



General Assembly

February Session, 2022

**Raised Bill No. 5473**

LCO No. 3023



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' RECOMMENDATIONS FOR TAX ADMINISTRATION AND REVISIONS TO THE TAX AND RELATED STATUTES.***

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

1 Section 1. Section 12-736 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Any person required to collect, truthfully account for and pay over  
4 the tax imposed under this chapter who wilfully fails to collect such tax  
5 or truthfully account for and pay over such tax or who wilfully attempts  
6 in any manner to evade or defeat the tax or the payment thereof, shall,  
7 in addition to other penalties provided by law, be liable for a penalty  
8 equal to the total amount of the tax evaded, or not collected, or not  
9 accounted for and paid over, including any penalty or interest  
10 attributable to such wilful failure to collect or truthfully account for and  
11 pay over such tax or such wilful attempt to evade or defeat such tax. The  
12 amount of a penalty for which a person may be personally liable under  
13 this section shall be collected in accordance with the provisions of  
14 section 12-734.

15 (b) Any person who with fraudulent intent shall fail to pay, to deduct  
16 or to withhold and pay any tax, to make, render, sign or certify any  
17 return or to supply any information within the time required by or  
18 under this chapter shall be subject to a penalty of not more than one  
19 thousand dollars, in addition to any other amounts required under this  
20 chapter to be imposed, assessed and collected by the commissioner.

21 Sec. 2. Subdivision (1) of subsection (b) of section 12-704 of the general  
22 statutes is repealed and the following is substituted in lieu thereof  
23 (*Effective from passage and applicable to taxable years commencing on or after*  
24 *January 1, 2022*):

25 (b) (1) (A) If, as a direct result of (i) the change to or correction of a  
26 taxpayer's income tax return filed with another state of the United States  
27 or a political subdivision thereof or the District of Columbia by the tax  
28 officers or other competent authority of such jurisdiction, or (ii) a  
29 taxpayer paying an assessment issued against the taxpayer by the tax  
30 officers or other competent authority of such jurisdiction for any taxable  
31 year for which the taxpayer has not filed an income tax return with such  
32 jurisdiction, the amount of tax of such other jurisdiction that the  
33 taxpayer is finally required to pay is different from the amount used to  
34 determine the credit allowed to any taxpayer under this section for any  
35 taxable year, the taxpayer shall provide notice of such difference to the  
36 commissioner by filing, on or before the date that is ninety days after the  
37 final determination of such amount, an amended return under this  
38 chapter, and shall concede the accuracy of such determination or state  
39 wherein it is erroneous. The commissioner may redetermine, and the  
40 taxpayer shall be required to pay, the tax for any taxable year affected,  
41 regardless of any otherwise applicable statute of limitations.

42 (B) If a taxpayer files an amended return under this subdivision as a  
43 direct result of the taxpayer paying an assessment as set forth in  
44 subparagraph (A)(ii) of this subdivision, the taxpayer shall not be  
45 eligible for a refund if the amended return is filed more than five years  
46 after the original due date of the taxpayer's Connecticut income tax  
47 return, even if such amended return is filed within the time prescribed

48 under subdivision (2) of subsection (b) of section 12-732, as amended by  
49 this act.

50 Sec. 3. Subsection (b) of section 12-732 of the general statutes is  
51 repealed and the following is substituted in lieu thereof (*Effective from*  
52 *passage and applicable to taxable years commencing on or after January 1,*  
53 *2022*):

54 (b) (1) Notwithstanding the three-year limitation provided by  
55 subsection (a) of this section, if a taxpayer has timely complied with the  
56 requirements of subsection (b) of section 12-727, and, as a direct result  
57 of the change to or correction of the taxpayer's federal income tax return  
58 by the United States Internal Revenue Service or other competent  
59 authority, or as a direct result of a renegotiation of a contract or  
60 subcontract with the United States, the tax that has previously been  
61 reported to be due on a tax return under this chapter has been overpaid,  
62 or as a direct result of an amendment by the taxpayer of the taxpayer's  
63 federal income tax return, the tax that has previously been reported to  
64 be due on a tax return under this chapter has been overpaid, any claim  
65 for refund subsequently filed by such taxpayer will be deemed to be  
66 timely filed.

67 (2) Notwithstanding the three-year limitation provided by subsection  
68 (a) of this section, if a taxpayer has timely complied with the  
69 requirements of subsection (b) of section 12-704, as amended by this act,  
70 and as a direct result of (A) the change to or correction of taxpayer's  
71 income tax return by the tax officers or other competent authority of  
72 another state of the United States or a political subdivision thereof or the  
73 District of Columbia, the tax that has previously been reported to be due  
74 on a tax return under this chapter has been overpaid, [or as a direct  
75 result of] (B) an amendment by the taxpayer of the taxpayer's income  
76 tax return to another state of the United States or a political subdivision  
77 thereof or the District of Columbia, the tax that has previously been  
78 reported to be due on a tax return under this chapter has been overpaid,  
79 or (C) a taxpayer paying an assessment issued against the taxpayer by  
80 the tax officers or other competent authority of another state of the

81 United States or a political subdivision thereof or the District of  
82 Columbia for any taxable year for which the taxpayer has not filed an  
83 income tax return with such jurisdiction, the tax that has previously  
84 been reported to be due on a tax return under this chapter has been  
85 overpaid, any claim for refund subsequently filed by such taxpayer will  
86 be deemed to be timely filed.

87 Sec. 4. Section 12-39f of the general statutes is repealed and the  
88 following is substituted in lieu thereof (*Effective from passage*):

89 (a) For purposes of making payment of any refund as provided in this  
90 title on account of any tax, or penalty or interest thereon, paid to the  
91 state, the Comptroller, upon certification by the Commissioner of  
92 Revenue Services, is authorized to draw on the Treasurer in the amount  
93 of such refund and the Treasurer shall pay the amount thereof from the  
94 fund to which such tax, penalty or interest is credited.

95 (b) Notwithstanding any provision of law, interest added to a refund  
96 of tax issued by the Commissioner of Revenue Services for a tax period  
97 shall not exceed five million dollars and no court may award interest in  
98 excess of five million dollars in any tax appeal in connection with a claim  
99 for refund of tax for a tax period.

100 Sec. 5. (NEW) (*Effective from passage*) (a) (1) Except as provided in  
101 subdivision (2) of this subsection, where the results of any civil audit,  
102 investigation, examination or reexamination conducted by the  
103 Commissioner of Revenue Services have become final by operation of  
104 law or by exhaustion of all available administrative and judicial rights  
105 of appeal, the period covered by such audit, investigation, examination  
106 or reexamination shall be closed and the taxpayer may not file any  
107 additional claims for refund for such period.

108 (2) A taxpayer may file a claim of refund for any period for which the  
109 results of any civil audit, investigation, examination or reexamination  
110 conducted by the commissioner have become final by operation of law  
111 or for which the associated administrative or judicial rights of appeal  
112 have been exhausted, provided such claim is filed not later than six

113 months after the date such results become final by operation of law or  
114 the date such rights of appeal are exhausted, as applicable and  
115 whichever is later.

116 (b) The provisions of subsection (a) of this section shall not affect  
117 claims for refunds authorized under the provisions of sections 12-226,  
118 12-704, as amended by this act, and 12-727 of the general statutes.

119 Sec. 6. Section 29-18b of the general statutes is repealed and the  
120 following is substituted in lieu thereof (*Effective from passage*):

121 (a) The Commissioner of Emergency Services and Public Protection  
122 may appoint persons nominated by the Commissioner of Revenue  
123 Services to act as special policemen in the Department of Revenue  
124 Services. Such appointees shall serve at the pleasure of the  
125 Commissioner of Emergency Services and Public Protection and, during  
126 such tenure, shall have all the powers conferred on state policemen.  
127 Such special policemen shall, in addition to their duties with said  
128 department, be subject to call by the Commissioner of Emergency  
129 Services and Public Protection for such emergency service as the  
130 Commissioner of Emergency Services and Public Protection may  
131 prescribe.

132 (b) Special policemen in the Department of Revenue Services may, in  
133 connection with their official duties relating to any criminal tax  
134 investigation, disclose return information, as defined in section 12-15, to  
135 the extent such disclosure is necessary to obtain information that is not  
136 otherwise reasonably available with respect to the enforcement of any  
137 criminal law of this state.

138 Sec. 7. (NEW) (*Effective from passage*) (a) Notwithstanding the  
139 provisions of section 12-15 of the general statutes, the Commissioner of  
140 Revenue Services may, subject to terms and conditions the  
141 commissioner may prescribe, disclose returns or return information, as  
142 those terms are defined in said section, to an authorized member of an  
143 organized local police department, upon written request by the chief of  
144 police of such department. Such written request shall: (1) Establish the

145 relevance of such return or return information to an authorized  
146 investigation being conducted by such department into a violation of a  
147 criminal law of this state; (2) establish that no other source of such  
148 information is available to such department; and (3) include the name  
149 of each member of such department who will be authorized to receive  
150 such return or return information. If the commissioner deems such  
151 return or return information to be relevant to such investigation, the  
152 commissioner may disclose such return or return information to such  
153 department.

154 (b) No member of an organized local police department who receives  
155 any return or return information pursuant to this section may disclose  
156 such return or return information except in connection with a criminal  
157 prosecution, including any judicial proceeding related thereto, when  
158 such return or return information is directly involved in and necessary  
159 to such prosecution. Any person who violates this subsection shall be  
160 fined not more than one thousand dollars or imprisoned not more than  
161 one year, or both.

