



General Assembly

January Session, 2023

Committee Bill No. 5290

LCO No. 4995



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT SUNSETTING THE HIGHWAY USE TAX.

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

1 Section 1. Section 12-493a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Carrier" means any person that operates or causes to be operated
5 on any highway in this state any eligible motor vehicle. "Carrier" does
6 not include the state, any political subdivision of the state, the United
7 States or the federal government;

8 (2) "Commissioner" means the Commissioner of Revenue Services;

9 (3) "Department" means the Department of Revenue Services;

10 (4) "Eligible motor vehicle" means a motor vehicle, as defined in
11 section 14-1, that (A) has a gross weight of twenty-six thousand pounds
12 or more, and (B) carries a classification between Class 8 and Class 13,
13 inclusive, under the Federal Highway Administration vehicle

14 classification system. "Eligible motor vehicle" does not include a motor
15 vehicle carrying or transporting milk or dairy product to or from a dairy
16 farm that holds a license to ship milk;

17 (5) "Gross weight" has the same meaning as provided in section 14-1;
18 and

19 (6) "Highway" has the same meaning as provided in section 14-1.

20 (b) (1) For each calendar month commencing on or after January 1,
21 2023, and prior to July 1, 2023, a tax is imposed on every carrier for the
22 privilege of operating or causing to be operated an eligible motor vehicle
23 on any highway of the state. Use of any such highway shall be measured
24 by the number of miles traveled within the state by each eligible motor
25 vehicle operated or caused to be operated by such carrier during each
26 month. The amount of tax due from each carrier shall be determined in
27 accordance with the provisions of subdivision (2) of this subsection.

28 (2) Each carrier shall calculate the number of miles traveled by each
29 eligible motor vehicle operated or caused to be operated by such carrier
30 within the state during each month. The miles traveled within the state
31 by each eligible motor vehicle shall be multiplied by the tax rate as
32 follows, such rate to be based on the gross weight of each such vehicle:

T1	Gross Weight in Pounds	Rate in Dollars
T2	26,000-28,000	0.0250
T3	28,001-30,000	0.0279
T4	30,001-32,000	0.0308
T5	32,001-34,000	0.0337
T6	34,001-36,000	0.0365
T7	36,001-38,000	0.0394
T8	38,001-40,000	0.0423
T9	40,001-42,000	0.0452
T10	42,001-44,000	0.0481
T11	44,001-46,000	0.0510
T12	46,001-48,000	0.0538
T13	48,001-50,000	0.0567
T14	50,001-52,000	0.0596

T15	52,001-54,000	0.0625
T16	54,001-56,000	0.0654
T17	56,001-58,000	0.0683
T18	58,001-60,000	0.0712
T19	60,001-62,000	0.0740
T20	62,001-64,000	0.0769
T21	64,001-66,000	0.0798
T22	66,001-68,000	0.0827
T23	68,001-70,000	0.0856
T24	70,001-72,000	0.0885
T25	72,001-74,000	0.0913
T26	74,001-76,000	0.0942
T27	76,001-78,000	0.0971
T28	78,001-80,000	0.1000
T29	80,001 and over	0.1750

33 (c) (1) Each carrier shall file with the commissioner, on or before the
34 last day of each month, a return for the calendar month immediately
35 preceding, in such form and containing such information as the
36 commissioner may prescribe. The return shall be accompanied by
37 payment of the amount of the tax shown to be due thereon. Each carrier
38 shall be required to file such return electronically with the department
39 and to make such payment by electronic funds transfer in the manner
40 provided by chapter 228g, irrespective of whether the carrier would
41 have otherwise been required to file such return electronically or to
42 make such payment by electronic funds transfer under the provisions of
43 said chapter.

44 (2) Notwithstanding the provisions of subsection (a) of section 13b-
45 61, the commissioner shall deposit into the Special Transportation Fund
46 established under section 13b-68 the amounts received by the state from
47 the tax imposed under this section.

48 (d) (1) Each carrier desiring to use any highway of the state on or after
49 January 1, 2023, and prior to July 1, 2023, shall file an application for a
50 permit with the commissioner, in such form and containing such
51 information as the commissioner may prescribe. No carrier may

52 lawfully operate or cause to be operated an eligible motor vehicle in the
53 state on or after January 1, 2023, and prior to July 1, 2023, without
54 obtaining a permit from the commissioner.

