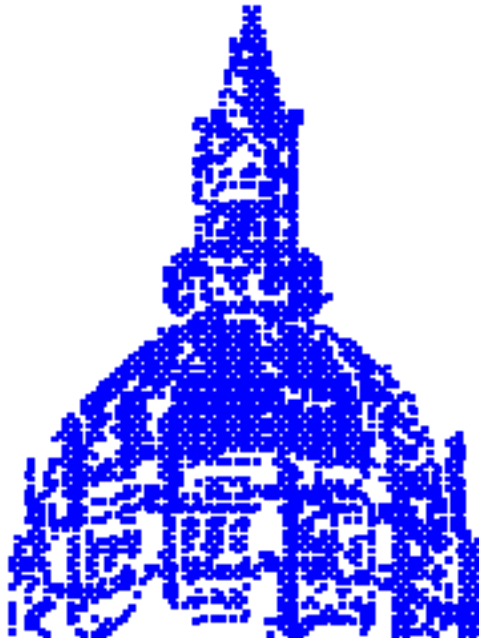


Office of Legislative Research
Connecticut General Assembly



OLR ACTS AFFECTING

BUSINESS



2011-R-0316

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NOTICE TO READERS

This report summarizes the laws enacted during the 2011 regular session (i.e., public acts (PAs)) affecting a broad range of businesses. In doing so, it attempts to provide enough information to help readers decide whether to obtain the more detailed OLR analysis of an act or its full text. Readers can obtain the former at www.cga.ct.gov/olr; they can obtain the act's full text at www.cga.ct.gov or from the Connecticut State Library or the House Clerk's Office.

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BUSINESS LAW AND PRACTICE

Transgender Discrimination

Most businesses must comply with a new law prohibiting discrimination against people based on their gender identity or expression when seeking jobs, public accommodations, housing, credit, or other opportunities and benefits.

PA 11-55, effective October 1, 2011

Uniform Commercial Code Transaction Records

New changes to Article 9 of the Uniform Commercial Code affect (1) recording debtors' names on financing statements and (2) the statement debtors file when an unauthorized financing statement is filed against them.

PA 11-108, effective July 1, 2013

Unlawful Nonlicensed Advertising

Now, people risk violating the law if they use print ads or other media to solicit work for which they are not licensed to perform. This change applies to electrical, plumbing, and other specified trades.

PA 11-117, effective October 1, 2011

Business Entity Filings

New changes to business entity filing requirements vary depending on how a business is organized. For example, domestic and out-of-state stock and non-stock corporations, limited partnerships, limited liability companies and limited partnerships must now electronically file their annual reports with the secretary of the state unless she waives this requirement.

PA 11-146, effective date January 1, 2012

Connecticut Business Corporation Act Changes

Corporations can now set record dates for notifying shareholders of meetings, and corporate boards can set guidelines and procedures for permitting shareholder classes or series to participate remotely in meetings. In addition, corporations can use electronic documents and technologies for more purposes.

PA 11-147, effective October 1, 2011

ECONOMIC DEVELOPMENT

Film Production Tax Credit

By law, filmmakers can use film production tax credits to reduce their business taxes or, if they have no tax liability,

transfer them to taxpayers that do. A new law limits the credit amount filmmakers may transfer—50% for income year 2011 and 25% for the subsequent income years.

To claim the credits, filmmakers must conduct specific activities here. The new law retroactively increases, from 25% to 50%, the minimum share of principal photography days a production company must spend in the state on or after January 1, 2010 to qualify for a film production tax credit.

PA 11-16, as amended by **PA 11-61**, effective upon passage and applicable to income years beginning on or after January 1, 2011.

Urban and Industrial Site Reinvestment Tax Credits

A new law makes it easier for business investors to access both state Urban and Industrial Sites Reinvestment tax credits and federal New Markets tax credits.

PA 11-78, effective July 1, 2011

“First Five” Financing and Tax Incentives

The new “First Five” economic development program provides substantial financial assistance for business projects creating at least 200 jobs and developing facilities within certain timeframes. It also increases the amount of job creation tax

credits and reduces the steps in the project approval process. The program can fund up to five projects per year in FY 12 and FY 13.

PA 11-86, effective July 1, 2011

Property Tax Deferral for Redeveloping Brownfields

Property tax bills could go up after owners improve their property and, consequently, increase its assessed value. A new law allows municipalities to give brownfield owners a break if they cleanup the property and convert it into a condominium or mixed use commercial structure. A municipality may offer this incentive only in locally designated rehabilitation areas.