162 Sec. 8. Subdivision (9) of section 53a-3 of the 2022 supplement to the  
163 general statutes is repealed and the following is substituted in lieu  
164 thereof (*Effective from passage*):

165 (9) "Peace officer" means a member of the Division of State Police  
166 within the Department of Emergency Services and Public Protection or  
167 an organized local police department, a chief inspector or inspector in  
168 the Division of Criminal Justice, a state marshal while exercising  
169 authority granted under any provision of the general statutes, a judicial  
170 marshal in the performance of the duties of a judicial marshal, a  
171 conservation officer or special conservation officer, as defined in section  
172 26-5, a constable who performs criminal law enforcement duties, a  
173 special policeman appointed under section 29-18, 29-18a, 29-18b, as  
174 amended by this act, or 29-19, an adult probation officer, an official of  
175 the Department of Correction authorized by the Commissioner of  
176 Correction to make arrests in a correctional institution or facility, any  
177 investigator in the investigations unit of the office of the State Treasurer,

178 an inspector of motor vehicles in the Department of Motor Vehicles,  
179 who is certified under the provisions of sections 7-294a to 7-294e,  
180 inclusive, a United States marshal or deputy marshal, any special agent  
181 of the federal government authorized to enforce the provisions of Title  
182 21 of the United States Code, or a member of a law enforcement unit of  
183 the Mashantucket Pequot Tribe or the Mohegan Tribe of Indians of  
184 Connecticut created and governed by a memorandum of agreement  
185 under section 47-65c who is certified as a police officer by the Police  
186 Officer Standards and Training Council pursuant to sections 7-294a to  
187 7-294e, inclusive;

188 Sec. 9. Subsection (b) of section 53a-19 of the general statutes is  
189 repealed and the following is substituted in lieu thereof (*Effective from*  
190 *passage*):

191 (b) Notwithstanding the provisions of subsection (a) of this section, a  
192 person is not justified in using deadly physical force upon another  
193 person if he or she knows that he or she can avoid the necessity of using  
194 such force with complete safety (1) by retreating, except that the actor  
195 shall not be required to retreat if he or she is in his or her dwelling, as  
196 defined in section 53a-100, or place of work and was not the initial  
197 aggressor, or if he or she is a peace officer [or a special policeman  
198 appointed under section 29-18b,] or a private person assisting such  
199 peace officer [or special policeman] at his or her direction, and acting  
200 pursuant to section 53a-22, as amended by this act, or (2) by  
201 surrendering possession of property to a person asserting a claim of  
202 right thereto, or (3) by complying with a demand that he or she abstain  
203 from performing an act which he or she is not obliged to perform.

204 Sec. 10. Section 53a-22 of the 2022 supplement to the general statutes  
205 is repealed and the following is substituted in lieu thereof (*Effective from*  
206 *passage*):

207 (a) (1) For purposes of this section, a reasonable belief that a person  
208 has committed an offense means a reasonable belief in facts or  
209 circumstances which if true would in law constitute an offense. If the

210 believed facts or circumstances would not in law constitute an offense,  
211 an erroneous though not unreasonable belief that the law is otherwise  
212 does not render justifiable the use of physical force to make an arrest or  
213 to prevent an escape from custody.

214 (2) A peace officer [, special policeman appointed under section 29-  
215 18b] or an authorized official of the Department of Correction or the  
216 Board of Pardons and Paroles who is effecting an arrest pursuant to a  
217 warrant or preventing an escape from custody is justified in using the  
218 physical force prescribed in subsections (b), (c) and (d) of this section  
219 unless such warrant is invalid and is known by such officer to be invalid.

220 (b) Except as provided in subsection (a) or (d) of this section, a peace  
221 officer [, special policeman appointed under section 29-18b] or an  
222 authorized official of the Department of Correction or the Board of  
223 Pardons and Paroles is justified in using physical force upon another  
224 person when and to the extent that he or she reasonably believes such  
225 use to be necessary to: (1) Effect an arrest or prevent the escape from  
226 custody of a person whom he or she reasonably believes to have  
227 committed an offense, unless he or she knows that the arrest or custody  
228 is unauthorized; or (2) defend himself or herself or a third person from  
229 the use or imminent use of physical force while effecting or attempting  
230 to effect an arrest or while preventing or attempting to prevent an  
231 escape.

232 (c) (1) Except as provided in subsection (d) of this section, a peace  
233 officer [, special policeman appointed under section 29-18b] or an  
234 authorized official of the Department of Correction or the Board of  
235 Pardons and Paroles is justified in using deadly physical force upon  
236 another person for the purposes specified in subsection (b) of this  
237 section only when his or her actions are objectively reasonable under the  
238 given circumstances at that time, and:

239 (A) He or she reasonably believes such use to be necessary to defend  
240 himself or herself or a third person from the use or imminent use of  
241 deadly physical force; or



242 (B) He or she (i) has reasonably determined that there are no available  
243 reasonable alternatives to the use of deadly physical force, (ii)  
244 reasonably believes that the force employed creates no unreasonable  
245 risk of injury to a third party, and (iii) reasonably believes such use of  
246 force to be necessary to (I) effect an arrest of a person whom he or she  
247 reasonably believes has committed or attempted to commit a felony  
248 which involved the infliction of serious physical injury, and if, where  
249 feasible, he or she has given warning of his or her intent to use deadly  
250 physical force, or (II) prevent the escape from custody of a person whom  
251 he or she reasonably believes has committed a felony which involved  
252 the infliction of serious physical injury and who poses a significant  
253 threat of death or serious physical injury to others, and if, where feasible,  
254 he or she has given warning of his or her intent to use deadly physical  
255 force.

256 (2) For purposes of evaluating whether actions of a peace officer [,  
257 special policeman appointed under section 29-18b] or an authorized  
258 official of the Department of Correction or the Board of Pardons and  
259 Paroles are reasonable under subdivision (1) of this subsection, factors  
260 to be considered include, but are not limited to, whether (A) the person  
261 upon whom deadly physical force was used possessed or appeared to  
262 possess a deadly weapon, (B) the peace officer [, special policeman  
263 appointed under section 29-18b] or an authorized official of the  
264 Department of Correction or the Board of Pardons and Paroles engaged  
265 in reasonable deescalation measures prior to using deadly physical  
266 force, and (C) any unreasonable conduct of the peace officer [, special  
267 policeman appointed under section 29-18b] or an authorized official of  
268 the Department of Correction or the Board of Pardons and Paroles led  
269 to an increased risk of an occurrence of the situation that precipitated  
270 the use of such force.

271 (d) A peace officer [, special policeman appointed under section 29-  
272 18b] or an authorized official of the Department of Correction or the  
273 Board of Pardons and Paroles is justified in using a chokehold or other  
274 method of restraint applied to the neck area or that otherwise impedes  
275 the ability to breathe or restricts blood circulation to the brain of another

276 person for the purposes specified in subsection (b) of this section only  
277 when he or she reasonably believes such use to be necessary to defend  
278 himself or herself from the use or imminent use of deadly physical force.

279 (e) Except as provided in subsection (f) of this section, a person who  
280 has been directed by a peace officer [, special policeman appointed  
281 under section 29-18b] or an authorized official of the Department of  
282 Correction or the Board of Pardons and Paroles to assist such peace  
283 officer [, special policeman] or official to effect an arrest or to prevent an  
284 escape from custody is justified in using reasonable physical force when  
285 and to the extent that he or she reasonably believes such to be necessary  
286 to carry out such peace officer's [, special policeman's] or official's  
287 direction.

288 (f) A person who has been directed to assist a peace officer [, special  
289 policeman appointed under section 29-18b] or an authorized official of  
290 the Department of Correction or the Board of Pardons and Paroles  
291 under circumstances specified in subsection (e) of this section may use  
292 deadly physical force to effect an arrest or to prevent an escape from  
293 custody only when: (1) He or she reasonably believes such use to be  
294 necessary to defend himself or herself or a third person from what he or  
295 she reasonably believes to be the use or imminent use of deadly physical  
296 force; or (2) he or she is directed or authorized by such peace officer [,  
297 special policeman] or official to use deadly physical force, unless he or  
298 she knows that the peace officer [, special policeman] or official himself  
299 or herself is not authorized to use deadly physical force under the  
300 circumstances.

301 (g) A private person acting on his or her own account is justified in  
302 using reasonable physical force upon another person when and to the  
303 extent that he or she reasonably believes such use to be necessary to  
304 effect an arrest or to prevent the escape from custody of an arrested  
305 person whom he or she reasonably believes to have committed an  
306 offense and who in fact has committed such offense; but he or she is not  
307 justified in using deadly physical force in such circumstances, except in  
308 defense of person as prescribed in section 53a-19, as amended by this

309 act.

310 (h) In determining whether use of force by a peace officer who is a  
311 police officer, as defined in subsection (a) of section 29-6d, is justified  
312 pursuant to this section, the trier of fact may draw an unfavorable  
313 inference from a police officer's deliberate failure in violation of section  
314 29-6d to record such use of physical force.

315 Sec. 11. Section 53a-23 of the general statutes is repealed and the  
316 following is substituted in lieu thereof (*Effective from passage*):

317 A person is not justified in using physical force to resist an arrest by  
318 a reasonably identifiable peace officer, [or special policeman appointed  
319 under section 29-18b,] whether such arrest is legal or illegal.

320 Sec. 12. Section 53a-167a of the general statutes is repealed and the  
321 following is substituted in lieu thereof (*Effective from passage*):

322 (a) A person is guilty of interfering with an officer when such person  
323 obstructs, resists, hinders or endangers any peace officer [, special  
324 policeman appointed under section 29-18b] or firefighter in the  
325 performance of such peace officer's [, special policeman's] or firefighter's  
326 duties.

327 (b) Interfering with an officer is a class A misdemeanor, except that,  
328 if such violation causes the death or serious physical injury of another  
329 person, such person shall be guilty of a class D felony.

330 Sec. 13. Section 53a-167b of the general statutes is repealed and the  
331 following is substituted in lieu thereof (*Effective from passage*):

332 (a) A person is guilty of failure to assist a peace officer [, special  
333 policeman] or firefighter when, commanded by a peace officer [, special  
334 policeman appointed under section 29-18b] or firefighter authorized to  
335 command assistance, such person refuses to assist such peace officer [,  
336 special policeman] or firefighter in the execution of such peace officer's  
337 [, special policeman's] or firefighter's duties.

338 (b) Failure to assist a peace officer [, special policeman] or firefighter  
339 is a class A misdemeanor.