55 (2) Upon receipt of a fully completed application from a carrier, the
56 commissioner shall grant and issue a permit to such carrier. Such permit
57 shall be valid only for the carrier to which it is issued and the eligible
58 motor vehicles such carrier operates or causes to be operated on the
59 highways of the state and shall not be assignable. The carrier shall
60 maintain a copy of the permit within each eligible motor vehicle that
61 such carrier operates or causes to be operated in the state.

62 (e) (1) Whenever a carrier fails to comply with any provision of this
63 section, the commissioner shall order a hearing to be held, requiring
64 such carrier to show cause why such carrier's permit should not be
65 revoked or suspended. The commissioner shall provide at least ten days'
66 notice, in writing, to such carrier of the date, time and place of such
67 hearing and may serve such notice personally or by registered or
68 certified mail. If, after such hearing, the commissioner revokes or
69 suspends a permit, the commissioner shall not restore such permit to or
70 issue a new permit for such carrier unless the commissioner is satisfied
71 that the carrier will comply with the provisions of this section.

72 (2) Whenever a carrier files returns for four successive monthly
73 periods showing that none of the eligible motor vehicles operated or
74 caused to be operated by such carrier used any highway of the state, the
75 commissioner shall order a hearing to be held, requiring such carrier to
76 show cause why such carrier's permit should not be cancelled. The
77 commissioner shall provide at least thirty days' notice, in writing, to
78 such carrier of the date, time and place of such hearing and may serve
79 such notice personally or by registered or certified mail. If, after such
80 hearing, the commissioner cancels a permit, the commissioner shall not
81 issue a new permit for such carrier unless the commissioner is satisfied
82 that the carrier will make use of the highways of the state.

83 (f) Each person, other than a carrier, who is required, on behalf of

84 such carrier, to collect, truthfully account for and pay over a tax imposed
85 on such carrier under this section and who wilfully fails to collect,
86 truthfully account for and pay over such tax or who wilfully attempts in
87 any manner to evade or defeat the tax or the payment thereof, shall, in
88 addition to other penalties provided by law, be liable for a penalty equal
89 to the total amount of the tax evaded, or not collected, or not accounted
90 for and paid over, including any penalty or interest attributable to such
91 wilful failure to collect or truthfully account for and pay over such tax
92 or such wilful attempt to evade or defeat such tax, provided such
93 penalty shall only be imposed against such person in the event that such
94 tax, penalty or interest cannot otherwise be collected from such carrier.
95 The amount of such penalty with respect to which a person may be
96 personally liable under this section shall be collected in accordance with
97 the provisions of subsection (n) of this section and any amount so
98 collected shall be allowed as a credit against the amount of such tax,
99 penalty or interest due and owing from the carrier. The dissolution of
100 the carrier shall not discharge any person in relation to any personal
101 liability under this section for wilful failure to collect or truthfully
102 account for and pay over such tax or for a wilful attempt to evade or
103 defeat such tax prior to dissolution, except as otherwise provided in this
104 section. For purposes of this subsection, "person" includes any
105 individual, corporation, limited liability company or partnership and
106 any officer or employee of any corporation, including a dissolved
107 corporation, and a member of or employee of any partnership or limited
108 liability company who, as such officer, employee or member, is under a
109 duty to file a tax return under this section on behalf of a carrier or to
110 collect or truthfully account for and pay over a tax imposed under this
111 section on behalf of such carrier.

112 (g) (1) The commissioner may examine the records of any carrier
113 subject to a tax imposed under the provisions of this section as the
114 commissioner deems necessary. If the commissioner determines that
115 there is a deficiency with respect to the payment of any such tax due
116 under the provisions of this section, the commissioner shall assess or
117 reassess the deficiency in tax, give notice of such deficiency assessment

118 or reassessment to the taxpayer and make demand upon the taxpayer
119 for payment. Such amount shall bear interest at the rate of one per cent
120 per month or fraction thereof from the date when the original tax was
121 due and payable. When it appears that any part of the deficiency for
122 which a deficiency assessment is made is due to negligence or
123 intentional disregard of the provisions of this section or regulations
124 promulgated thereunder, there shall be imposed a penalty equal to ten
125 per cent of the amount of such deficiency assessment, or fifty dollars,
126 whichever is greater. When it appears that any part of the deficiency for
127 which a deficiency assessment is made is due to fraud or intent to evade
128 the provisions of this section or regulations promulgated thereunder,
129 there shall be imposed a penalty equal to twenty-five per cent of the
130 amount of such deficiency assessment. No taxpayer shall be subject to
131 more than one penalty under this subsection in relation to the same tax
132 period. Subject to the provisions of section 12-3a, the commissioner may
133 waive all or part of the penalties provided under this section when it is
134 proven to the commissioner's satisfaction that the failure to pay any tax
135 was due to reasonable cause and was not intentional or due to neglect.
136 Any decision rendered by any federal court holding that a taxpayer has
137 filed a fraudulent return with the Director of Internal Revenue shall
138 subject the taxpayer to the penalty imposed by this section without the
139 necessity of further proof thereof, except when it can be shown that the
140 return to the state so differed from the return to the federal government
141 as to afford a reasonable presumption that the attempt to defraud did
142 not extend to the return filed with the state. Within thirty days of the
143 mailing of such notice, the taxpayer shall pay to the commissioner, in
144 cash, or by check, draft or money order drawn to the order of the
145 Commissioner of Revenue Services, any additional amount of tax,
146 penalty and interest shown to be due.