PA 11-96, effective October 1, 2011

Bond-Funded Programs

Two Connecticut Development Authority programs providing financing for large-scale development projects are now permanent. Both programs finance projects with bonds backed by tax revenue, including project-generated revenue.

PA 11-103, effective July 1, 2011

Insurance Reinvestment Fund Program

Businesses with Insurance Reinvestment Act tax credits can now transfer them to an affiliated business or entity.

PA 11-140, effective upon passage

Extension of Economic Development Incentives

More types of businesses in the state's 17 enterprise zones now qualify for property tax exemptions and corporation business tax credits.

PA 11-140, effective July 1, 2011

Neighborhood Assistance Act (NAA) Tax Credits

NAA business tax credits go to businesses making charitable and civic contributions, but the law limits the amount of credits they may claim per year and the types of businesses that may claim them. Recent changes increase the annual credit limit and extend eligibility to businesses paying the business entity tax.

PA 11-140, effective October 1, 2011

Restoring Brownfields

The legislature added more brownfield remediation programs, including new liability protections from the state and third parties and more Transfer Act exemptions.

PA 11-141; effective dates vary

Historic Preservation Tax Credits

A new law allows more types of historic property to qualify for the state's historic preservation tax credits.

PA 11-148 effective July 1, 2011 and applicable to income years beginning on or after that date.

State Contracting

Under a new law, contractors and bidders must affirm compliance with state ethics laws only when there is a change to the information contained in a previously filed affirmation. The new law also potentially allows more people and businesses to qualify for state set-aside contracts.

PA 11-229, effective October 1, 2011

ENERGY

Consolidated Department of Energy and Environmental Protection

The legislature merged the departments of Environmental Protection and Public Utility Control and transferred their powers and duties, and those of the environmental protection commissioner, to the new Department of Energy and Environmental Protection (DEEP) and its commissioner. DEEP's duties include

1. developing a comprehensive plan integrating current efficiency and renewable energy plans;
2. establishing energy efficiency standards for televisions, DVD players, and similar products; and
3. requiring electric companies to enter into long-term contracts to buy renewable energy credits from zero-emission generators (e. g., solar, wind, and hydro) and a similar program for low-emission technologies.

PA 11-80, numerous sections, effective dates vary but the department merger is effective July 1, 2011.

Energy Program

Using organic waste to generate heat and electricity on farms is the goal of a new pilot

program the legislature authorized. The program can provide funding for up to five projects, each generating no more than 1,500 kilowatts and costing no more than \$450 per kilowatt.

PA 11-80, effective July 1, 2011

Siting Council

A new law changes the Siting Council's standard of review for issuing power plant and telecommunications tower certificates. Among other things, it requires tower developers to notify municipalities sooner about projects that affect them and limits the circumstances under which the council can approve towers near schools or commercial day care centers. The law also expands the council's authority to deny tower applications based on scenic factors.

PA 11-107, effective July 1, 2011 except for the pre-application consultation and municipal participation account provisions, which are effective upon passage.

Wind Turbines

A new law requires the Siting Council, to adopt regulations by July 1, 2012, for siting wind turbines.

PA 11-245, effective July 1, 2011

FINANCE, INSURANCE, REAL ESTATE

Banking Law Changes

New banking law changes include allowing Connecticut banks to merge with their non-bank affiliates as long as the merger produces a Connecticut bank.

PA 11-50, effective July 1, 2011 (other provisions we did not summarize take effect on other dates)

Commercial Risk Insurance Policies History Reports

When insurers or insureds cancel or do not renew a commercial auto or general liability insurance policy, the insurer must, by law, provide their insureds with written reports that include a history of the policy's pricing and premium information, along with a detailed list of incurred losses (i.e., loss reports). A new law extends this reporting requirement to all types of commercial risk insurance and decreases the timeframe for providing certain reports from 60 days to 30 days.

Existing law requires commercial auto and general liability insurers to provide principal insureds, upon request, a summary of claims information for a period of up to four years before the date of the request. A new law (1) extends the requirement to all commercial

risk insurers, (2) requires that the request be made in writing, and (3) requires the insurer to report within 30 days after receiving the request.