340 Sec. 14. Subsection (a) of section 53a-167c of the general statutes is  
341 repealed and the following is substituted in lieu thereof (*Effective from*  
342 *passage*):

343 (a) A person is guilty of assault of public safety, emergency medical,  
344 public transit or health care personnel when, with intent to prevent a  
345 reasonably identifiable peace officer, [special policeman appointed  
346 under section 29-18b,] firefighter or employee of an emergency medical  
347 service organization, as defined in section 53a-3, as amended by this act,  
348 emergency room physician or nurse, health care employee as defined in  
349 section 19a-490q, employee of the Department of Correction, member or  
350 employee of the Board of Pardons and Paroles, probation officer,  
351 employee of the Judicial Branch assigned to provide pretrial secure  
352 detention and programming services to juveniles accused of the  
353 commission of a delinquent act, liquor control agent, state or municipal  
354 animal control officer, security officer, employee of the Department of  
355 Children and Families assigned to provide direct services to children  
356 and youths in the care or custody of the department, employee of a  
357 municipal police department assigned to provide security at the police  
358 department's lockup and holding facility, active individual member of  
359 a volunteer canine search and rescue team, as defined in section 5-249,  
360 or public transit employee from performing his or her duties, and while  
361 such peace officer, [special policeman,] firefighter, employee, physician,  
362 nurse, health care employee, member, liquor control agent, animal  
363 control officer, security officer, probation officer or active individual  
364 member is acting in the performance of his or her duties, (1) such person  
365 causes physical injury to such peace officer, [special policeman,]  
366 firefighter, employee, physician, nurse, member, liquor control agent,  
367 animal control officer, security officer, probation officer or active  
368 individual member, or (2) such person throws or hurls, or causes to be  
369 thrown or hurled, any rock, bottle, can or other article, object or missile  
370 of any kind capable of causing physical harm, damage or injury, at such  
371 peace officer, [special policeman,] firefighter, employee, physician,

372 nurse, member, liquor control agent, animal control officer, security  
373 officer, probation officer or active individual member, or (3) such person  
374 uses or causes to be used any mace, tear gas or any like or similar  
375 deleterious agent against such peace officer, [special policeman,]  
376 firefighter, employee, physician, nurse, member, liquor control agent,  
377 animal control officer, security officer, probation officer or active  
378 individual member, or (4) such person throws or hurls, or causes to be  
379 thrown or hurled, any paint, dye or other like or similar staining,  
380 discoloring or coloring agent or any type of offensive or noxious liquid,  
381 agent or substance at such peace officer, [special policeman,] firefighter,  
382 employee, physician, nurse, member, liquor control agent, animal  
383 control officer, security officer, probation officer or active individual  
384 member, or (5) such person throws or hurls, or causes to be thrown or  
385 hurled, any bodily fluid including, but not limited to, urine, feces, blood  
386 or saliva at such peace officer, [special policeman,] firefighter, employee,  
387 physician, nurse, member, liquor control agent, animal control officer,  
388 security officer, probation officer or active individual member. For the  
389 purposes of this section, "public transit employee" means a person  
390 employed by the state, a political subdivision of the state, a transit  
391 district formed under chapter 103a or a person with whom the  
392 Commissioner of Transportation has contracted in accordance with  
393 section 13b-34 to provide transportation services who operates a vehicle  
394 or vessel providing public ferry service or fixed route bus service or  
395 performs duties directly related to the operation of such vehicle or  
396 vessel, or who, as part of the provision of public rail service, is a train  
397 operator, conductor, inspector, signal person or station agent and  
398 "security officer" has the same meaning as provided in section 29-152u.

399 Sec. 15. Subsection (a) of section 12-699 of the general statutes is  
400 repealed and the following is substituted in lieu thereof (*Effective from*  
401 *passage*):

402 (a) As used in this [section and section 12-699a] chapter and section  
403 16 of this act:

404 (1) "Partnership" has the same meaning as provided in Section

405 7701(a)(2) of the Internal Revenue Code, as defined in section 12-213,  
406 and regulations adopted thereunder. "Partnership" includes a limited  
407 liability company that is treated as a partnership for federal income tax  
408 purposes;

409 (2) "S corporation" means a corporation or a limited liability company  
410 that is treated as an S corporation for federal income tax purposes;

411 (3) "Affected business entity" means a partnership or an S  
412 corporation, but does not include a publicly-traded partnership, as  
413 defined in Section 7704(b) of the Internal Revenue Code, that has agreed  
414 to file an annual return pursuant to section 12-726 reporting the name,  
415 address, Social Security number or federal employer identification  
416 number and such other information required by the Commissioner of  
417 Revenue Services of each unitholder whose distributive share of  
418 partnership income derived from or connected with sources within this  
419 state was more than five hundred dollars;

420 (4) "Member" means (A) a shareholder of an S corporation, (B) a  
421 partner in (i) a general partnership, (ii) a limited partnership, or (iii) a  
422 limited liability partnership, or (C) a member of a limited liability  
423 company that is treated as a partnership or an S corporation for federal  
424 income tax purposes; and

425 (5) "Taxable year" means the taxable year of an affected business  
426 entity for federal income tax purposes.

427 Sec. 16. (NEW) (*Effective from passage*) (a) Any affected business entity  
428 may elect to file a composite income tax return on behalf of each  
429 nonresident individual who is a member of such affected business  
430 entity, subject to any requirements and conditions the Commissioner of  
431 Revenue Services may prescribe in the return form and instructions for  
432 such return. The affected business entity shall make such election by the  
433 due date or extended due date of such affected business entity's return  
434 under chapter 228z of the general statutes.

435 (b) If an affected business entity elects to file a composite income tax

436 return pursuant to subsection (a) of this section, the affected business  
437 entity shall pay to the commissioner the tax calculated under subsection  
438 (c) of this section, plus penalties and interest due thereon, on behalf of  
439 each nonresident individual member of such affected business entity.  
440 Any such payment made by an affected business entity to the  
441 commissioner with respect to any taxable period shall be considered to  
442 be a payment by such nonresident individual member for the tax  
443 imposed on such member under chapter 229 of the general statutes for  
444 such taxable period.

445 (c) The composite income tax due on behalf of each nonresident  
446 individual member shall equal (1) such member's distributive share of  
447 the affected business entity's items derived from or connected with  
448 sources within this state as calculated under subdivision (1) of  
449 subsection (c) of section 12-699 of the general statutes multiplied by the  
450 highest marginal rate in effect under section 12-700 of the general  
451 statutes for the taxable year, less (2) the credit allowed to such  
452 nonresident individual member pursuant to subdivision (1) of  
453 subsection (g) of section 12-699 of the general statutes with respect to  
454 the affected business entity. In no event shall an amount due on behalf  
455 of a nonresident individual member be less than zero. Such composite  
456 income tax shall be due at the same time, and subject to penalties and  
457 interest, as if such tax was a tax due from the affected business entity  
458 under section 12-699 of the general statutes, as amended by this act.

459 (d) (1) If income from one or more affected business entities that each  
460 elect to file a composite income tax return pursuant to this section is the  
461 only source of income derived from or connected with sources within  
462 this state for a nonresident individual member, or for the member and  
463 the member's spouse if a joint federal income tax return is or shall be  
464 filed, the filing by the affected business entity of the composite income  
465 tax return and the payment by the affected business entity on behalf of  
466 the member of the tax imposed under this section shall satisfy the filing  
467 and payment requirements otherwise separately imposed on the  
468 member under chapter 229 of the general statutes. The commissioner  
469 may make any deficiency assessment against the affected business

470 entity or the member, provided any such assessment against the  
471 member shall be limited to the member's share thereof. Except as  
472 provided in section 12-733 of the general statutes, any such assessment  
473 shall be made not later than three years after the affected business  
474 entity's annual return pursuant to section 12-699 of the general statutes,  
475 as amended by this act, is filed.

476 (2) If income from one or more affected business entities that each  
477 elect to file a composite income tax return pursuant to this section is not  
478 the only source of income derived from or connected with sources  
479 within this state for a nonresident individual member, or for the  
480 member and the member's spouse if a joint federal income tax return is  
481 or shall be filed, nothing in this section shall be construed as excusing  
482 the member from the obligation to file such member's own separate tax  
483 return under chapter 229 of the general statutes. In such event, the  
484 member shall receive credit for the composite income tax paid under  
485 this section by the affected business entity on the member's behalf. The  
486 commissioner may make any deficiency assessment that is related to the  
487 member's distributive share of income from the affected business entity  
488 against the affected business entity or the member. Except as provided  
489 in section 12-733 of the general statutes, any such assessment against the  
490 affected business entity shall be made not later than three years after the  
491 affected business entity's annual return pursuant to section 12-699 of the  
492 general statutes, as amended by this act, is filed.

493 Sec. 17. Subsection (c) of section 12-391 of the general statutes is  
494 amended by adding subdivision (4) as follows (*Effective October 1, 2022*):

495 (NEW) (4) "Federal basic exclusion amount" means the dollar amount  
496 published annually by the Internal Revenue Service at which a decedent  
497 would be required to file a federal estate tax return based on the value  
498 of the decedent's gross estate and federally taxable gifts.

499 Sec. 18. Subparagraph (J) of subdivision (3) of subsection (b) of section  
500 12-392 of the general statutes is repealed and the following is substituted  
501 in lieu thereof (*Effective October 1, 2022*):



502 (J) A tax return shall be filed, in the case of every decedent who dies  
503 on or after January 1, 2023, and at the time of death was (i) a resident of  
504 this state, or (ii) a nonresident of this state whose gross estate includes  
505 any real property situated in this state or tangible personal property  
506 having an actual situs in this state. If the decedent's Connecticut taxable  
507 estate is over [five million four hundred ninety thousand dollars] the  
508 federal basic exclusion amount, such tax return shall be filed with the  
509 Commissioner of Revenue Services and a copy of such return shall be  
510 filed with the court of probate for the district within which the decedent  
511 resided at the date of his or her death or, if the decedent died a  
512 nonresident of this state, the court of probate for the district within  
513 which such real property or tangible personal property is situated. If the  
514 decedent's Connecticut taxable estate is equal to or less than [five million  
515 four hundred ninety thousand dollars] the federal basic exclusion  
516 amount, such return shall be filed with the court of probate for the  
517 district within which the decedent resided at the date of his or her death  
518 or, if the decedent died a nonresident of this state, the court of probate  
519 for the district within which such real property or tangible personal  
520 property is situated, and no such return shall be filed with the  
521 Commissioner of Revenue Services. The judge of probate for the district  
522 in which such return is filed shall review each such return and shall  
523 issue a written opinion to the estate representative in each case in which  
524 the judge determines that the estate is not subject to tax under this  
525 chapter.