147 (2) Except in the case of a wilfully false or fraudulent return with
148 intent to evade the tax, no assessment of additional tax shall be made
149 after the expiration of more than three years from the date of the filing
150 of a return or from the original due date of a return, whichever is later.
151 If no return has been filed as provided under the provisions of this

152 section, the commissioner may make such return at any time thereafter,
153 according to the best information obtainable and according to the form
154 prescribed. To the tax imposed upon the basis of such return, there shall
155 be added an amount equal to ten per cent of such tax, or fifty dollars,
156 whichever is greater. The tax shall bear interest at the rate of one per
157 cent per month or fraction thereof from the due date of such tax to the
158 date of payment. Where, before the expiration of the period prescribed
159 herein for the assessment of an additional tax, a taxpayer has consented
160 in writing that such period may be extended, the amount of such
161 additional tax due may be determined at any time within such extended
162 period. The period so extended may be further extended by subsequent
163 consents in writing before the expiration of the extended period.

164 (h) (1) Any carrier believing that it has overpaid any taxes due under
165 the provisions of this section may file a claim for refund in writing with
166 the commissioner within three years from the due date for which such
167 overpayment was made, stating the specific grounds upon which the
168 claim is founded. Failure to file a claim within the time prescribed in this
169 section constitutes a waiver of any demand against the state on account
170 of overpayment. The commissioner shall review such claim within a
171 reasonable time and, if the commissioner determines that a refund is
172 due, the commissioner shall credit the overpayment against any amount
173 then due and payable from the carrier under this section or any
174 provision of the general statutes and shall refund any balance
175 remaining. The commissioner shall notify the Comptroller of the
176 amount of such refund and the Comptroller shall draw an order on the
177 Treasurer in the amount thereof for payment to such carrier. If the
178 commissioner determines that such claim is not valid, either in whole or
179 in part, the commissioner shall mail notice of the proposed disallowance
180 to the claimant, which notice shall set forth briefly the commissioner's
181 findings of fact and the basis of disallowance in each case decided in
182 whole or in part adversely to the claimant. Sixty days after the date on
183 which it is mailed, a notice of proposed disallowance shall constitute a
184 final disallowance except only for such amounts as to which the
185 taxpayer filed, as provided in subdivision (2) of this subsection, a

186 written protest with the commissioner.

187 (2) On or before the sixtieth day after the mailing of the proposed
188 disallowance, the claimant may file with the commissioner a written
189 protest against the proposed disallowance in which the claimant shall
190 set forth the grounds on which the protest is based. If a protest is filed,
191 the commissioner shall reconsider the proposed disallowance and, if the
192 claimant has so requested, may grant or deny the claimant or the
193 claimant's authorized representatives an oral hearing.

194 (3) The commissioner shall mail notice of the commissioner's
195 determination to the claimant, which notice shall set forth briefly the
196 commissioner's findings of fact and the basis of decision in each case
197 decided in whole or in part adversely to the claimant.

198 (4) The action of the commissioner on the claimant's protest shall be
199 final upon the expiration of thirty days from the date on which the
200 commissioner mails notice of the commissioner's action to the claimant
201 unless within such period the claimant seeks judicial review of the
202 commissioner's determination pursuant to subsection (l) of this section.

203 (i) (1) Any person required under this section or regulations adopted
204 thereunder to pay any tax, make a return, keep any record or supply
205 any information, who wilfully fails to pay such tax, make such return,
206 keep such records or supply such information, at the time required by
207 law, shall, in addition to any other penalty provided by law, be fined
208 not more than one thousand dollars or imprisoned not more than one
209 year, or both. Notwithstanding the provisions of section 54-193, no
210 person shall be prosecuted for a violation of the provisions of this
211 subsection committed on or after January 1, 2023, and prior to July 1,
212 2023, except within three years next after such violation has been
213 committed. As used in this subsection, "person" includes any officer or
214 employee of a corporation or a member or employee of a partnership
215 under a duty to pay such tax, make such return, keep such records or
216 supply such information.

