



Senate

General Assembly

File No. 483

February Session, 2000

Substitute Senate Bill No. 526

Senate, April 10, 2000

The Committee on Finance, Revenue and Bonding reported through SEN. LOONEY of the 11th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

An Act Concerning Audits Of Personal Property Tax Returns Filed By Telecommunications Services Providers.

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

1 Section 1. The assessor or board of assessors of Stamford, Hartford,
2 New Haven, Cheshire, Southbury, New London, Mansfield, Windsor,
3 Meriden and Fairfield shall perform an audit or require a designee of
4 the assessor to perform an audit of any personal property required to
5 be declared pursuant to section 12-80a of the general statutes for the
6 October, 1999, grand list. Such audit shall be governed by the
7 provisions of section 2 of this act. The assessor shall give notice in
8 writing to the owner, custodian or other person having knowledge of
9 any such property or the valuation of such property, of the time and
10 place of such audit with respect to such property. Such notice shall be
11 placed in the hands of such person or left at such person's usual place
12 of residence or business or shall be sent to such person by registered or
13 certified mail at the last-known place of residence or business. Such

14 notice shall direct the person named therein to appear before the
15 assessor or board of assessors, or before a designee of said assessor,
16 with books of account, papers, documents and other records for
17 examination under oath relative to any such property or the valuation
18 of such property. The methodology used to determine the assessment
19 of such property to which such audit or audits relate shall be that set
20 forth in section 12-80a of the general statutes.

21 Sec. 2. (a) Upon completing an audit of property assessed in
22 accordance with section 1 of this act, the assessors or board of assessors
23 shall send written notification to the property owner. Such notice shall
24 identify any property the assessor believes (1) was erroneously
25 included in the return the owner submitted under section 12-80a of the
26 general statutes, (2) was not included in said return, or (3) was
27 included in said return but was not valued in the manner required by
28 section 12-80a of the general statutes. Such notice shall be sent not later
29 than thirty days after such audit is completed and a copy of such
30 notice shall be sent to the Secretary of the Office of Policy and
31 Management.

32 (b) With respect to property discovered to have been included on a
33 return in error, the secretary shall determine the amount of the tax
34 represented by such property and shall deduct said amount from the
35 tax next certified by the secretary, under section 12-80a of the general
36 statutes, as payable to the municipality to which said amount was paid
37 in error. With respect to any other property, the owner shall be
38 required to submit to the secretary, not later than thirty days after the
39 date of the assessor's notice, an amended return or a written notice
40 refuting the assessor's findings.

41 (c) (1) An amended return required to be submitted under this
42 section shall reflect the value of any personal property that was not
43 included in the return on which the company's tax was based, as
44 determined in accordance with section 12-80a of the general statutes. If

45 the value of any property included in said return was inaccurate, the
46 amended return shall reflect the correct value of such property. Upon
47 receipt of an amended return submitted pursuant to this section, the
48 secretary shall determine the assessment of property included in such
49 return. Such assessment shall equal seventy per cent of the value of
50 such property plus the penalty calculated in accordance with this
51 subsection. The penalty for property not declared on the return that
52 formed the basis of the company's taxation shall equal twenty-five per
53 cent of such assessment. The penalty for property the value of which
54 was understated on the return that formed the basis of the company's
55 taxation shall equal ten per cent of such assessment. The secretary shall
56 determine the tax due for the assessment of such property, pursuant to
57 section 12-80a of the general statutes, and shall notify the owner to pay
58 the amount due to the municipality not later than thirty days after
59 such notice.

60 (2) If a property owner elects to refute the assessor's findings with
61 respect to an audit of property that was assessed and taxed under
62 section 12-80a of the general statutes, the owner shall submit a written
63 notice to that effect to the secretary. Such notice shall contain the
64 reasons why the owner believes the assessor's audit findings are
65 incorrect. Not later than sixty days after receiving such notice, the
66 secretary shall notify the property owner and the assessor of the town
67 having conducted the audit, in writing, of the time and place of a
68 hearing. The purpose of such hearing shall be to review the assessor's
69 findings and the property owner's response to such findings. The
70 secretary's decision with respect to such audit findings, including a
71 decision as to whether or not the property owner is required to file an
72 amended return, shall be issued not later than thirty days after the
73 conclusion of the hearing. Any property owner or municipality
74 aggrieved by the secretary's decision may file an appeal with the
75 superior court for the judicial district in which the property is located
76 or was purported to be located.

77 Sec. 3. On or before January 1, 2001, the assessor or board of
78 assessors of each town specified in section 1 of this act shall submit a
79 report to the joint standing committee of the General Assembly having
80 cognizance of matters relating to finance, revenue and bonding
81 regarding the audit conducted pursuant to section 1 of this act.

FIN Committee Vote: Yea 47 Nay 0 JFS

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

- State Impact:** Potential Minimal Cost
- Affected Agencies:** Office of Policy and Management
- Municipal Impact:** Cost, Potential Revenue Gain, Potential Grand List Increase

Explanation

State Impact:

There would be some minimal administrative cost to the Office of Policy and Management to process amended returns if any of the ten towns selected to conduct audit of personal property owned by telecommunications companies discovers property that was: 1) erroneously declared, 2) not declared, or 3) undervalued.

Municipal Impact:

There will be some administrative costs estimated to be \$10,000 to \$30,000 apportioned among the ten municipalities selected to conduct audits of personal property owned by telecommunications companies. In addition, each of the ten municipalities would also incur some minimal costs associated with submitting a report to the General Assembly on the result of their audit.

Municipalities participating in the pilot program may experience a revenue gain and an increase in future grand lists if the audit uncovers

property that has not been reported or undervalued.

OLR Bill Analysis

sSB 526

AN ACT CONCERNING AUDITS OF PERSONAL PROPERTY TAX RETURNS FILED BY TELECOMMUNICATIONS SERVICES PROVIDERS.

The Office of Legislative Research does not analyze special acts.