526 Sec. 19. Section 12-643 of the general statutes is amended by adding  
527 subdivision (4) as follows (*Effective October 1, 2022*):

528 (NEW) (4) "Federal basic exclusion amount" means the dollar amount  
529 published annually by the Internal Revenue Service over which a donor  
530 would owe federal gift tax based on the value of the donor's federally  
531 taxable gifts.

532 Sec. 20. Subdivision (1) of subsection (d) of section 12-704c of the 2022  
533 supplement to the general statutes is repealed and the following is  
534 substituted in lieu thereof (*Effective from passage*):

535 (d) (1) Notwithstanding the provisions of subsections (b) and (c) of  
536 this section, for taxable years commencing on or after January 1, [2021]  
537 2023, for any taxpayer who paid the conveyance tax on real property at  
538 the rate prescribed by subparagraph (C)(ii) of subdivision (2) of  
539 subsection (b) of section 12-494, the credit allowed under this section  
540 shall not exceed thirty-three and one-third per cent of the amount of the  
541 conveyance tax paid [at such rate] in excess of one and one-quarter per  
542 cent on that portion of the consideration taxed under section 12-494 that  
543 is in excess of eight hundred thousand dollars, in each of the three  
544 taxable years [next succeeding the second] beginning with the third  
545 taxable year after the taxable year in which such conveyance tax was  
546 paid. For any taxable year such taxpayer claims the credit or portion  
547 thereof under this subsection, such credit shall be in lieu of any credit  
548 such taxpayer may be eligible to claim under subsection (b) or (c) of this  
549 section.

550 Sec. 21. Section 12-415 of the general statutes is repealed and the  
551 following is substituted in lieu thereof (*Effective from passage*):

552 (a) If the commissioner is not satisfied with the return or returns of  
553 the tax or the amount of tax required to be paid to the state by any  
554 person, the commissioner may compute and assess or reassess the  
555 amount required to be paid upon the basis of the facts contained in the  
556 return or returns or upon the basis of any information which is in or that  
557 may come into the commissioner's possession. [Except in the case of  
558 fraud or intent to evade or in the case of new information that may come  
559 into the commissioner's possession, the commissioner may not make  
560 more than one assessment for a tax period for which a return has been  
561 filed.]

562 (b) The amount of the assessment or reassessment, exclusive of  
563 penalties, shall bear interest at the rate of one per cent per month or  
564 fraction thereof from the last day of the month succeeding the period for  
565 which the amount or any portion thereof should have been returned  
566 until the date of payment.

567 (c) When it appears that any part of the deficiency for which a  
568 deficiency assessment or reassessment is made is due to negligence or  
569 intentional disregard of the provisions of this chapter or regulations  
570 promulgated thereunder, there shall be imposed a penalty equal to  
571 fifteen per cent of the amount of such deficiency assessment or  
572 reassessment, or fifty dollars, whichever is greater.

573 (d) When it appears that any part of the deficiency for which a  
574 deficiency assessment or reassessment is made is due to fraud or intent  
575 to evade the provisions of this chapter or regulations promulgated  
576 thereunder, there shall be imposed a penalty equal to twenty-five per  
577 cent of the amount of such deficiency assessment or reassessment. No  
578 taxpayer shall be subject to a penalty under both subsection (c) of this  
579 section and this subsection in relation to the same tax period.

580 (e) The commissioner shall give to the retailer or person storing,  
581 accepting, consuming or otherwise using services or tangible personal  
582 property written notice of the commissioner's assessment or  
583 reassessment. The notice may be served personally or by mail. If by  
584 mail, it shall be addressed to the retailer or person storing, accepting,  
585 consuming or otherwise using services or tangible personal property at  
586 the address as it appears in the records of the commissioner's office.

587 (f) Except in the case of fraud, intent to evade this chapter or  
588 authorized regulations, failure to make a return, or claim for additional  
589 amount pursuant to [subdivision (3)] subsection (c) of section 12-418, as  
590 amended by this act, every notice of a deficiency assessment or  
591 reassessment shall be mailed within three years after the last day of the  
592 month following the period for which the amount is proposed to be  
593 assessed or reassessed or within three years after the return is filed,  
594 whichever period expires later. The limitation specified in this  
595 subsection does not apply in case of a sales tax proposed to be assessed  
596 or reassessed with respect to sales of services or property for the storage,  
597 acceptance, consumption or other use of which notice of a deficiency  
598 assessment or reassessment has been or is given pursuant to this  
599 subsection, subsection (e) of this section, subsection (c) of section 12-416,

600 as amended by this act, [subdivision (1)] and subsection (a) of section  
601 12-417, [and this subsection] as amended by this act. The limitation  
602 specified in this subsection does not apply in case of an amount of use  
603 tax proposed to be assessed or reassessed with respect to storage,  
604 acceptance, consumption or other use of services or property for the sale  
605 of which notice of a deficiency assessment or reassessment has been or  
606 is given pursuant to this subsection and said subsections. [and this  
607 subsection.]

608 (g) If, before the expiration of the time prescribed in subsection (f) of  
609 this section for the mailing of a notice of deficiency [determination]  
610 assessment or reassessment, the taxpayer has consented in writing to  
611 the mailing of the notice after such time, the notice may be mailed at any  
612 time prior to the expiration of the period agreed upon. The period so  
613 agreed upon may be extended by subsequent agreements in writing  
614 made before the expiration of the period previously agreed upon.

615 Sec. 22. Section 12-416 of the general statutes is repealed and the  
616 following is substituted in lieu thereof (*Effective from passage*):

617 If any person fails to make a return, the commissioner shall make an  
618 estimate of the amount of the gross receipts of the person or, as the case  
619 may be, of the amount of the total sales price of services or tangible  
620 personal property sold or purchased by the person, the storage,  
621 acceptance, consumption or other use of which in this state is subject to  
622 the use tax. The estimate shall be made for the period or periods in  
623 respect to which the person failed to make a return and shall be based  
624 upon any information which is in or may come into the commissioner's  
625 possession. To the tax imposed upon the basis of such estimate, there  
626 shall be added an amount equal to fifteen per cent of such tax, or fifty  
627 dollars, whichever is greater. No person shall be subject to a penalty  
628 under both this section and section 12-419, as amended by this act.  
629 [Except in the case of new information that may come into the  
630 commissioner's possession, the] The commissioner may [not] make  
631 more than one assessment for a tax period for which a tax return has not  
632 been filed.

633 (b) The amount of the assessment shall bear interest at the rate of one  
634 per cent per month or fraction thereof from the last day of the month  
635 succeeding the period for which the amount or any portion thereof  
636 should have been returned until the date of payment.

637 (c) Promptly after making the assessment, the commissioner shall  
638 give to the person written notice of the estimate, assessment and  
639 penalty, the notice to be served personally or by mail in the manner  
640 prescribed for service of notice of a deficiency assessment.

641 (d) Nothing in this section shall preclude the commissioner from  
642 issuing a deficiency assessment or reassessment pursuant to the  
643 provisions of section 12-415, as amended by this act, for any period for  
644 which the commissioner issues a written notice of estimate, assessment  
645 and penalty under this section.

646 Sec. 23. Section 12-417 of the general statutes is repealed and the  
647 following is substituted in lieu thereof (*Effective from passage*):

648 [(1)] (a) If the commissioner believes that the collection of any tax or  
649 any amount of tax required to be collected and paid to the state or of any  
650 assessment will be jeopardized by delay, the commissioner shall make  
651 an assessment or reassessment of the tax or amount of tax required to  
652 be collected, noting that fact upon the assessment or reassessment and  
653 serving written notice thereof, personally or by mail, in the manner  
654 prescribed for service of notice of a deficiency assessment or  
655 reassessment, on the person against whom the jeopardy assessment or  
656 reassessment is made. Ten days after the date on which such notice is  
657 served on such person, such notice shall constitute a final assessment or  
658 reassessment except only for such amounts as to which such person has  
659 filed a written [petition for reassessment] protest with the  
660 commissioner, as provided in [subdivision (3)] subsection (c) of this  
661 section.

662 [(2)] (b) The amount assessed or reassessed is due and payable no  
663 later than the tenth day after service of the notice of assessment or  
664 reassessment, unless on or before such tenth day the person against

665 whom such assessment or reassessment is made has obtained a stay of  
666 collection, as provided in [subdivision (3)] subsection (c) of this section.  
667 To the extent that collection has not been stayed, the commissioner may  
668 enforce collection of such tax by using the method provided in section  
669 12-35, as amended by this act, or by using any other method provided  
670 for in the general statutes relating to the enforced collection of taxes,  
671 provided, if the amount of such tax has been definitely fixed, the amount  
672 so fixed shall be assessed and collected, and if the amount of such tax  
673 has not been definitely fixed, the commissioner shall assess and collect  
674 such amount as, in the commissioner's opinion, from the facts available  
675 to the commissioner, is sufficient. If the amount specified in the notice  
676 of jeopardy assessment or reassessment is not paid on or before the tenth  
677 day after service of notice thereof upon the person against whom the  
678 jeopardy assessment or reassessment is made, the delinquency penalty  
679 and the interest provided in section 12-419, as amended by this act, shall  
680 attach to the amount of the tax or the amount of the tax required to be  
681 collected.