PA 11-138, effective January 1, 2012

Foreclosure

Assistance. Changes to the state's foreclosure programs and laws include (1) extending the foreclosure mediation program by two years, (2) extending its services to properties owned by religious organizations, (3) adopting the federal Protecting Tenants at Foreclosure Act, and (4) extending its protections three years beyond the federal act's sunset date.

PA 11-201, various effective dates

Registration Requirements. A new law imposes local registration requirements on foreclosure actions. Anyone commencing such actions must register the subject property with the municipality's town clerk and pay a land record fee. Anyone taking the property's title after foreclosure must register with the clerk within 15 days after absolute title vests in the person. The new law allows municipalities to issue property code related violations notices on registered property only after the title vests.

PA 11-201, effective October 1, 2011

Real Estate Conveyance Deeds

A new law allows deeds conveying real estate to be executed if the signer's acknowledgement conforms to the Uniform Acknowledgment Act or the Uniform Recognition of Acknowledgment Act.

PA 11-206, effective October 1, 2011

Consumer Credit Licenses and Connecticut Uniform Securities Act

Numerous changes to the banking laws affect (1) loan processor or underwriter licensing requirements and mortgage licensees, (2) the criminal history requirement for various banking department licenses, and (3) the attorney exemption to debt adjuster and negotiator licensing.

PA 11-216, various effective dates

Mortgage Licensing and Other Banking Provisions

Among other things, a new law extends the fraudulent conduct ban to any person or entity subject to the banking commissioner's jurisdiction and subjects loan processors or mortgage underwriters to the criminal ban on residential mortgage fraud.

PA 11-216, various effective dates

HEALTH CARE

Coverage Mandates Expanded

By broadening the applicability of numerous legally mandated health insurance benefits, a new law applies the benefit requirements to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut.

PA 11-19, effective January 1, 2012

Birth-to-Three Services

A new law (1) changes the coverage requirements for health insurance policies covering birth-to-three services provided under an individualized family service plan and (2) prohibits these policies from imposing co-insurance, copayments, deductibles, or other out-of-pocket expenses for these services.

It also increases the annual maximum benefit that group health insurers must provide for children with autism spectrum disorders who receive birth-to-three services to \$50,000 per child per year and \$150,000 per child over the three-year period.

PA 11-44, effective January 1, 2012

Health Insurance Exchange

To meet the requirements of the 2010 federal Patient Protection and Affordable Care Act, the legislature established the Connecticut Health Insurance Exchange, whose duties include operating an online marketplace where individuals and small employers can compare and purchase health insurance plans that meet federal requirements beginning in 2014.

PA 11-53, effective upon passage

Health Care Provider Contracts With Insurers

Changes to the laws governing health provider contracts include deadlines for paying claims submitted on paper or electronic form, maintaining provider networks in accordance with national adequacy requirements, and specifying when insurers must pay for previously authorized services.

PA 11-58, effective January 1, 2012

Utilization Review, Grievance, and External Appeals Processes

A new law revises the health insurance utilization review, grievance, and external appeal statutes to comply with the

requirements of the 2010 federal Patient Protection and Affordable Care Act.

PA 11-58, effective July 1, 2011

Breast MRIs

Certain health insurance policies must now cover magnetic resonance imaging (MRI) of a woman's entire breast or breasts if (1) a mammogram shows heterogeneous or dense breast tissue based on the American College of Radiology's Breast Imaging Reporting and Database System or (2) a woman is considered at an increased breast cancer risk.

PA 11-67, effective January 1, 2012

Certain policies must also cover breast MRIs in accordance with the American Cancer Society or American College of Radiology guidelines.

PA 11-171, effective January 1, 2012

Colonoscopies

Certain health insurance policies can no longer impose a coinsurance, copayment, deductible, or other out-of-pocket expense for any additional colonoscopy a physician orders for an insured person in a policy year.

PA 11-83, effective January 1, 2012

Insurers contracting with a physician or a physician's group to provide services under a health insurance policy must now establish a the same payment amount for the physician's services component of covered colonoscopy or endoscopic services, regardless of where the services are performed.

PA 11-225, effective October 1, 2011

Most Favored Nation Clauses

Contracting health organizations can no longer include "most favored nation" clauses in contracts with health care providers, dentists, or hospitals on or after October 1, 2011.

PA 11-132, effective October 1, 2011

Mental or Nervous Conditions

The list of unfair or deceptive insurance acts or practices now includes (1) the refusal to insure or continue to insure; (2) limitation of the amount, extent, or kind of coverage available to; or (3) charging of a different rate for the same coverage to, an individual diagnosed with a mental or nervous condition.

