



House of Representatives

File No. 817

General Assembly

January Session, 2005

(Reprint of File No. 656)

Substitute House Bill No. 6842
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 28, 2005

AN ACT CONCERNING TELECOMMUNICATIONS COMPANIES.

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

1 Section 1. Section 12-80a of the general statutes is amended by
2 adding subsection (f) as follows (*Effective July 1, 2005, and applicable to*
3 *assessment years commencing on or after October 1, 2005*):

4 (NEW) (f) Any taxpayer that submits a list pursuant to subsection
5 (a) of this section shall, not later than the thirtieth day of November of
6 each year during which it is subject to tax under chapter 219, submit to
7 each municipality wherein such taxpayer owns personal property a
8 statement of the net tax value of such property located in such
9 municipality, based on the property locations and depreciated values
10 reported by such taxpayer on the list submitted pursuant to subsection
11 (a) of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2005, and applicable to assessment years commencing on or after October 1, 2005</i>	12-80a
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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: None

Municipal Impact:

Municipalities	Effect	FY 06 \$	FY 07 \$
All Municipalities	None	See Below	See Below

Explanation

The bill as amended is not anticipated to have any fiscal impact.

House "A" eliminates the provision that allows towns to audit telecommunications personal property declarations. Therefore, House "A" eliminates: (1) a potential municipal revenue gain if an audit uncovered personal property that have been undervalued or not reported, and (2) any administrative costs associated with conducting an audit.

OLR Bill Analysis

sHB 6842 (as amended by House "A")*

AN ACT CONCERNING TELECOMMUNICATIONS COMPANIES**SUMMARY:**

By law, companies that provided telecommunications service before January 1, 1990 must, and other telecommunications companies may, have the personal property they use to provide telecommunications service, including poles, wires, computers, and other equipment, taxed at a statewide rate of 47 mills. The Office of Policy and Management (OPM) annually determines the property taxes payable to each town based on listings of property locations and depreciated values telecommunications companies submit to it. Companies subject to the statewide tax are not liable to towns for local property taxes on the property.

This bill requires each telecommunications company that submits property listings to OPM also to submit to each town a statement of the "net tax value" of its personal property located in that town. The statement must be based on the depreciated values and property locations the company reports to OPM. The bill does not specify how net tax value is calculated.

Companies must submit their statements to towns by November 30 annually, which is also the deadline for submitting lists to OPM.

*House Amendment "A" requires companies to give each town a statement of the net tax value, rather than a list as the original bill required, of their personal property located in the town. It also eliminates a provision of the original bill that allowed municipal assessors or boards of assessors to audit telecommunications property lists.

EFFECTIVE DATE: July 1, 2005 and applicable to assessment years starting on or after October 1, 2005.

BACKGROUND

Legislative History

The House referred the original bill (File 656) to the Planning and Development and Energy and Technology committees on May 10 and May 18, respectively. The committees reported it favorably without change on May 16 and May 23.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 35 Nay 12

Planning and Development Committee

Joint Favorable Report
Yea 17 Nay 0

Energy and Technology Committee

Joint Favorable Report
Yea 12 Nay 5