682 [(3)] (c) The person against whom a jeopardy assessment or  
683 reassessment is made may file a [petition for the reassessment] written  
684 protest thereof, pursuant to section 12-418, as amended by this act, with  
685 the commissioner on or before the tenth day after the service upon such  
686 person of notice of the jeopardy assessment or reassessment. Such  
687 person may obtain a stay of collection of the whole or any part of the  
688 amount of such jeopardy assessment or reassessment by filing with the  
689 commissioner, on or before such tenth day, a bond of a surety company  
690 authorized to do business in this state or other security acceptable to the  
691 commissioner in such an amount not exceeding double the amount as  
692 to which the stay is desired, as the commissioner deems necessary to  
693 ensure compliance with this chapter, conditioned upon payment of as  
694 much of the amount, the collection of which is stayed by the bond, as is  
695 found to be due from such person. The security may be sold by the  
696 commissioner in the manner prescribed by section 12-430, as amended  
697 by this act. At any time thereafter in respect to the whole or any part of  
698 the amount covered by the bond, such person may waive the stay, and

699 if as the result of such waiver, any part of the amount covered by the  
700 bond is paid, the bond shall, at the request of such person, be  
701 proportionately reduced.

702       Sec. 24. Section 12-418 of the general statutes is repealed and the  
703 following is substituted in lieu thereof (*Effective from passage*):

704       [(1)(A)] (a) (1) Any person against whom an assessment or a  
705 reassessment is made under section 12-414a, 12-415, as amended by this  
706 act, 12-416, as amended by this act, or 12-424 or any person directly  
707 interested may [petition for a reassessment] file a written protest not  
708 later than sixty days after service upon such person of notice thereof. If  
709 a petition for reassessment is not filed within the sixty-day period, the  
710 assessment or reassessment becomes final at the expiration of the  
711 period.

712       [(B)] (2) Any person against whom an assessment or reassessment is  
713 made under section 12-417, as amended by this act, or any person  
714 directly interested may [petition for a reassessment] file a written  
715 protest not later than ten days after service of notice upon such person.  
716 If a [petition for reassessment] written protest is not filed within such  
717 ten-day period, the assessment or reassessment becomes final at the  
718 expiration of the period.

719       [(2)] (b) If a [petition for reassessment] written protest is filed within  
720 the sixty-day period, in the case of an assessment or reassessment made  
721 under section 12-414a, 12-415, as amended by this act, 12-416, as  
722 amended by this act, or 12-424, or within the ten-day period, in the case  
723 of an assessment or reassessment made under section 12-417, as  
724 amended by this act, the commissioner shall reconsider the assessment  
725 or reassessment and, if the person has so requested in the petition, shall,  
726 in the commissioner's discretion, grant the person an oral hearing and  
727 shall give such person ten days' notice of the time and place of the  
728 hearing. The commissioner may continue the hearing from time to time,  
729 as may be necessary, and may assign the conduct of such hearing to a  
730 representative of the commissioner.

731        [(3)] (c) The commissioner may decrease or increase the amount of  
732 the assessment or reassessment before it becomes final, but the amount  
733 may be increased only if a claim for the increase is asserted by the  
734 commissioner at or before the hearing.

735        [(4)] (d) The order or decision of the commissioner upon a [petition  
736 for reassessment] protest becomes final one month after service upon  
737 the [petitioner] person filing the protest of notice thereof unless within  
738 such period [the petitioner] such person seeks judicial review of the  
739 commissioner's order or decision pursuant to section 12-422.

740        [(5)] (e) All assessments or reassessments made by the commissioner  
741 under section 12-414a, 12-415, as amended by this act, 12-416, as  
742 amended by this act, or 12-424 are due and payable at the time they  
743 become final.

744        [(6)] (f) Any notice required by this section shall be served personally  
745 or by mail in the manner prescribed for service of notice of a deficiency  
746 assessment.

747        Sec. 25. Section 12-419 of the general statutes is repealed and the  
748 following is substituted in lieu thereof (*Effective from passage*):

749        (a) Any person, other than an individual making purchases for  
750 personal use or consumption and not making purchases for use or  
751 consumption in carrying on a trade, occupation, business or profession,  
752 who fails to pay any tax to the state or any amount of tax required to be  
753 collected and paid to the state, except amounts of assessments or  
754 reassessments made by the commissioner under sections 12-415 and 12-  
755 416, as amended by this act, within the time required shall pay, in  
756 addition to such tax or such amount of tax required to be collected and  
757 paid, a penalty of fifteen per cent of the tax or fifty dollars, whichever  
758 amount is greater, plus interest on such tax or such amount of tax  
759 required to be collected and paid at the rate of one per cent per month  
760 or fraction thereof from the due date to the date of payment.

761        (b) Any individual making purchases for personal use or



762 consumption and not making purchases for use or consumption in  
763 carrying on a trade, occupation, business or profession who fails to pay  
764 use tax to the state, except amounts of assessments or reassessments  
765 made by the commissioner under sections 12-415 and 12-416, as  
766 amended by this act, within the time required shall pay, in addition to  
767 such tax, a penalty of ten per cent of the tax, plus interest on such tax at  
768 the rate of one per cent per month or fraction thereof from the due date  
769 of such tax to the date of payment.

770 (c) Subject to the provisions of section 12-3a, the commissioner may  
771 waive all or any part of the penalties provided under this chapter when  
772 it is proven to the satisfaction of the commissioner that failure to pay  
773 any tax was due to reasonable cause and was not intentional or due to  
774 neglect.

775 Sec. 26. Subdivision (6) of subsection (a) of section 12-408c of the  
776 general statutes is repealed and the following is substituted in lieu  
777 thereof (*Effective from passage*):

778 (6) The commissioner may, at any time within three years after the  
779 date of receipt of such claim for refund, examine such claim and  
780 supporting documentation and, if any error is disclosed by such  
781 examination, mail a notice of assessment or reassessment in the manner  
782 provided in section 12-415, as amended by this act, as if a return had  
783 been filed with which the commissioner was not satisfied. In such event,  
784 the claimant may [petition for reassessment] file a written protest in the  
785 time and manner provided in section 12-418, as amended by this act.  
786 The order or decision of the commissioner upon the [petition for  
787 reassessment] written protest shall be subject to judicial review in the  
788 time and manner provided in section 12-422.

789 Sec. 27. Subsections (c) and (d) of section 12-420b of the general  
790 statutes are repealed and the following is substituted in lieu thereof  
791 (*Effective from passage*):

792 (c) The commissioner may, in the commissioner's sole discretion,  
793 terminate a managed compliance agreement and conduct an audit of an

794 eligible taxpayer under [subdivision (1)] subsection (a) of section 12-415,  
795 as amended by this act, if the eligible taxpayer fails to fulfill any of the  
796 terms of a managed compliance agreement and such failure is materially  
797 adverse to the commissioner and the taxpayer fails to cure such failure  
798 not later than thirty days after the mailing of written notice of such  
799 failure by the commissioner, provided no such notice need be given in  
800 the event such failure is not capable of being cured or the commissioner  
801 believes that the collection of any tax required to be collected and paid  
802 to the state or of any assessment or reassessment will be jeopardized by  
803 delay. Any such termination shall be effective on the first day of the  
804 fourth month following the month in which notice of such termination  
805 is given by the commissioner to the taxpayer, except that such  
806 termination shall take effect immediately if such failure is not capable of  
807 being cured or if the commissioner believes that the collection of any tax  
808 required to be collected and paid to the state or of any assessment or  
809 reassessment will be jeopardized by delay.

810 (d) Nothing in this section shall abridge or alter any other  
811 requirements, rights or obligations of an eligible taxpayer or the  
812 commissioner granted or imposed by statute or regulation, including,  
813 but not limited to, penalties for negligence or intentional disregard of  
814 the provisions of this chapter, except as provided in subsection (c) of this  
815 section; penalties for failure to file returns or for fraud or intent to evade  
816 the provisions of this chapter; limitation periods and waivers of  
817 limitation periods; the right of an eligible taxpayer to [petition for  
818 reassessment] file a written protest under section 12-418, as amended by  
819 this act; the right of an eligible taxpayer to appeal an assessment or a  
820 reassessment under section 12-422; or the right of an eligible taxpayer to  
821 claim a refund under section 12-425, as amended by this act.

822 Sec. 28. Subsections (b) to (d), inclusive, of section 12-420c of the  
823 general statutes are repealed and the following is substituted in lieu  
824 thereof (*Effective from passage*):

825 (b) Such agreement may provide that, upon compliance by the  
826 taxpayer with all the terms of [said] such agreement, in calculating the

827 total amount of the audit assessment resulting from such managed audit  
828 the first ten thousand dollars of interest and ten per cent of any  
829 additional interest otherwise due under [subdivision (2)] subsection (b)  
830 of section 12-415, as amended by this act, shall not be imposed. Any  
831 interest accruing after the initial assessment shall be at the rate of  
832 interest specified in [subdivision (2)] subsection (b) of section 12-415, as  
833 amended by this act.

834 (c) The commissioner may, in the commissioner's sole discretion,  
835 terminate a managed audit agreement and conduct an audit of an  
836 eligible taxpayer under [subdivision (1)] subsection (a) of section 12-415,  
837 as amended by this act, if the eligible taxpayer fails to fulfill any of the  
838 terms of a managed audit agreement, or if the commissioner believes  
839 that a managed audit should not be conducted for any other reason.

840 (d) Nothing in this section shall abridge or alter any other  
841 requirements, rights or obligations of an eligible taxpayer or the  
842 commissioner granted or imposed by statute or regulation, including,  
843 but not limited to, penalties for negligence or intentional disregard of  
844 the provisions of this chapter, except as provided in subsection (c) of this  
845 section; penalties for failure to file returns or for fraud or intent to evade  
846 the provisions of this chapter; limitation periods and waivers of  
847 limitation periods; the right of an eligible taxpayer to [petition for  
848 reassessment] file a written protest under section 12-418, as amended by  
849 this act; the right of an eligible taxpayer to appeal an assessment or a  
850 reassessment under section 12-422 or the right of an eligible taxpayer to  
851 claim a refund under section 12-425, as amended by this act.

852 Sec. 29. Subdivision (1) of section 12-425 of the general statutes is  
853 repealed and the following is substituted in lieu thereof (*Effective from*  
854 *passage*):

855 No refund shall be allowed unless a claim therefor is filed with the  
856 commissioner within three years from the last day of the month  
857 succeeding the period for which the overpayment was made, or, with  
858 respect to assessments or reassessments made under sections 12-415 and

859 12-416, as amended by this act, within six months after the assessments  
860 or reassessments become final. No credit shall be allowed after the  
861 expiration of the period specified for filing claims for refund unless a  
862 claim for credit is filed with the commissioner within such period, or  
863 unless the credit relates to a period for which a waiver is given pursuant  
864 to subsection (g) of section 12-415, as amended by this act.