PA 11-163, effective October 1, 2011

Pain Medication

Certain health insurance policies providing prescription drug coverage can no longer

require an insured person to use an alternative brand name prescription drug or over-the-counter drug before using a brand name prescription drug prescribed by a licensed physician for pain treatment.

PA 11-169, effective January 1, 2012

Clinical Trials

Medically necessary hospitalization services and other routine patient care costs associated with disabling or life-threatening chronic diseases must now be covered under certain health insurance policies.

PA 11-172, effective January 1, 2012

Ostomy Supplies

The annual amount health insurance policies must cover for ostomy appliances and supplies has increased from \$1,000 to \$2,500.

PA 11-204, effective January 1, 2012

Prostate Cancer

Certain health insurance policies must now cover medically necessary prostate cancer treatment in accordance with the National Comprehensive Cancer Network's, American Cancer Society's, or American Society of Clinical Oncology's guidelines.

PA 11-225, effective January 1, 2012

Health Information Technology

Under a new law, the Health Information Technology Exchange's directors must establish an advisory committee to track changes in federal patient privacy and security laws affecting health information technology.

PA 11-242, effective July 1, 2011

LABOR

Personnel Files Act Repeat Violators

Fines for violating the Personnel Files Act increased from \$300 to \$500 for a first violation and to \$1,000 for each subsequent violation related to the same employee. Upon a complaint from the labor commissioner, the attorney general must initiate a lawsuit in civil court to recover these penalties.

PA 11-12, effective October 1, 2011

Unemployment Compensation Appeals

A new law extends the 21-day deadline for appealing decisions regarding unemployment compensation claims for claimants who (1) can show good cause for the delay in appealing or (2) filed an appeal by mail postmarked prior to the deadline.

PA 11-36, effective October 1, 2011

Paid Sick Leave

A new law requires most employers with 50 or more employees to provide certain employees with paid sick leave accruing at a rate of one hour per 40 hours worked. It also provides paid sick leaves to service workers who work one of 68 federal Standard Occupational Classification System titles named in the act and are paid hourly.

PA 11-52, effective January 1, 2012

Look-Back Period for Determining Unemployment Compensation

For weeks 77-99 of unemployment, the look-back period for determining extended benefits is increased from two to three years.

PA 11-87, effective upon passage

Criminal Background Checks

New laws require applicants for jobs with home health and homemaker-companion agencies to undergo criminal history background checks.

PA 11-95 and PA 11-242, both effective January 1, 2012

Workplace Violence Prevention and Response in Health Care Settings

A new law imposes workplace violence prevention and response planning and reporting requirements on health care employers and establishes criminal penalties for assault of a health care employee.

PA 11-175, effective July 1, 2011 for the provisions on workplace safety committees, risk assessment, violence prevention plans, patient care assignment, and regulations; October 1, 2011 for the remaining provisions.

Workers' Compensation

An employer's claim for reimbursement of workers' compensation benefits paid to an employee is now reduced (1) when the employee sues someone who is liable for the injury and (2) the employer does not join the suit. Employers do not include the (1) state or a political subdivision or (2) Second Injury Fund administrator.

PA 11-205, effective July 1, 2011

Use of Credit Scores in Hiring Decisions

A new law bans employers from requiring an employee's or prospective employee's consent to a request for a credit report as a condition of employment, except specified circumstances.

Employees or prospective employees may file complaints about violations with the labor commissioner.

PA 11-223, effective October 1, 2011

Criminal History and Patient Abuse Background Check Program for Long-Term Care Facility Employees

Long-term care facilities must now ensure that prospective direct care employees undergo criminal history and patient abuse background checks before they are allowed direct access to patients or residents.

PA 11-242, effective January 1, 2012

LAND USE AND ENVIRONMENT

Permits

A new law extending deadlines for various land use permits gives developers more time to complete certain projects without seeking reapproval.

PA 11-5, effective May 9, 2011

Containment Services Tax Exemption Eliminated

The legislature eliminated the sales tax exemption for voluntarily evaluating, preventing, treating, containing, or removing hazardous waste or other contaminants of air, water or soil.

PA 11-6, effective July 1, 2011, and applicable to sales occurring on or after that date.

Paint Stewardship Program

A new law requires paint producers to manage unused and unwanted architectural paint under a stewardship program funded through an assessment on each container of such paint sold in Connecticut.