217 (2) Any person who wilfully delivers or discloses to the commissioner
218 or the commissioner's authorized agent any list, return, account,
219 statement or other document, known by such person to be fraudulent
220 or false in any material matter, shall, in addition to any other penalty
221 provided by law, be guilty of a class D felony. No person shall be
222 charged with an offense under both subdivision (1) of this subsection
223 and this subdivision in relation to the same tax period but such person
224 may be charged and prosecuted for both such offenses upon the same
225 information.

226 (j) (1) Each carrier shall keep such records, receipts, invoices and other
227 pertinent papers in such form as the commissioner requires.

228 (2) In addition to the requirements set forth under subdivision (1) of
229 this subsection, each carrier shall maintain, on a monthly basis on and
230 after January 1, 2023, and prior to July 1, 2023, a list of all the eligible
231 motor vehicles that such carrier operates or causes to operate on a
232 highway in the state during such month. All such lists shall be
233 maintained by the carrier for not less than four years after the date of
234 each such month and shall be made available to the commissioner upon
235 request.

236 (3) The commissioner or the commissioner's authorized agent may
237 examine the records, receipts, invoices, other pertinent papers and
238 equipment of any person liable under the provisions of this section and
239 may investigate the character of the business of such person to verify
240 the accuracy of any return made or, if no return is made by such person,
241 to ascertain and determine the amount required to be paid.

242 (k) Any carrier that is aggrieved by the action of the commissioner or
243 an authorized agent of the commissioner in fixing the amount of any
244 tax, penalty or interest under this section may apply to the
245 commissioner, in writing, not later than sixty days after the notice of
246 such action is delivered or mailed to such carrier, for a hearing and a
247 correction of the amount of such tax, penalty or interest, setting forth the
248 reasons why such hearing should be granted and the amount by which

249 such tax, penalty or interest should be reduced. The commissioner shall
250 promptly consider each such application and may grant or deny the
251 hearing requested. If the hearing request is denied, the carrier shall be
252 notified forthwith. If the hearing request is granted, the commissioner
253 shall notify the carrier of the date, time and place for such hearing. After
254 such hearing, the commissioner may make such order as appears just
255 and lawful to the commissioner and shall furnish a copy of such order
256 to the carrier. The commissioner may, by notice in writing, order a
257 hearing on the commissioner's own initiative and require a carrier or
258 any other individual who the commissioner believes to be in possession
259 of relevant information concerning such carrier to appear before the
260 commissioner or the commissioner's authorized agent with any
261 specified books of account, papers or other documents, for examination
262 under oath.

263 (l) Any carrier that is aggrieved because of any order, decision,
264 determination or disallowance the commissioner made under
265 subsection (h) or (k) of this section may, not later than thirty days after
266 service of notice of such order, decision, determination or disallowance,
267 take an appeal therefrom to the superior court for the judicial district of
268 New Britain, which appeal shall be accompanied by a citation to the
269 commissioner to appear before said court. Such citation shall be signed
270 by the same authority and such appeal shall be returnable at the same
271 time and served and returned in the same manner as is required in the
272 case of a summons in a civil action. The authority issuing the citation
273 shall take from the appellant a bond or recognizance to the state of
274 Connecticut, with surety, to prosecute the appeal to effect and to comply
275 with the orders and decrees of the court in the premises. Such appeals
276 shall be preferred cases, to be heard, unless cause appears to the
277 contrary, at the first session, by the court or by a committee appointed
278 by the court. Said court may grant such relief as may be equitable and,
279 if such tax has been paid prior to the granting of such relief, may order
280 the Treasurer to pay the amount of such relief. If the appeal has been
281 taken without probable cause, the court may tax double or triple costs,
282 as the case demands and, upon all such appeals that are denied, costs

283 may be taxed against such carrier at the discretion of the court but no
284 costs shall be taxed against the state.