865 Sec. 30. Subparagraphs (C) and (D) of subdivision (7) of section 12-  
866 430 of the general statutes are repealed and the following is substituted  
867 in lieu thereof (*Effective from passage*):

868 (C) (i) Every prime or general contractor who is an unverified  
869 contractor shall post with the commissioner a good and valid bond with  
870 a surety company authorized to do business in this state in an amount  
871 equal to five per cent of the contract price, to secure the payment of any  
872 sums due under this chapter either from such contractor or from any  
873 subcontractor who enters into a contract with such contractor to  
874 perform any part of the contract entered into by such contractor. The  
875 commissioner shall release such contractor from its obligations under  
876 such bond if it has been established, to the commissioner's satisfaction,  
877 that such contractor has met the requirements of either clause (ii) or (iii)  
878 of this subparagraph.

879 (ii) If a prime or general contractor who is an unverified contractor  
880 establishes, to the satisfaction of the commissioner by submitting such  
881 documentation, including any forms prescribed by the commissioner,  
882 as the commissioner deems necessary, that such contractor has paid all  
883 of the taxes that it owes in connection with the contract and that its  
884 subcontractors who are unverified contractors have paid all of the taxes  
885 that they owe in connection with the contract, the commissioner shall  
886 release such contractor from its obligations under the bond.

887 (iii) (I) If a prime or general contractor who is an unverified contractor  
888 establishes, to the satisfaction of the commissioner by submitting such  
889 documentation, including any forms prescribed by the commissioner,  
890 as the commissioner deems necessary, that such contractor has paid all

891 of the taxes that it owes in connection with the contract, has held back  
892 an amount equal to five per cent of the payments being made by such  
893 contractor in connection with the contract to its subcontractors who are  
894 unverified contractors, and has complied with the provisions of either  
895 subclause (V) or (VI) of this clause, as the case may be, the commissioner  
896 shall release such contractor from its obligations under the bond.

897 (II) Every prime or general contractor who is an unverified contractor  
898 and doing business with a subcontractor who is an unverified contractor  
899 shall hold back an amount equal to five per cent of such payments  
900 otherwise required to be made to such subcontractor until such  
901 subcontractor furnishes such contractor with a certificate of compliance,  
902 as described in this clause, authorizing the full or partial release of the  
903 amount held back from such payments to such subcontractor. Such  
904 contractor shall provide written notice of the requirement to hold back  
905 to each subcontractor who is an unverified contractor not later than the  
906 time of commencement of work under the contract by such  
907 subcontractor.

908 (III) The amount required to be held back from a subcontractor who  
909 is an unverified contractor, when so held back, shall be held to be a  
910 special fund in trust for the state. No such subcontractor shall have any  
911 right of action against a prime or general contractor holding back under  
912 this clause with respect to any amount held back in compliance with or  
913 intended compliance with this clause.

914 (IV) Any subcontractor who is an unverified contractor shall, upon  
915 the completion of its work under the contract, request the commissioner,  
916 in writing, for the issuance of a certificate of compliance to such  
917 subcontractor. Such subcontractor shall submit, with such request, such  
918 documentation, including any forms prescribed by the commissioner,  
919 as the commissioner deems necessary. The commissioner shall, after  
920 receipt of such request and such required documentation, review the  
921 documentation in the context of generally accepted construction  
922 industry cost guidelines for the scope and type of construction project.  
923 Not later than one hundred twenty days after the receipt by the

924 commissioner of the required documentation, the commissioner shall  
925 either issue a certificate of compliance authorizing the full or partial  
926 release of an amount held back from payments being made to such  
927 subcontractor, or shall be deemed to have issued such certificate.

928 (V) If the commissioner issues a certificate of compliance authorizing  
929 a full release of the amount held back from a subcontractor who is an  
930 unverified contractor, the prime or general contractor holding back such  
931 amount shall pay over such amount to such subcontractor. Such  
932 contractor shall not be liable for any claim of the commissioner for any  
933 taxes of such subcontractor arising from the activities of such  
934 subcontractor on the project.

935 (VI) If the commissioner issues a certificate of compliance authorizing  
936 a partial release of the amount held back from a subcontractor who is an  
937 unverified contractor, the prime or general contractor holding back such  
938 amount shall pay over the released amount to such subcontractor and  
939 shall pay over the unreleased amount to the commissioner. When such  
940 contractor pays over to the commissioner an amount held back in  
941 accordance with this subclause, such contractor shall not be liable for  
942 any claim of such subcontractor for such amount or for any claim of the  
943 commissioner for any taxes of such subcontractor arising from the  
944 activities of such subcontractor on the project for which the amount was  
945 paid over. If the amount that such contractor is required to pay over to  
946 the commissioner is not paid over on or before the thirtieth day after the  
947 date of mailing of such certificate of compliance, such contractor shall  
948 be liable for a penalty equal to ten per cent of such amount. The amount  
949 that such contractor is required to pay over to the commissioner, and  
950 the penalty thereon, may be collected under the provisions of section 12-  
951 35, as amended by this act.

952 (VII) The commissioner shall treat the issuance to a subcontractor  
953 who is an unverified contractor of a certificate of compliance  
954 authorizing a partial release of an amount held back in the same manner  
955 as the issuance to such subcontractor of a notice of assessment or  
956 reassessment under section 12-415, as amended by this act.

957 (VIII) The issuance to a subcontractor who is an unverified contractor  
958 of a certificate of compliance shall not preclude the commissioner, in the  
959 exercise of the commissioner's authority under this chapter, from  
960 examining the tax returns and books and records of such subcontractor  
961 and, if appropriate and other than in connection with the project for  
962 which the certificate of compliance was issued, from making an  
963 assessment or reassessment against such subcontractor.

964 (D) (i) Every prime or general contractor who is either a resident  
965 contractor or a verified contractor and doing business with a  
966 subcontractor who is an unverified contractor shall hold back an  
967 amount equal to five per cent of such payments otherwise required to  
968 be made to such subcontractor until such subcontractor furnishes such  
969 contractor with a certificate of compliance, as described in this  
970 subparagraph, authorizing the full or partial release of the amount held  
971 back from such payments to such subcontractor. Such contractor shall  
972 provide written notice of the requirement to hold back to each  
973 subcontractor who is an unverified contractor not later than the time of  
974 commencement of work under the contract by such subcontractor.

975 (ii) The amount required to be held back from a subcontractor who is  
976 an unverified contractor, when so held back, shall be held to be a special  
977 fund in trust for the state. No such subcontractor shall have any right of  
978 action against a prime or general contractor holding back under this  
979 subparagraph with respect to any amount held back in compliance with  
980 or intended compliance with this subparagraph.

981 (iii) A subcontractor who is an unverified contractor shall, upon the  
982 completion of its work under the contract, request the commissioner, in  
983 writing, for the issuance of a certificate of compliance to such  
984 subcontractor. Such subcontractor shall submit, with such request, such  
985 documentation, including any forms prescribed by the commissioner,  
986 as the commissioner deems necessary. The commissioner shall, after  
987 receipt of such request and such required documentation, review the  
988 documentation in the context of generally accepted construction  
989 industry cost guidelines for the scope and type of construction project.

990 Not later than one hundred twenty days after the receipt by the  
991 commissioner of the required documentation, the commissioner shall  
992 either issue a certificate of compliance authorizing the full or partial  
993 release of an amount held back from payments being made to such  
994 subcontractor or shall be deemed to have issued such certificate.

995 (iv) If the commissioner issues a certificate of compliance authorizing  
996 a full release of the amount held back from a subcontractor who is an  
997 unverified contractor, the prime or general contractor holding back such  
998 amount shall pay over such amount to such subcontractor. Such  
999 contractor shall not be liable for any claim of the commissioner for any  
1000 taxes of such subcontractor arising from the activities of such  
1001 subcontractor on the project.

1002 (v) If the commissioner issues a certificate of compliance authorizing  
1003 a partial release of the amount held back from a subcontractor who is an  
1004 unverified contractor, the prime or general contractor holding back such  
1005 amount shall pay over the released amount to such subcontractor and  
1006 shall pay over the unreleased amount to the commissioner. When such  
1007 contractor pays over to the commissioner an amount held back in  
1008 accordance with this clause, such contractor shall not be liable for any  
1009 claim of such subcontractor for such amount or for any claim of the  
1010 commissioner for any taxes of such subcontractor arising from the  
1011 activities of such subcontractor on the project for which the amount was  
1012 paid over. If the amount that such contractor is required to pay over to  
1013 the commissioner is not paid over on or before the thirtieth day after the  
1014 date of mailing of such certificate of compliance, such contractor shall  
1015 be liable for a penalty equal to ten per cent of such amount. The amount  
1016 that such contractor is required to pay over to the commissioner, and  
1017 the penalty thereon, may be collected under the provisions of section 12-  
1018 35, as amended by this act.

1019 (vi) The commissioner shall treat the issuance to a subcontractor who  
1020 is an unverified contractor of a certificate of compliance authorizing a  
1021 partial release of an amount held back in the same manner as the  
1022 issuance to such subcontractor of a notice of assessment or reassessment



1023 under section 12-415, as amended by this act.

1024 (vii) The issuance to a subcontractor who is an unverified contractor  
1025 of a certificate of compliance shall not preclude the commissioner, in the  
1026 exercise of the commissioner's authority under this chapter, from  
1027 examining the tax returns and books and records of such subcontractor  
1028 and, if appropriate and other than in connection with the project for  
1029 which the certificate of compliance was issued, from making an  
1030 assessment or reassessment against such subcontractor.

