General Assembly **Substitute Bill No. 5491**

February Session, 2006 *____HB05491FIN__040506___*

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE RELATING TO CONNECTICUT'S TAX SYSTEM.

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

Section 1. Subsection (c) of section 2-79a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(c) (1) On or before the second Wednesday after the convening of the 1998 regular session of the General Assembly, and every four years thereafter, the commission shall submit to the General Assembly a report **[**which**]** that lists each existing state mandate, as defined in subsection (a) of section 2-32b, as amended, and **[**which (1)**]** that (A) categorizes each mandate as constitutional, statutory or executive, **[**(2)**]** (B) provides the date of original enactment or issuance along with a brief description of the history of the mandate, and **[**(3)**]** (C) analyzes the costs incurred by local governments in implementing the mandate.

(2) On or after the second Wednesday after the convening of the 2007 regular session of the General Assembly, on or after the second Wednesday after the convening of the 2010 regular session of the General Assembly, and every four years thereafter, the commission shall submit to the General Assembly a report that (A) identifies and describes each unfunded or partially funded state mandate, as defined

19 in subsection (a) of section 2-32b, as amended, (B) quantifies the actual
20 cost to local governments of such mandates, and (C) analyzes the effect
21 of eliminating or reducing such mandates.

22 (3) In each report required by this subsection, the commission may
23 also make recommendations on state mandates for consideration by
24 the commission. **[**On and after October 1, 1996, the report**]** The reports
25 shall be submitted to the joint standing committee of the General
26 Assembly having cognizance of matters relating to appropriations and
27 budgets of state agencies, to any other joint standing committee of the
28 General Assembly having cognizance and, upon request, to any
29 member of the General Assembly. A summary of the report shall be
30 submitted to each member of the General Assembly if the summary is
31 two pages or less and a notification of the report shall be submitted to
32 each member if the summary is more than two pages. Submission shall
33 be by mailing the report, summary or notification to the legislative
34 address of each member of the committees or the General Assembly, as
35 applicable. The provisions of this subsection shall not be construed to
36 prevent the commission from making more frequent recommendations
37 on state mandates.

38 Sec. 2. Subsection (a) of section 12-2 of the general statutes is
39 repealed and the following is substituted in lieu thereof (*Effective*
40 *October 1, 2006*):

41 (a) (1) The Governor shall, in the manner and for the term provided
42 by sections 4-5 to 4-8, inclusive, appoint a Commissioner of Revenue
43 Services and the Governor shall fill any vacancy occurring during such
44 term as provided by said sections. The commissioner shall, before
45 entering upon the duties of his office, take the oath by law provided
46 for executive and judicial officers and, in the performance of his duties,
47 he shall have power to administer oaths.

48 (2) The commissioner may prescribe regulations, to be adopted in
49 accordance with chapter 54, and make rulings, not inconsistent with
50 law, to carry into effect the provisions of this title, which regulations or

51 rulings, when reasonably designed to carry out the intents and
52 purposes of this title, shall be prima facie evidence of its proper
53 interpretation. Each regulation shall be assigned a section number
54 corresponding to the section of the general statutes (A) pursuant to
55 which such regulation is authorized or required, or (B) with respect to
56 which such regulation pertains for purposes of implementation,
57 procedural details or supplementary interpretation, provided
58 whenever such section number corresponds to a section which does
59 not include the authorization or requirement for such regulation, a
60 reference to the section providing such authorization or requirement
61 shall be included in the text of the regulation.

62 (3) The commissioner shall publish for distribution all regulations
63 prescribed hereunder and such rulings as appear in the discretion of
64 the commissioner to be of general interest.

65 (4) (A) On and after July 1, 2007, the commissioner shall periodically
66 estimate the state tax gap, and shall develop an overall strategy to
67 promote compliance and discourage tax avoidance. For purposes of
68 this subdivision, "tax gap" means the difference between taxes owed
69 under full compliance with all state tax laws, and state taxes
70 voluntarily paid, where such difference may be due to failure to file
71 taxes, underreporting of liability, or not paying all taxes owing.

72 (B) On and after July 1, 2007, the commissioner shall, annually
73 conduct a cost benefit analysis of each major compliance initiative
74 undertaken by the department, including amnesty programs.

75 (C) As provided in subparagraph (D) of this subsection, the
76 commissioner shall, annually, after consultation with the Secretary of
77 the Office of Policy and Management, report information on total local
78 property tax collections for the most current five-year period available.

79 (D) On and after December 31, 2008, the commissioner shall submit
80 a report annually, in accordance with section 11-4a, to the joint
81 standing committees of the General Assembly having cognizance of
82 matters relating to appropriations and finance, revenue and bonding.

83 Such report shall include tax gap information, cost benefit analyses on
84 major compliance initiatives, and information on local property tax
85 collections.

86 (5) On or before July 1, 2007, and annually thereafter, the
87 commissioner shall update and publish a strategic plan that shall
88 include the department's mission, measurable goals that define how
89 the mission is to be accomplished, specific strategies to achieve the
90 goals and a timetable to measure progress toward achieving the goals.

91 **[**(4)**]** (6) The commissioner may require any person who is or
92 appears to be affected by the provisions of any tax law of this state to
93 furnish to the Department of Revenue Services the Social Security
94 account number or numbers issued to such person by the Secretary of
95 Health and Human Services, or the employer identification number or
96 numbers issued to such person by the Secretary of the Treasury, or
97 both numbers.