PA 11-24, effective June 3, 2011

Bisphenol-A

A new law excludes water cooler system bottles from a ban on the manufacture, sale, offering for sale, or distribution in the state of reusable food or beverage containers containing BPA starting October 1, 2011.

PA 11-59, effective October 1, 2011

Manufacturing, offering for sale, or distributing thermal receipt or cash register receipt paper containing bisphenol-A (BPA) is banned in Connecticut as of June 30, 2013, or July 1, 2015, depending on whether the U.S. Environmental Protection Agency identifies a safe, commercially available alternative for use in these papers by June 30, 2013.

PA 11-222, effective October 1, 2013

Bonds for Approved Site Plans and Subdivisions

Among other things, new law expands the types of bonds or surety developers may post for completing roads and other public improvements under a modified site plan or subdivision. It also bans land use commissions from requiring a bond or other surety to maintain these improvements after a municipality accepts them.

PA 11-79, effective October 1, 2011

Environmental Use Restrictions

The energy and environmental protection commissioner can now waive some of the requirements for recording environmental land use restrictions and releasing parties from them.

PA 11-141, effective upon passage

Bottle Bill

Authorized agents of manufacturers who bottle and sell no more than 250,000, 20-ounce or smaller containers of noncarbonated beverages per year now qualify for an exemption from the bottle redemption law.

PA 11-161, effective upon passage, July 13, 2011

Asbestos-Related Product Liability Claims

Parties now have more time—80 years instead of 60—to sue for personal injury or death cause by contact or exposure to asbestos. (The period for lawsuits relating to asbestos-related property damage is still 30 years after the last contact or exposure.)

PA 11-200, effective upon passage, and applicable to any cause of action arising from contact with or exposure to asbestos occurring before, on, or after passage.

Organic Material Recycling

A new law imposes recycling requirements on commercial food wholesalers or distributors, industrial food manufacturers or processors, supermarkets, resorts, and conference centers generating an average of at least 104 tons of source-separated organic materials a year.

PA 11-217, effective October 1, 2011

Mercury Batteries

Mercury and silver oxide batteries used for specified purposes are exempted from the ban on mercury-based button cell batteries and products that contain them until January 1, 2015 and July 1, 2012, respectively.

PA 11-231, effective July 13, 2011

Water Quality

Changes to state water quality laws include requiring:

1. the state health department to inspect and approve only in-state sources of water bottled for sale or distribution;
2. all water bottled in the state to comply with federal quality standards;
3. annual licensure of distributors selling beverages bottled, distributed, or manufactured out-of-state; and
4. entities seeking to abandon a water source to notify the local health department or district in each town where the source is located.

PA 11-242, effective October 1, 2011

TAXES AND FEES

Corporation Business Tax

Corporation Tax Surcharge.

A new law imposes a 20% corporation tax surcharge for the 2012 and 2013 income years on companies that have more than \$250 in corporation tax liability and either (1) have at least \$100 million in annual gross income in those years or (2) file combined or unitary returns.

PA 11-6, effective upon passage and applicable to income years starting on or after that date.

Corporation Business Tax Credit Limit. For the 2011 and 2012 income years, companies adding new employees can use tax credits to reduce their annual corporation tax liability beyond the statutory 70% limit. The additional offset equals \$ 6,000 times the company's average net monthly increase in employees, up to 100% of its total tax liability.

PA 11-6, effective upon passage and applicable to income years starting on or after January 1, 2011.

Economic Nexus. Companies located in other states but doing business in Connecticut may have to pay Connecticut corporation business taxes if they meet the law's criteria. Under prior law, they had to pay the tax if they met at least one of the two criteria. Now, they pay the tax if they meet both criteria.

PA 11-61, effective upon passage and applicable to income years starting on or after January 1, 2011.

New Manufacturing Reinvestment Account. A new economic development program lets small manufacturers defer taxes on the money they save for new buying new machines and training their workers.

PA 11-140, effective July 1, 2011 and applicable to income years starting on or after that date.

Insurance Premium Tax

Insurance Premium Tax Credit Limit. A new law lowers, from 70% to 30%, the amount by which an insurer can reduce its annual insurance premium tax liability through tax credits, except the insurance reinvestment fund and digital animation credits.

It also establishes the maximum tax liability that an insurer can offset in 2011 and 2012 by claiming one or more types of credits and specifies the order in which these credit types must be claimed.

PA 11-6, as amended by **PA 11-61**, effective upon passage and applicable to calendar years starting on or after January 1, 2011.