1031 Sec. 31. Section 12-35 of the general statutes is repealed and the  
1032 following is substituted in lieu thereof (*Effective from passage*):

1033 (a) (1) Wherever used in this chapter, unless otherwise provided,  
1034 "state collection agency" includes the Treasurer, the Commissioner of  
1035 Revenue Services and any other state official, board or commission  
1036 authorized by law to collect taxes payable to the state and any duly  
1037 appointed deputy of any such official, board or commission; "tax"  
1038 includes not only the principal of any tax but also all interest, penalties,  
1039 fees and other charges added thereto by law; and "serving officer"  
1040 includes any state marshal, constable or employee of such state  
1041 collection agency designated for such purpose by a state collection  
1042 agency and any person so designated by the Labor Commissioner.

1043 (2) Upon the failure of any person to pay any tax, except any tax  
1044 under chapter 216, due the state within thirty days from its due date, the  
1045 state collection agency charged by law with its collection shall add  
1046 thereto such penalty or interest or both as are prescribed by law,  
1047 provided, (A) if any statutory penalty is not specified, there may be  
1048 added a penalty in the amount of ten per cent of the whole or such part  
1049 of the principal of the tax as is unpaid or fifty dollars, whichever amount  
1050 is greater, and [provided,] (B) if any statutory interest is not specified,  
1051 there shall be added interest at the rate of one per cent of the whole or  
1052 such part of the principal of the tax as is unpaid for each month or  
1053 fraction thereof, from the due date of such tax to the date of payment.

1054 (3) Upon the failure of any person to pay any tax, except any tax

1055 under chapter 216, due within thirty days of its due date, the state  
1056 collection agency charged by law with the collection of such tax may  
1057 make out and sign a warrant directed to any serving officer for distraint  
1058 upon any property of such person found within the state, whether real  
1059 or personal. An itemized bill shall be attached thereto, certified by the  
1060 state collection agency issuing such warrant as a true statement of the  
1061 amount due from such person.

1062 (A) Such warrant shall have the same force and effect as an execution  
1063 issued pursuant to chapter 906. Such warrant may be levied on any real  
1064 property or tangible or intangible personal property of such person, and  
1065 sale made pursuant to such warrant in the same manner and with the  
1066 same force and effect as a levy of sale pursuant to an execution. In  
1067 addition thereto, if such warrant has been issued by the Commissioner  
1068 of Revenue Services, [his] the commissioner's deputy, the Labor  
1069 Commissioner, the executive director of the Employment Security  
1070 Division or any person in the Employment Security Division in a  
1071 position equivalent to or higher than the position presently held by a  
1072 revenue examiner four, [said] such serving officer shall be authorized to  
1073 place a keeper in any place of business and it shall be such keeper's duty  
1074 to secure the income of such business for the state and, when it is in the  
1075 best interest of the state, to force cessation of such business operation. In  
1076 addition, the Attorney General may collect any such tax by civil action.  
1077 Each serving officer so receiving a warrant shall make a return with  
1078 respect to such warrant to the appropriate collection agency within a  
1079 period of ten days following receipt of such warrant.

1080 (B) Each serving officer shall collect from such person, in addition to  
1081 the amount shown on such warrant, [his] such officer's fees and charges,  
1082 which shall be twice those authorized by statute for serving officers,  
1083 provided the minimum charge shall be five dollars and money collected  
1084 pursuant to such warrant shall be first applied to the amount of any fees  
1085 and charges of the serving officer. In the case of an employee of the state  
1086 acting as a serving officer the fees and charges collected by such  
1087 employee shall inure to the benefit of the state.

1088       (4) For the purposes of this section, "keeper" means a person who has  
1089 been given authority by an officer authorized to serve a tax warrant to  
1090 act in the state's interest to secure the income of a business for the state  
1091 and, when it is in the best interest of the state, to force the cessation of  
1092 such business's operation, upon the failure of such business to pay taxes  
1093 owed to the state.

1094       (b) (1) Any such warrant on any intangible personal property of any  
1095 person may be served by mailing a certified copy of such warrant by  
1096 certified mail, return receipt requested, to any third person in possession  
1097 of, or obligated with respect to, receivables, bank accounts, evidences of  
1098 debt, securities, salaries, wages, commissions, compensation or other  
1099 intangible personal property subject to such warrant, ordering such  
1100 third person to forthwith deliver such property or pay the amount due  
1101 or payable to the state collection agency that has made out such warrant,  
1102 provided such warrant may be issued only after the state collection  
1103 agency making out such warrant has notified the person owning such  
1104 property, in writing, of its intention to issue such warrant. The notice of  
1105 intent shall be: (A) Given in person; (B) left at the dwelling or usual place  
1106 of business of such person; or (C) sent by certified mail, return receipt  
1107 requested, to such person's last known address, not less than thirty days  
1108 before the day the warrant is to be issued.

1109       (2) Any such warrant on any intangible personal property of any  
1110 person may be served by electronic mail, facsimile machine or other  
1111 electronic means on any third person in possession of, or obligated with  
1112 respect to, receivables, bank accounts, evidences of debt, securities,  
1113 salaries, wages, commissions, compensation or other intangible  
1114 personal property subject to such warrant, ordering such third person  
1115 to forthwith deliver such property or pay the amount due or payable to  
1116 the state collection agency that has made out such warrant, provided  
1117 such warrant may be issued only after the state collection agency  
1118 making out such warrant has notified the person owning such property,  
1119 in writing, of its intention to issue such warrant. The notice of intent  
1120 shall be: (A) Given in person; (B) left at the dwelling or usual place of  
1121 business of such person; or (C) sent by certified mail, return receipt

1122 requested, to such person's last-known address, not less than thirty days  
1123 before the day the warrant is to be issued. Any such warrant for tax due  
1124 may further include an order to such third person to continually deliver,  
1125 during the one hundred eighty days immediately following the date of  
1126 issuance of the warrant or until the tax is fully paid, whichever occurs  
1127 earlier, all intangible personal property that is due and that becomes due  
1128 to the person owing the tax. Except as otherwise provided in this  
1129 subdivision, such warrant shall have the same force and effect as an  
1130 execution issued pursuant to chapter 906.

1131 (c) (1) Except as provided in subdivision (3) of this subsection:

1132 (A) The Commissioner of Revenue Services may not collect a tax after  
1133 ten years from the date the tax was reported on a return that was filed  
1134 with the commissioner; and

1135 (B) If the commissioner makes an assessment of any tax within the  
1136 statute of limitations applicable to the period for which such assessment  
1137 was made, the commissioner may not collect such tax after ten years  
1138 from the date such assessment became final.

1139 (2) Any taxes that remain unpaid after the applicable ten-year period  
1140 shall be deemed abated as of the first day of the eleventh year  
1141 succeeding the date the return was filed or the assessment became final,  
1142 as applicable.

1143 (3) This subsection shall not apply to any taxes for which the  
1144 commissioner has entered into an agreement under the provisions of  
1145 section 12-2d or 12-2e or to any taxes that have been secured by the  
1146 recording of a lien on the real property or personal property of a  
1147 taxpayer.

1148 Sec. 32. (NEW) (*Effective from passage*) (a) For purposes of this section:

1149 (1) "Consumer collection agency" has the same meaning as provided  
1150 in section 36a-800 of the general statutes; and

1151 (2) "Qualifying outstanding tax liabilities" means any taxes due to the

1152 Commissioner of Revenue Services that have been eligible for  
1153 collections under the provisions of section 12-35 of the general statutes,  
1154 as amended by this act, for not less than three years. "Qualifying  
1155 outstanding tax liabilities" does not include (A) taxes that are the subject  
1156 of litigation, a criminal investigation, wage garnishment, lien or other  
1157 tax warrant, or (B) taxes that are the subject of a settlement agreement,  
1158 an active payment plan or an offer of compromise and for which the  
1159 taxpayer has not defaulted on such agreement, payment plan or offer of  
1160 compromise.

1161 (b) (1) The Commissioner of Revenue Services may sell qualifying  
1162 outstanding tax liabilities to any consumer collection agency licensed  
1163 under section 36a-801 of the general statutes and in compliance with the  
1164 provisions of chapter 669 of the general statutes. Any eligible consumer  
1165 collection agency may submit an application to purchase qualifying  
1166 outstanding tax liabilities to the commissioner, in such form and manner  
1167 prescribed by the commissioner and containing such information as the  
1168 commissioner determines is necessary to verify the eligibility of such  
1169 consumer collection agency to purchase, and to effectuate the sale of,  
1170 qualifying outstanding tax liabilities.

1171 (2) If, after evaluation of an application, the commissioner determines  
1172 that it is in the best interest of the state to effectuate such sale, the  
1173 commissioner may enter into an agreement with the consumer  
1174 collection agency to sell qualifying outstanding tax liabilities to such  
1175 agency. Such agreement shall constitute prima facie evidence that the  
1176 consumer collection agency is the bona fide purchaser of the qualifying  
1177 outstanding tax liabilities identified in the agreement. The provisions of  
1178 subsection (c) of section 36a-813 of the general statutes shall not apply  
1179 to the commissioner.

1180 (3) Notwithstanding the provisions of section 12-15 of the general  
1181 statutes, the commissioner may disclose to a consumer collection agency  
1182 that purchases qualifying outstanding tax liabilities such information as  
1183 the commissioner deems necessary for such consumer collection agency  
1184 to pursue collection of such tax liabilities. Any information disclosed

1185 pursuant to this subdivision may not be redisclosed by the consumer  
1186 collection agency, except as necessary for such consumer collection  
1187 agency to pursue collection of such tax liabilities.

1188 (c) A consumer collection agency that has purchased qualifying  
1189 outstanding tax liabilities:

1190 (1) May pursue collections of such tax liabilities for not more than six  
1191 years after the date of sale; and

1192 (2) Shall not be deemed a state collection agency for purposes of  
1193 section 12-35 of the general statutes, as amended by this act, by virtue of  
1194 the consumer collection agency's purchase of qualifying outstanding tax  
1195 liabilities. No consumer collection agency shall hold itself out to be or  
1196 represent in any way that it is a state collection agency or affiliated with  
1197 or authorized to act on behalf of the commissioner or the state.

1198 (d) Qualifying outstanding tax liabilities purchased under the  
1199 provisions of this section may not be resold or otherwise reassigned.