285 (m) The commissioner and any agent of the commissioner duly
286 authorized to conduct any inquiry, investigation or hearing pursuant to
287 this section shall have power to administer oaths and take testimony
288 under oath relative to the matter of inquiry or investigation. At any
289 hearing ordered by the commissioner, the commissioner or the
290 commissioner's agent authorized to conduct such hearing and having
291 authority by law to issue such process may subpoena witnesses and
292 require the production of books, papers and documents pertinent to
293 such inquiry or investigation. No witness under subpoena authorized
294 to be issued under the provisions of this section shall be excused from
295 testifying or from producing books, papers or documentary evidence on
296 the ground that such testimony or the production of such books, papers
297 or documentary evidence would tend to incriminate such witness, but
298 such books, papers or documentary evidence so produced shall not be
299 used in any criminal proceeding against such witness. If any person
300 disobeys such process or, having appeared in obedience thereto, refuses
301 to answer any pertinent question put to such person by the
302 commissioner or the commissioner's authorized agent, or to produce
303 any books, papers or other documentary evidence pursuant thereto, the
304 commissioner or such agent may apply to the superior court of the
305 judicial district wherein the carrier has a business address or wherein
306 the carrier's business has been conducted, or to any judge of such court
307 if the same is not in session, setting forth such disobedience to process
308 or refusal to answer, and such court or such judge shall cite such person
309 to appear before such court or such judge to answer such question or to
310 produce such books, papers or other documentary evidence and, upon
311 such person's refusal so to do, shall commit such person to a community
312 correctional center until such person testifies, but not for a period longer
313 than sixty days. Notwithstanding the serving of the term of such
314 commitment by any person, the commissioner may proceed in all
315 respects with such inquiry and examination as if the witness had not
316 previously been called upon to testify. Officers who serve subpoenas

317 issued by the commissioner or under the commissioner's authority and
318 witnesses attending hearings conducted by the commissioner pursuant
319 to this section shall receive fees and compensation at the same rates as
320 officers and witnesses in the courts of this state, to be paid on vouchers
321 of the commissioner on order of the Comptroller from the proper
322 appropriation for the administration of this section.

323 (n) The amount of any tax, penalty or interest due and unpaid under
324 the provisions of this section may be collected under the provisions of
325 section 12-35. The warrant provided under said section shall be signed
326 by the commissioner or the commissioner's authorized agent. The
327 amount of any such tax, penalty and interest shall be a lien on the real
328 estate of the carrier from the last day of the month next preceding the
329 due date of such civil penalty until such civil penalty is paid. The
330 commissioner may record such lien in the records of any town in which
331 the real estate of such carrier is situated but no such lien shall be
332 enforceable against a bona fide purchaser or qualified encumbrancer of
333 such real estate. When any tax with respect to which a lien has been
334 recorded under the provisions of this subsection has been satisfied, the
335 commissioner shall, upon request of any interested party, issue a
336 certificate discharging such lien, which certificate shall be recorded in
337 the same office in which the lien was recorded. Any action for the
338 foreclosure of such lien shall be brought by the Attorney General in the
339 name of the state in the superior court for the judicial district in which
340 the real estate subject to such lien is situated, or, if such real estate is
341 located in two or more judicial districts, in the superior court for any one
342 such judicial district, and the court may limit the time for redemption or
343 order the sale of such real estate or pass such other or further decree as
344 it judges equitable.

345 (o) No tax credit or credits shall be allowable against the tax imposed
346 under this section.

347 (p) Any person who knowingly violates any provision of this section
348 for which no other penalty is provided shall be fined one thousand

349 dollars.

350 (q) The commissioner may adopt regulations, in accordance with the
351 provisions of chapter 54, to implement the provisions of this section.

352 (r) At the close of [each fiscal year, commencing with] the fiscal year
353 ending June 30, 2023, [in which the tax imposed under the provisions of
354 this section is received by the commissioner,] the Comptroller is
355 authorized to record as revenue for such fiscal year the amount of such
356 tax that is received by the commissioner not later than five business days
357 from the July thirty-first immediately following the end of such fiscal
358 year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-493a

Statement of Purpose:

To sunset the highway use tax.

[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.]

Co-Sponsors: REP. CANDELORA V., 86th Dist.; REP. O'DEA, 125th Dist.
REP. RUTIGLIANO, 123rd Dist.; REP. ACKERT, 8th Dist.
REP. PERILLO J., 113th Dist.; REP. ZUPKUS, 89th Dist.
REP. ZAWISTOWSKI, 61st Dist.; REP. CARNEY, 23rd Dist.
REP. DELNICKI, 14th Dist.; REP. FISHBEIN, 90th Dist.
REP. ANDERSON, 62nd Dist.; REP. NUCCIO, 53rd Dist.

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