



General Assembly

**Amendment**

January Session, 2003

LCO No. 7095

\*SB0049607095HDO\*

Offered by:

REP. FOX, 144<sup>th</sup> Dist.

To: Subst. Senate Bill No. 496

File No. 223

Cal. No. 525

**"AN ACT CONCERNING MINOR REVISIONS TO THE NEW HOME CONSTRUCTION ACT, THE HOME IMPROVEMENT CONTRACTOR ACT AND THE HOME SOLICITATION SALES ACT."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Subdivision (7) of section 12-430 of the general statutes, as  
4 amended by substitute senate bill 1137 of the current session, is  
5 repealed and the following is substituted in lieu thereof (*Effective July*  
6 *1, 2003, and applicable to contracts entered into on or after July 1, 2003*):

7 (7) (A) As used in this section, "nonresident contractor" means a  
8 contractor who does not maintain a regular place of business in  
9 this state and "regular place of business" means any bona fide  
10 office, factory, warehouse or other space in this state at which a  
11 contractor is doing business in its own name in a regular and  
12 systematic manner, and which place is continuously maintained,  
13 occupied, and used by the contractor in carrying on its business  
14 through its employees regularly in attendance, except that "regular

15 place of business" does not include a place of business for a  
16 statutory agent for service of process or a temporary office at the  
17 site of construction.

18 (B) Any person doing business with a nonresident contractor shall  
19 withhold payment in an amount of five per cent of the contract price  
20 and remit such amount [as a deposit] to the Commissioner of  
21 Revenue Services not later than thirty days after the completion of the  
22 contract. If the person doing business with a nonresident contractor is  
23 presented a copy of the certificate as provided in subparagraph (C) of  
24 this subdivision, such person shall not withhold or remit five per cent  
25 of the contract price to the Commissioner of Revenue Services.

26 [(C) A nonresident contractor shall request, in writing, that the  
27 Commissioner of Revenue Services audit the records of such  
28 contractor for a project for which a deposit was made under  
29 subparagraph (B) of this subdivision. The commissioner shall, after  
30 receipt of such request, issue to the nonresident contractor a  
31 certificate of no tax due or a certificate of tax due from the  
32 nonresident contractor. Upon issuance of a certificate of no tax due,  
33 the commissioner shall return such deposit to the nonresident  
34 contractor. Upon issuance of a certificate of taxes due, the  
35 commissioner may pay to the nonresident contractor out of the  
36 deposit any excess over the amount of taxes set forth in the  
37 certificate together with the interest and penalties then assessed.

38 (D) When a person doing business with the nonresident  
39 contractor deposits with the Commissioner of Revenue Services  
40 the amount set forth in subparagraph (B) of this subdivision, the  
41 commissioner shall issue such person a receipt for such amount.  
42 Upon the issuance of such receipt, the person doing business with  
43 the nonresident contractor shall not be liable for any claim of the  
44 nonresident contractor for such amount or for any claim of the  
45 commissioner for any taxes arising from the activities of the  
46 nonresident contractor on the project for which the deposit was  
47 made.]

48 (C) In lieu of withholding payment as provided under  
49 subparagraph (B) of this subdivision, a nonresident contractor, at its  
50 option, may elect to furnish to the Commissioner of Revenue  
51 Services, at the commencement of such contract, a bond in a sum  
52 equivalent to five per cent of such total amount to secure payment of  
53 the taxes payable with respect to tangible personal property  
54 consumed or used pursuant to or in the carrying out of such contract  
55 and shall obtain a certificate from the Commissioner of Revenue  
56 Services stating that the requirements of this subparagraph have  
57 been met.

58 (D) Upon completion of the contract, a nonresident contractor  
59 shall request, in writing, that the Commissioner of Revenue Services  
60 audit the records of such contractor for a project for which a deposit  
61 was made under subparagraph (B) of this subdivision or a bond  
62 furnished under subparagraph (C) of this subdivision. The  
63 commissioner shall, after receipt of such request, conduct such audit  
64 as it deems reasonably necessary within ninety days after the date of  
65 such request and shall issue to the nonresident contractor a  
66 certificate of no tax due or a certificate of tax due from the  
67 nonresident contractor. Upon issuance of a certificate of no tax due,  
68 the commissioner shall return such deposit to the nonresident  
69 contractor, or shall return the bond to the nonresident contractor  
70 marked "Satisfied" or "No Tax Due". Upon issuance of a certificate of  
71 taxes due, the commissioner shall pay to the nonresident contractor  
72 out of the deposit any excess over the amount of taxes set forth in the  
73 certificate, together with the interest and penalties then assessed.

74 (E) When a person doing business with the nonresident contractor  
75 deposits with the Commissioner of Revenue Services the amount set  
76 forth in subparagraph (B) of this subdivision or presents a certificate  
77 as referenced in subparagraph (C) of this subdivision, the  
78 commissioner shall issue such person a receipt for such amount or  
79 such certificate. Upon issuance of such receipt, the person doing  
80 business with the nonresident contractor shall not be liable for any  
81 claim of the nonresident contractor for such amount or for any claim

82 of the commissioner for any taxes arising from the activities of the  
83 nonresident contractor on the project for which the deposit was  
84 made.

85 [(E)] (F) When a nonresident contractor enters into a contract with  
86 the state, said contractor shall provide the Labor Department with  
87 evidence demonstrating compliance with the provisions of chapters  
88 567 and 568, the prevailing wage requirements of chapter 557 and any  
89 other provisions of the general statutes related to conditions of  
90 employment."