59 borough shall receive a portion of the tax due and payable to such
60 town on the basis of the following ratio: The total taxes levied in the
61 previous fiscal year by such town, city or borough shall be the
62 numerator of the fraction. The total taxes levied by the town and all
63 cities or boroughs located within such town shall be added together,
64 and the sum shall be the denominator of the fraction. Any such city or
65 borough may, by vote of its legislative body, direct the Secretary of the
66 Office of Policy and Management to reallocate all or a portion of the
67 share of such city or borough to the town in which it is located.

68 (2) The person responsible for the collection of taxes for each town,
69 city or borough owed taxes under this subsection may, at such time as
70 such tax becomes delinquent as provided in sections 12-146 and 12-
71 169, subject such tax to interest at the rate of one and one-half per cent
72 of such tax for each month or fraction thereof which elapses from the
73 time when such tax becomes due and payable until the same is paid.

74 (c) With respect to tangible personal property included in the list of
75 such property submitted to the Secretary of the Office of Policy and
76 Management as provided in subsection (a) of this section, any taxpayer
77 subject to the tax imposed under this section for any tax year shall not
78 be subject to property tax in any town applicable to such personal
79 property for the assessment year in such town commencing on the first
80 day of October immediately preceding the date on which the tax
81 determined with respect to such property in accordance with this
82 section becomes due and payable.

83 (d) Any taxpayer that, on or after January 1, 1990, is subject to tax
84 under chapter 219 for rendering telecommunications service but that,
85 prior to January 1, 1990, was not subject to tax under chapter 211 for
86 rendering telecommunications service may elect to have personal

87 property taxed in the manner specified in this section. Such election
88 shall be made in writing and filed with the Secretary of the Office of
89 Policy and Management and a copy thereof shall be filed with the
90 assessor of each town in which personal property affected by such
91 election is located. Such election, once filed with the secretary, shall be
92 irrevocable and shall, if filed on or before the date that is two months
93 prior to the start of the assessment year, be effective for such
94 assessment year and for all succeeding assessment years, otherwise to
95 be effective for the next succeeding assessment year and all succeeding
96 assessment years.

97 (e) For assessment years commencing on or after October 1, 1997,
98 the provisions of this section, including informational reporting
99 requirements imposed on owners, shall also apply, to the extent
100 provided in section 12-80b, to property that is used both to render
101 telecommunications service subject to tax under chapter 219 and to
102 render community antenna television service subject to tax under
103 chapter 219 and that is required, under subsection (a) of section 12-80b,
104 to be taxed as provided in this section.

105 (f) Any municipality may examine the Office of Policy and
106 Management's or the Department of Revenue Services' audit of a
107 taxpayer's submission pursuant to subsection (a) of this section.

108 Sec. 2. (*Effective from passage*) The Department of Public Utility
109 Control shall initiate a docket to examine the collection of deposits by
110 public service companies, other than telephone companies, from any
111 customer or prospective customer other than a residential customer or
112 prospective residential customer. Such examination shall include, but
113 not be limited to, consideration of (1) a maximum deposit amount that
114 public service companies may collect from any customer or
115 prospective customer other than a residential customer or prospective
116 residential customer, (2) criteria to determine creditworthiness of
117 customers, (3) criteria for when the public service company shall
118 return the deposit plus interest, and (4) provisions for collecting
119 deposits from customers moving from one location to another within

120 the service area of the same company. On or before January 1, 2011, the
121 department shall report the results of such docket to the joint standing
122 committee of the General Assembly having cognizance of matters
123 relating to energy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	12-80a
Sec. 2	<i>from passage</i>	New section

ET *Joint Favorable Subst.*