1200 (e) Any qualifying outstanding tax liabilities purchased by a  
1201 consumer collection agency shall be deemed to have been satisfied and  
1202 moneys received by the commissioner from such sale shall be deemed  
1203 to have been applied against the account of the taxpayer that owed such  
1204 tax liabilities and shall be deposited in the General Fund.

1205 (f) Nothing in this section shall require the commissioner to sell  
1206 qualifying outstanding tax liabilities and any decision to sell qualifying  
1207 outstanding tax liabilities shall be at the sole discretion of the  
1208 commissioner.

1209 Sec. 33. Section 12-35c of the general statutes is repealed and the  
1210 following is substituted in lieu thereof (*Effective from passage*):

1211 (a) At the request of the Commissioner of Revenue Services, the  
1212 Attorney General may bring suit in the name of this state in the  
1213 appropriate court of any other state to collect any tax legally due this  
1214 state; and any political subdivision of this state or the appropriate officer

1215 thereof, acting in its behalf, may bring suit in the appropriate court of  
1216 any other state or the District of Columbia to collect any tax legally due  
1217 [to] such political subdivision.

1218 (b) The Commissioner of Revenue Services may enter into  
1219 agreements with collection agencies and attorneys for collection  
1220 services, for the purposes of collecting a taxpayer's unpaid taxes and  
1221 penalties and interest thereon. Such collection services may be  
1222 performed both within and without this state and may include bringing  
1223 an action in the name of this state in the appropriate court of any other  
1224 state or the District of Columbia to collect any tax legally due this state.

1225 (c) The courts shall recognize and enforce liabilities for taxes similar  
1226 to the taxes imposed by this state and lawfully imposed by any other  
1227 state, the District of Columbia or any political subdivision [thereof] of  
1228 such state or district, which extends a like comity to this state, and the  
1229 duly authorized officer of any other state, the District of Columbia or  
1230 any political subdivision [thereof] of such state or district, may sue for  
1231 the collection of such taxes in the courts of this state. A certificate by the  
1232 Secretary of the State of such other state or the Secretary of the District  
1233 of Columbia, as applicable, that the officer suing for the collection of  
1234 such a tax is duly authorized to collect the same shall be conclusive  
1235 proof of such authority. A certificate by the Commissioner of Revenue  
1236 Services that the tax of such other state, the District of Columbia or a  
1237 political subdivision [thereof] of such state or district is similar to a tax  
1238 imposed by this state shall be prima facie evidence of such similarity.  
1239 For the purposes of this section, the words "tax" and "taxes" shall include  
1240 interest and penalties due under any taxing statute, and liability for such  
1241 interest or penalties, or both, due under a taxing statute of another state,  
1242 the District of Columbia or a political subdivision [thereof] of such state  
1243 or district shall be recognized and enforced by the courts of this state to  
1244 the same extent that the laws of such other state or district, as applicable,  
1245 permit the enforcement in its courts of liability for such interest or  
1246 penalties, or both, due under the tax laws of this state or any political  
1247 subdivision thereof.

1248 Sec. 34. Section 12-35h of the general statutes is repealed and the  
1249 following is substituted in lieu thereof (*Effective from passage*):

1250 When an agreement has been entered into, by the state for the  
1251 Commissioner of Revenue Services or by said commissioner, with a  
1252 collection agency or attorney for the purpose of collecting a taxpayer's  
1253 unpaid taxes and penalties and interest thereon, the account of the  
1254 taxpayer shall be credited with the amounts of such unpaid taxes,  
1255 penalties and interest actually collected by the collection agency or  
1256 attorney before such amounts are reduced by the compensation paid by  
1257 the commissioner to, or retained by, the collection agency or attorney  
1258 for collection services provided pursuant to such agreement.

1259 Sec. 35. Section 12-39o of the general statutes is repealed and the  
1260 following is substituted in lieu thereof (*Effective from passage*):

1261 (a) For purposes of this section: [ ~~"license"~~]

1262 (1) "License" means [(1)] (A) any license issued by the commissioner  
1263 pursuant to the provisions of chapter 214, [(2)] (B) any license issued by  
1264 the commissioner pursuant to the provisions of section 12-330b, or [(3)]  
1265 (C) a seller's permit issued by the commissioner pursuant to section 12-  
1266 409; [.]

1267 (2) "Related person" means (A) an individual, a corporation, a  
1268 partnership, an association or a trust that is in control of a person subject  
1269 to this section, (B) a corporation, a partnership, an association or a trust  
1270 that is controlled by a person subject to this section, (C) a corporation, a  
1271 partnership, an association or a trust, controlled by an individual, a  
1272 corporation, a partnership, an association or a trust that is in control of  
1273 a person subject to this section, or (D) a member of the same controlled  
1274 group as a person subject to this section; and

1275 (3) "Control" means (A) with respect to a corporation, ownership,  
1276 directly or indirectly, of stock possessing fifty per cent or more of the  
1277 total combined voting power of all classes of the stock of such  
1278 corporation entitled to vote, and (B) with respect to a trust, ownership,



1279 directly or indirectly, of fifty per cent or more of the beneficial interest  
1280 in the principal or income of such trust. The ownership of stock in a  
1281 corporation, of a capital or profits interest in a partnership or association  
1282 or of a beneficial interest in a trust shall be determined in accordance  
1283 with the rules for constructive ownership of stock provided in Section  
1284 267(c) of the Internal Revenue Code of 1986, or any subsequent  
1285 corresponding internal revenue code of the United States, as amended  
1286 from time to time, other than paragraph (3) of said section.

1287 (b) Prior to issuing or renewing the license of any person, the  
1288 commissioner may determine whether such person or related person  
1289 has failed to file any returns required to be filed with the commissioner  
1290 by such person or related person. If the commissioner determines that  
1291 such person or related person has failed to file any required returns, the  
1292 commissioner shall not issue a license to, or renew the license of, such  
1293 person until such person or related person, as applicable, files all  
1294 outstanding returns or makes an arrangement satisfactory to the  
1295 commissioner to file all outstanding returns.

1296 (c) Prior to issuing or renewing the license of any person, the  
1297 commissioner may determine whether such person or related person  
1298 owes taxes to this state, which taxes are finally due and payable and  
1299 with respect to which any administrative or judicial remedies, or both,  
1300 have been exhausted or have lapsed. If the commissioner determines  
1301 that such person or related person owes such taxes, the commissioner  
1302 shall not issue a license to, or renew the license of, such person [,] until  
1303 such person or related person, as applicable, pays such taxes [,] or makes  
1304 an arrangement satisfactory to the commissioner to pay such taxes.

1305 Sec. 36. *(Effective from passage)* (a) The Commissioner of Revenue  
1306 Services shall study alternative approaches for the imposition of the tax  
1307 under chapter 229 of the general statutes with respect to the residency  
1308 of individuals subject to such tax. The study shall identify any legislative  
1309 changes that may be made to improve the collection of such tax or to  
1310 implement an alternative approach for the imposition of such tax.

1311 (b) The commissioner shall study each tax and fee that the  
 1312 Department of Revenue Services is statutorily responsible for  
 1313 administering, to determine the overall effectiveness of each such tax  
 1314 and fee. The study shall (1) include information as to the amount of  
 1315 revenue generated by each such tax and fee for the most recent year for  
 1316 which the commissioner has complete records, and the costs incurred  
 1317 by the department in the administration of each such tax and fee for  
 1318 such year, and (2) identify any legislative changes that may be made to  
 1319 improve the administration of any such tax or fee.

1320 (c) The commissioner may (1) consult with any individuals,  
 1321 businesses and state agencies the commissioner deems necessary or  
 1322 appropriate to accomplish the purposes of the studies required under  
 1323 this section, and (2) enter into a contract with any public or private entity  
 1324 for the purposes of preparing a report required under this section.

1325 (d) Not later than January 1, 2023, the commissioner shall submit a  
 1326 report, in accordance with the provisions of section 11-4a of the general  
 1327 statutes, for each study required under this section on the  
 1328 commissioner's findings and recommendations to the joint standing  
 1329 committee of the General Assembly having cognizance of matters  
 1330 relating to finance, revenue and bonding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-736
Sec. 2	<i>from passage and applicable to taxable years commencing on or after January 1, 2022</i>	12-704(b)(1)
Sec. 3	<i>from passage and applicable to taxable years commencing on or after January 1, 2022</i>	12-732(b)
Sec. 4	<i>from passage</i>	12-39f
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	29-18b
Sec. 7	<i>from passage</i>	New section

Sec. 8	<i>from passage</i>	53a-3(9)
Sec. 9	<i>from passage</i>	53a-19(b)
Sec. 10	<i>from passage</i>	53a-22
Sec. 11	<i>from passage</i>	53a-23
Sec. 12	<i>from passage</i>	53a-167a
Sec. 13	<i>from passage</i>	53a-167b
Sec. 14	<i>from passage</i>	53a-167c(a)
Sec. 15	<i>from passage</i>	12-699(a)
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>October 1, 2022</i>	12-391(c)
Sec. 18	<i>October 1, 2022</i>	12-392(b)(3)(J)
Sec. 19	<i>October 1, 2022</i>	12-643
Sec. 20	<i>from passage</i>	12-704c(d)(1)
Sec. 21	<i>from passage</i>	12-415
Sec. 22	<i>from passage</i>	12-416
Sec. 23	<i>from passage</i>	12-417
Sec. 24	<i>from passage</i>	12-418
Sec. 25	<i>from passage</i>	12-419
Sec. 26	<i>from passage</i>	12-408c(a)(6)
Sec. 27	<i>from passage</i>	12-420b(c) and (d)
Sec. 28	<i>from passage</i>	12-420c(b) to (d)
Sec. 29	<i>from passage</i>	12-425(1)
Sec. 30	<i>from passage</i>	12-430(7)(C) and (D)
Sec. 31	<i>from passage</i>	12-35
Sec. 32	<i>from passage</i>	New section
Sec. 33	<i>from passage</i>	12-35c
Sec. 34	<i>from passage</i>	12-35h
Sec. 35	<i>from passage</i>	12-39o
Sec. 36	<i>from passage</i>	New section

**Statement of Purpose:**

To implement the Department of Revenue Services' recommendations for tax administration and revisions to the tax and related statutes.

*[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.]*