Nonadmitted Insurance Policies and Premium Taxes

In response to a 2010 federal law, the legislature made several changes to the 4% tax on gross premiums unauthorized insurers charge on policies procured independently or through licensed surplus line brokers. Among other things, it limited the policies subject to the tax and changed how individuals and brokers must pay it.

PA 11-61, effective upon passage and applicable to nonadmitted insurance coverage procured, continued, or renewed on or after July 1, 2011.

Sales Tax

Rate Increase. A new law increases the general sales and use tax rate from 6% to 6.35% and the hotel tax rate from 12% to 15%, but does not change the current lower rates for sales of (1) motor vehicles to active duty U. S. military members stationed in Connecticut (4. 5%) and (2) computer and data processing services (1%).

PA 11-6, as amended by **PA 11-61**, effective July 1, 2011 and applicable to (1) sales on or after that date and (2) sales of services billed to customers for any period that includes that date.

Luxury Goods. A new law imposes a 7% sales and use tax on the full sales price of passenger cars, boats, jewelry, clothing, and footwear costing more than specified amounts.

PA 11-6, as amended by **PA 11-61**, effective July 1, 2011 and applicable to (1) sales on or after that date and (2) sales of services billed to customers for any period that includes that date.

Rental Car Surcharge. An act imposes an additional 3% sales and use tax (9. 35% total) on short-term car rentals (30 days or less).

PA 11-6, as amended by **PA 11-61**, effective July 1, 2011 and applicable to (1) sales on or after that date and (2) sales of services billed to customers for any period that includes that date.

Exemptions Eliminated. The legislature eliminated sales tax exemptions for the following goods and services:

1. hazardous waste containment and removal,
2. valet parking at any airport,
3. yoga instruction at a yoga studio,
4. clothing and footwear costing less than \$ 50,
5. nonprescription drugs and medicine,
6. cloth or fabric for noncommercial sewing,
7. yarn, and
8. smoking cessation products.

PA 11-6, as amended by **PA 11-61**, effective July 1, 2011 and applicable to sales on or after that date.

New Taxable Services. A new law extends the sales tax to the following services:

1. motor vehicle storage, towing, and road services;
2. packing and crating;
3. intrastate transportation with a driver (with certain exclusions);
4. pet grooming, boarding, and obedience classes;
5. cosmetic medical procedures, excluding reconstructive surgery;
6. manicure, pedicure, and other nail services; and
7. spa services

PA 11-6, as amended by **PA 11-61**, effective July 1, 2011 and applicable to sales on or after that date.

Exemption for Used Motor Vehicles Containing Tax-Exempt Special Equipment. A new law exempts from sales and use tax any part of the sale price of a vehicle that has special equipment for the exclusive use of a person with physical disabilities already installed, if the vehicle is sold to such a person.

PA 11-61, effective upon passage and applicable to all open tax periods.

Sales Tax Collection by Remote Sellers. New legislation requires certain remote sellers (e.g., Amazon.com) having no physical presence in Connecticut to collect sales tax on their taxable sales here. The requirement applies to retailers who make more than \$ 2,000 worth of sales in the state through certain agreements with Connecticut residents providing commissions or other compensation for referring potential customers to the retailers.

PA 11-6, as amended by **PA 11-61**, effective upon passage and applicable to sales occurring on or after May 4, 2011.

Miscellaneous State Tax Changes

Diesel Fuels Tax. The base tax on diesel fuel is now 29 cents per gallon, up from 26 cents per gallon. And licensed diesel fuel sellers must now pay a three-cent inventory tax on each gallon

of fuel they have in inventory as of the close of business or 11:59 p.m. on June 30, 2011, whichever is earlier. This tax is due by August 1, 2011.

PA 11-6, effective July 1, 2011, except the inventory tax is effective upon passage.

Electric Generation Tax. A new law imposes a temporary tax on electric generation facilities of $\frac{1}{4}$ of a cent per net kilowatt hour of electricity generated and uploaded into the regional bulk power grid at Connecticut facilities. The tax applies to all electricity except that generated (1) by a resources recovery facility, (2) by customer-side distributed resources, or (3) through use of a fuel cell or alternative energy system, such as a solar or wind system. The tax expires on June 30, 2013.

