



General Assembly

February Session, 2000

Raised Bill No. 526

LCO No. 2077

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***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. Subsection (c) of section 12-53 of the general statutes, as
2 amended by section 5 of public act 99-189, is repealed and the
3 following is substituted in lieu thereof:

4 (c) (1) The assessor or board of assessors may perform an audit or
5 require a designee of the assessor to perform an audit of any personal
6 property required to be declared pursuant to section 12-40, [or section]
7 12-43 or 12-80a, provided an audit of personal property assessed in
8 accordance with section 12-80a shall be governed by the provisions of
9 subsection (g) of this section. The assessor shall give notice in writing
10 to the owner, custodian or other person having knowledge of any such
11 property or the valuation thereof, of the time and place of such audit
12 with respect to such property. Such notice shall be placed in the hands
13 of such person or left at such person's usual place of residence or
14 business or shall be sent to such person by registered or certified mail
15 at the last-known place of residence or business not later than three
16 years following the assessment date for which such declaration was

17 required to be filed. Such notice shall direct the person named therein
18 to appear before the assessor or board of assessors, or before a
19 designee of said assessor, with books of account, papers, documents
20 and other records for examination under oath relative to any such
21 property or the valuation thereof. [The] With respect to property the
22 assessor valued for taxation purposes, the methodologies used to
23 determine the value of such property during such audit shall remain
24 consistent with the methodologies requested by the assessor to
25 determine the value of such property for the grand list year to which
26 such audit or audits relate. With respect to property assessed under
27 section 12-80a, the methodology used to determine its assessment for
28 the grand list year to which such audit or audits relate shall be that set
29 forth in section 12-80a.

30 Sec. 2. Section 12-53 of the general statutes, as amended by section 5
31 of public act 99-189, is amended by adding subsection (g) as follows:

32 (NEW) (g) (1) Upon completing an audit of property assessed in
33 accordance with section 12-80a, the assessors or board of assessors
34 shall send written notification to the property owner. Such notice shall
35 identify, by assessment year, any property the assessor believes (A)
36 was erroneously included in the return the owner submitted under
37 section 12-80a, (B) was not included in said return, or (C) was included
38 in said return but was not valued in the manner required by section
39 12-80a. Such notice shall be sent not later than thirty days after such
40 audit is completed and a copy thereof shall be sent to the Secretary of
41 the Office of Policy and Management.

42 (2) With respect to property discovered to have been included on a
43 return in error, the secretary shall determine the amount of the tax
44 represented thereby and shall deduct said amount from the tax next
45 certified by the secretary, under section 12-80a, as payable to the
46 municipality to which said amount was paid in error. With respect to
47 any other property, the owner shall be required to submit to the
48 secretary, not later than thirty days after the date of the assessor's

49 notice, an amended return for the assessment year in question or a
50 written notice refuting the assessor's findings with respect to said year.

51 (3) (A) An amended return required to be submitted under this
52 subsection shall reflect the value of any personal property that was not
53 included in the return on which the company's tax was based for the
54 assessment year in question, as determined in accordance with section
55 12-80a. If the value of any property included in said return was
56 inaccurate, the amended return shall reflect the correct value of such
57 property. Upon receipt of an amended return submitted pursuant to
58 this subsection, the secretary shall determine the assessment of
59 property included in such return. Such assessment shall equal seventy
60 per cent of the value of such property plus the penalty calculated in
61 accordance with this subsection. The penalty for property not declared
62 on the return that formed the basis of the company's taxation for the
63 assessment year in question shall equal twenty-five per cent of such
64 assessment. The penalty for property the value of which was
65 understated on the return that formed the basis of the company's
66 taxation for the assessment year in question shall equal ten per cent of
67 such assessment. The secretary shall determine the tax due for the
68 assessment of such property, pursuant to section 12-80a, and shall
69 notify the owner to pay the amount due to the municipality within
70 thirty days.

71 (B) If a property owner wishes to refute the assessor's findings with
72 respect to an audit of property that was assessed and taxed under
73 section 12-80a, the owner shall submit a written notice to that effect to
74 the secretary. Such notice shall contain the reasons why the owner
75 believes the assessor's audit findings are incorrect. Not later than sixty
76 days after receiving said notice, the secretary shall notify the property
77 owner and the assessor of the town having conducted the audit, in
78 writing, of the time and place of a hearing. The purpose of such
79 hearing shall be to review the assessor's findings and the property
80 owner's response to such findings. The secretary's decision with
81 respect to such audit findings, including a decision as to whether or

82 not the property owner is required to file an amended return, shall be
83 issued within thirty days of the conclusion of said hearing. If a
84 property owner or a municipality is aggrieved by the secretary's
85 decision, it may file an appeal with the superior court for the judicial
86 district in which the property is located or was purported to be located
87 for the assessment year for which the audit was conducted.

Statement of Purpose:

To provide municipal assessors with the power to audit the personal property accounts of telecommunications services companies whose personal property taxes are determined under section 12-80a.

[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.]