



General Assembly

January Session, 2023

***Raised Bill No. 6931***

LCO No. 6474



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING THE REPORTING FREQUENCY FOR 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 Section 12-493a of the general statutes is repealed and the  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 July 1, 2023*):

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

31 (2) Each carrier shall calculate the number of miles traveled by each  
32 eligible motor vehicle operated or caused to be operated by such carrier  
33 within the state during each month prior to July 1, 2023, and during each  
34 calendar quarter commencing on or after July 1, 2023. The miles traveled  
35 within the state by each eligible motor vehicle shall be multiplied by the  
36 tax rate as follows, such rate to be based on the gross weight of each  
37 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

38 (c) (1) Each carrier shall file with the commissioner a return, (A) on or  
39 before the last day of each month [ , a return] prior to July 1, 2023, for the  
40 calendar month immediately preceding, and (B) on or before the last day  
41 of each month following the last day of a calendar quarter commencing  
42 on or after July 1, 2023, for the calendar quarter immediately preceding,  
43 in such form and containing such information as the commissioner may  
44 prescribe. The return shall be accompanied by payment of the amount  
45 of the tax shown to be due thereon. Each carrier shall be required to file  
46 such return electronically with the department and to make such  
47 payment by electronic funds transfer in the manner provided by chapter  
48 228g, irrespective of whether the carrier would have otherwise been  
49 required to file such return electronically or to make such payment by  
50 electronic funds transfer under the provisions of said chapter.

51 (2) Notwithstanding the provisions of subsection (a) of section 13b-  
52 61, the commissioner shall deposit into the Special Transportation Fund  
53 established under section 13b-68 the amounts received by the state from

54 the tax imposed under this section.

55 (d) (1) Each carrier desiring to use any highway of the state on or after  
56 January 1, 2023, shall file an application for a permit with the  
57 commissioner, in such form and containing such information as the  
58 commissioner may prescribe. No carrier may lawfully operate or cause  
59 to be operated an eligible motor vehicle in the state on or after January  
60 1, 2023, without obtaining a permit from the commissioner.

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

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

78 (2) Whenever a carrier files returns for four successive monthly  
79 periods prior to July 1, 2023, or two successive calendar quarters on or  
80 after July 1, 2023, showing that none of the eligible motor vehicles  
81 operated or caused to be operated by such carrier used any highway of  
82 the state, the commissioner shall order a hearing to be held, requiring  
83 such carrier to show cause why such carrier's permit should not be  
84 cancelled. The commissioner shall provide at least thirty days' notice, in  
85 writing, to such carrier of the date, time and place of such hearing and

86 may serve such notice personally or by registered or certified mail. If,  
87 after such hearing, the commissioner cancels a permit, the commissioner  
88 shall not issue a new permit for such carrier unless the commissioner is  
89 satisfied that the carrier will make use of the highways of the state.

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

119 (g) (1) The commissioner may examine the records of any carrier

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

154 (2) Except in the case of a wilfully false or fraudulent return with  
155 intent to evade the tax, no assessment of additional tax shall be made  
156 after the expiration of more than three years from the date of the filing  
157 of a return or from the original due date of a return, whichever is later.  
158 If no return has been filed as provided under the provisions of this  
159 section, the commissioner may make such return at any time thereafter,  
160 according to the best information obtainable and according to the form  
161 prescribed. To the tax imposed upon the basis of such return, there shall  
162 be added an amount equal to ten per cent of such tax, or fifty dollars,  
163 whichever is greater. The tax shall bear interest at the rate of one per  
164 cent per month or fraction thereof from the due date of such tax to the  
165 date of payment. Where, before the expiration of the period prescribed  
166 herein for the assessment of an additional tax, a taxpayer has consented  
167 in writing that such period may be extended, the amount of such  
168 additional tax due may be determined at any time within such extended  
169 period. The period so extended may be further extended by subsequent  
170 consents in writing before the expiration of the extended period.

171 (h) (1) Any carrier believing that it has overpaid any taxes due under  
172 the provisions of this section may file a claim for refund in writing with  
173 the commissioner within three years from the due date for which such  
174 overpayment was made, stating the specific grounds upon which the  
175 claim is founded. Failure to file a claim within the time prescribed in this  
176 section constitutes a waiver of any demand against the state on account  
177 of overpayment. The commissioner shall review such claim within a  
178 reasonable time and, if the commissioner determines that a refund is  
179 due, the commissioner shall credit the overpayment against any amount  
180 then due and payable from the carrier under this section or any  
181 provision of the general statutes and shall refund any balance  
182 remaining. The commissioner shall notify the Comptroller of the  
183 amount of such refund and the Comptroller shall draw an order on the  
184 Treasurer in the amount thereof for payment to such carrier. If the  
185 commissioner determines that such claim is not valid, either in whole or  
186 in part, the commissioner shall mail notice of the proposed disallowance  
187 to the claimant, which notice shall set forth briefly the commissioner's

188 findings of fact and the basis of disallowance in each case decided in  
189 whole or in part adversely to the claimant. Sixty days after the date on  
190 which it is mailed, a notice of proposed disallowance shall constitute a  
191 final disallowance except only for such amounts as to which the  
192 taxpayer filed, as provided in subdivision (2) of this subsection, a  
193 written protest with the commissioner.