PA 11-6, as amended by **PA 11-61**, effective July 1, 2011

Real Estate Conveyance Tax. A new law increases the state real estate conveyance tax rates by 0.25%. (It also makes permanent the 0.25% base municipal real estate conveyance tax, previously scheduled to expire on June 30, 2011.)

PA 11-6, effective July 1, 2011 and applicable to conveyances occurring on or after that date.

Tax Administration and Enforcement

Reciprocal Tax Refund Agreements with Other States.

A new law eliminates certain notice and certification requirements when the revenue services commissioner withholds a taxpayer's Connecticut tax refund at the request of another state where the taxpayer owes taxes.

PA 11-61, effective upon passage

Electronic Funds Transfer Requirements for Withholding Taxes. The revenue services commissioner can now require payers withholding Connecticut income tax from nonpayroll amounts to pay the withholding tax electronically, as employers.

PA 11-61, effective July 1, 2011 and applicable to tax periods ending on or after that date.

Successor Liability for Withholding Taxes. A successor buying a business or its entire stock from an employer must now withhold enough funds from the sale to cover any withholding tax due until the employer shows that the tax was paid or no taxes are due.

PA 11-61, effective July 1, 2011 and applicable to sales of businesses and stock occurring on or after that date.

Withholding Tax Deficiency Assessment Deadline. The revenue services commissioner now has six instead of three years to send a tax deficiency assessment notice to any employer or pass-through entity that omits from its withholding tax return more than 25% of includable adjusted gross income withheld from employee wages or payments to nonresident members, respectively.

PA 11-61, effective upon passage and applicable to tax years starting on or after January 1, 2011.

Penalty for Failing to Pay Taxes Electronically. A new law establishes maximum penalties on taxpayers who, for the first or second time, fail to make tax payments electronically when required to do so.

PA 11-61, effective upon passage and applicable to tax periods starting on or after January 1, 2012.

Waiver of Electronic Filing Requirements. The revenue services commissioner can now waive electronic tax filing or payment requirements if he finds, based on information a waiver applicant provides, that it would be an undue hardship for a taxpayer to comply with the requirement.

PA 11-145, effective October 1, 2011 and applicable to tax periods starting on or after that date.

Illegal Use of Dyed Diesel

Fuel. Federal law exempts diesel fuel used for certain non-highway purposes from federal fuel taxes and requires exempt diesel fuel to be dyed red so it can be identified. Anyone who used dyed fuel in a motor vehicle except passenger or combined passenger-commercial vehicles on a public highway faces up to a \$1,000 fine.

PA 11-61, effective July 1, 2011

Tax Security Requirements for Nonresident Contractors.

A new law revamps the tax security requirements for nonresident contractors doing work in the state. The changes include requiring (1) the revenue services commissioner, upon request, to verify whether nonresident contracts and subcontractors are in compliance with applicable registration, filing, and bond requirements and (2) general contractors, rather than customers, to hold back a portion of the contract price from their subcontractors to provide security for tax payment.

PA 11-61, effective October 1, 2011

Municipal Fees and Property Taxes

Telecommunications

Companies. A new law allows municipal tax collectors to bill telecommunications companies for half the personal property taxes due in 2011 before they would otherwise be due and

specifies how they may do so. It also subjects telecommunications companies to generally applicable property tax collection laws for assessment years beginning on or after October 1, 2011.

PA 11-1, effective upon passage

Land Use Document

Recording Fee. A new law makes permanent a \$10 increase (from \$30 to \$40) in the land use document recording fee that was scheduled to expire July 1, 2011. The fee revenue funds historic preservation, affordable housing, open space preservation, and agricultural programs and the act specifies how the fee revenue must be allocated among these purposes.

PA 11-48, effective July 1, 2011

Truck and MME Property

Tax Exemptions. Beginning with the October 1, 2011 assessment year, all eligible manufacturing machinery and equipment (MME) is exempted from local property taxes regardless of when it was purchased or acquired.

PA 11-61, effective July 1, 2011 and applicable to assessment years starting on or after October 1, 2011.

Personal Property

Declarations. Property owners with taxable personal property can now electronically sign and file their annual personal property declarations with local tax assessors if the municipality has the means to accept such signatures and agrees to accept them.

PA 11-69, effective October 1, 2011 and applicable to assessment years beginning on or after that date.

Electronically Sending and Receiving Tax Bills. A new law sets conditions under which tax collectors can send tax bills and statements by e mail.

PA 11-185, effective October 1, 2011, and applicable to assessment years starting on or after October 1, 2011.

JR:ts