194 (2) On or before the sixtieth day after the mailing of the proposed  
195 disallowance, the claimant may file with the commissioner a written  
196 protest against the proposed disallowance in which the claimant shall  
197 set forth the grounds on which the protest is based. If a protest is filed,  
198 the commissioner shall reconsider the proposed disallowance and, if the  
199 claimant has so requested, may grant or deny the claimant or the  
200 claimant's authorized representatives an oral hearing.

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

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

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



220 subsection, "person" includes any officer or employee of a corporation  
221 or a member or employee of a partnership under a duty to pay such tax,  
222 make such return, keep such records or supply such information.

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

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

234 (2) In addition to the requirements set forth under subdivision (1) of  
235 this subsection, each carrier shall maintain, on a monthly basis prior to  
236 July 1, 2023, and on a quarterly basis on and after July 1, 2023, a list of  
237 all the eligible motor vehicles that such carrier operates or causes to  
238 operate on a highway in the state during such month or quarter, as  
239 applicable. All such lists shall be maintained by the carrier for not less  
240 than four years after the date of each such month or the last day of each  
241 such quarter, as applicable, and shall be made available to the  
242 commissioner upon request.

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

249 (k) Any carrier that is aggrieved by the action of the commissioner or  
250 an authorized agent of the commissioner in fixing the amount of any  
251 tax, penalty or interest under this section may apply to the

252 commissioner, in writing, not later than sixty days after the notice of  
253 such action is delivered or mailed to such carrier, for a hearing and a  
254 correction of the amount of such tax, penalty or interest, setting forth the  
255 reasons why such hearing should be granted and the amount by which  
256 such tax, penalty or interest should be reduced. The commissioner shall  
257 promptly consider each such application and may grant or deny the  
258 hearing requested. If the hearing request is denied, the carrier shall be  
259 notified forthwith. If the hearing request is granted, the commissioner  
260 shall notify the carrier of the date, time and place for such hearing. After  
261 such hearing, the commissioner may make such order as appears just  
262 and lawful to the commissioner and shall furnish a copy of such order  
263 to the carrier. The commissioner may, by notice in writing, order a  
264 hearing on the commissioner's own initiative and require a carrier or  
265 any other individual who the commissioner believes to be in possession  
266 of relevant information concerning such carrier to appear before the  
267 commissioner or the commissioner's authorized agent with any  
268 specified books of account, papers or other documents, for examination  
269 under oath.

270 (l) Any carrier that is aggrieved because of any order, decision,  
271 determination or disallowance the commissioner made under  
272 subsection (h) or (k) of this section may, not later than thirty days after  
273 service of notice of such order, decision, determination or disallowance,  
274 take an appeal therefrom to the superior court for the judicial district of  
275 New Britain, which appeal shall be accompanied by a citation to the  
276 commissioner to appear before said court. Such citation shall be signed  
277 by the same authority and such appeal shall be returnable at the same  
278 time and served and returned in the same manner as is required in the  
279 case of a summons in a civil action. The authority issuing the citation  
280 shall take from the appellant a bond or recognizance to the state of  
281 Connecticut, with surety, to prosecute the appeal to effect and to comply  
282 with the orders and decrees of the court in the premises. Such appeals  
283 shall be preferred cases, to be heard, unless cause appears to the  
284 contrary, at the first session, by the court or by a committee appointed  
285 by the court. Said court may grant such relief as may be equitable and,

286 if such tax has been paid prior to the granting of such relief, may order  
287 the Treasurer to pay the amount of such relief. If the appeal has been  
288 taken without probable cause, the court may tax double or triple costs,  
289 as the case demands and, upon all such appeals that are denied, costs  
290 may be taxed against such carrier at the discretion of the court but no  
291 costs shall be taxed against the state.

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

320 than sixty days. Notwithstanding the serving of the term of such  
321 commitment by any person, the commissioner may proceed in all  
322 respects with such inquiry and examination as if the witness had not  
323 previously been called upon to testify. Officers who serve subpoenas  
324 issued by the commissioner or under the commissioner's authority and  
325 witnesses attending hearings conducted by the commissioner pursuant  
326 to this section shall receive fees and compensation at the same rates as  
327 officers and witnesses in the courts of this state, to be paid on vouchers  
328 of the commissioner on order of the Comptroller from the proper  
329 appropriation for the administration of this section.

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

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

354 (p) Any person who knowingly violates any provision of this section  
355 for which no other penalty is provided shall be fined one thousand  
356 dollars.

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

359 (r) At the close of each fiscal year, commencing with the fiscal year  
360 ending June 30, 2023, in which the tax imposed under the provisions of  
361 this section is received by the commissioner, the Comptroller is  
362 authorized to record as revenue for such fiscal year the amount of such  
363 tax that is received by the commissioner not later than five business days  
364 from the July thirty-first immediately following the end of such fiscal  
365 year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	12-493a

**Statement of Purpose:**

To authorize carriers to file a return for and pay the highway use tax on a quarterly basis rather than monthly on and after July 1, 2023.

*[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.]*