98 **[**(5)**]** (7) No interest, penalty or addition to tax shall be imposed on
99 any tax or installment of estimated tax required to be paid to the
100 Department of Revenue Services with respect to any tax or installment
101 of estimated tax not paid when required to the extent that the
102 Commissioner of Revenue Services determines that, by reason of
103 casualty or disaster, the imposition of such interest, penalty or addition
104 to tax would be against equity and good conscience. The provisions of
105 this subdivision shall not be construed as authorizing suit against the
106 state where the Commissioner of Revenue Services does not determine
107 that the imposition of interest, penalty or addition to tax would be
108 against equity and good conscience and shall not be construed as a
109 waiver of sovereign immunity.

110 Sec. 3. (*Effective July 1, 2006*) The Commissioner of Revenue Services
111 shall study the impact of amending the general statutes to require that
112 any person or entity doing business with the state must be in
113 compliance with all tax laws. The study shall (1) assess the methods
114 available to the Department of Revenue Services to provide

115 verification of tax compliance to state agencies before an agency issues
116 a contract or grant, (2) review legal issues that may arise, including
117 those arising out of statutory definitions of compliance and
118 confidentiality, (3) consider the possibility of delays in the awarding of
119 contracts, and the impact of such delays, and (4) provide an estimate of
120 the resources necessary for implementation of such requirement. The
121 commissioner shall submit the study, in accordance with section 11-4a
122 of the general statutes, on or before January 1, 2007, to the joint
123 standing committees of the General Assembly having cognizance of
124 matters relating to finance, revenue and bonding and government
125 administration.

126 Sec. 4. Section 12-7 of the general statutes is repealed and the
127 following is substituted in lieu thereof (*Effective October 1, 2006*):

128 The Secretary of the Office of Policy and Management shall, in
129 addition to any other reports required by law to be made by **[**him**]** the
130 secretary, annually collate and prepare, from the reports provided for
131 in section 12-9 and such other information as **[**he**]** the secretary obtains,
132 statistics concerning the assessment and collection of taxes during the
133 preceding year; and **[**he**]** the secretary shall, annually, cause to be
134 printed so much of the report herein provided for as will show (1) the
135 methods and manner of the assessment and collection of taxes, **[**and**]**
136 (2) the amount of such taxes levied and collected in the several towns,
137 cities and boroughs, **[**. He**]** (3) information on trends in local property
138 values and taxes, such as the average and median single-family
139 residence tax bills and the per cent change in such amounts over time,
140 (4) town-by-town information on the availability and use of local
141 option property tax exemptions, and (5) measures that indicate the
142 accuracy and uniformity of local revaluations, as performed according
143 to the regulations adopted pursuant to section 12-62i. The secretary
144 may also publish such other reports as will give information to the
145 public regarding taxation.

146 Sec. 5. Section 12-9 of the general statutes is repealed and the

147 following is substituted in lieu thereof (*Effective July 1, 2006*):

148 The Secretary of the Office of Policy and Management shall
149 annually cause to be prepared by the tax collector complete statements
150 relating to the mill rate and tax levy during the preceding year, **[**such
151 statements to**]** information on average and median single-family
152 residence tax bills, information on the availability and use of local
153 option property tax exemptions, and such information on local
154 revaluations as the secretary may require for purposes of the report
155 required pursuant to section 12-7, as amended by this act. Such
156 statements shall be made upon printed blanks to be prepared and
157 furnished by the secretary to all such **[**officers**]** collectors at least thirty
158 days before the date prescribed by the secretary for the filing of such
159 statements. Any person who neglects to file a true and correct report in
160 the office of the secretary at the time and in the form required by **[**him**]**
161 said secretary or which, in making and filing such report, includes
162 therein any wilful misstatement, shall forfeit one hundred dollars to
163 the state, provided the secretary may waive such forfeiture in
164 accordance with procedures and standards adopted by regulation in
165 accordance with chapter 54.

166 Sec. 6. Subsection (a) of section 12-35 of the general statutes is
167 repealed and the following is substituted in lieu thereof (*Effective*
168 *October 1, 2006, and applicable to taxes due on or after said date*):

169 (a) Wherever used in this chapter, unless otherwise provided, "state
170 collection agency" includes the Treasurer, the Commissioner of
171 Revenue Services and any other state official, board or commission
172 authorized by law to collect taxes payable to the state and any duly
173 appointed deputy of any such official, board or commission; "tax"
174 includes not only the principal of any tax but also all interest, penalties,
175 fees and other charges added thereto by law; and "serving officer"
176 includes any state marshal, constable or employee of such state
177 collection agency designated for such purpose by a state collection
178 agency and any person so designated by the Labor Commissioner.
179 Upon the failure of any person to pay any tax, except any tax under

180 chapter 216, due the state within thirty days from its due date, the state
181 collection agency charged by law with its collection shall add thereto
182 such penalty or interest or both as are prescribed by law, provided, if
183 any statutory penalty is not specified, there may be added a penalty in
184 the amount of ten per cent of the whole or such part of the principal of
185 the tax as is unpaid or fifty dollars, whichever amount is greater, and
186 provided, if any statutory interest is not specified, there shall be added
187 interest at **[**the rate of one per cent of**]** a rate adjusted annually to be
188 equal to the federal short-term rate as it is determined as of July first of
189 each year under Section 6621(b) of the Internal Revenue Code of 1986,
190 or any subsequent corresponding internal revenue code of the United
191 States, as from time to time amended, plus three percentage points on
192 the whole or such part of the principal of the tax as is unpaid **[**for each
193 month or fraction thereof,**]** from the due date of such tax to the date of
194 payment. Upon the failure of any person to pay any tax, except any tax
195 under chapter 216, due within thirty days of its due date, the state
196 collection agency charged by law with the collection of such tax may
197 make out and sign a warrant directed to any serving officer for
198 distraint upon any property of such person found within the state,
199 whether real or personal. An itemized bill shall be attached thereto,
200 certified by the state collection agency issuing such warrant as a true
201 statement of the amount due from such person. Such warrant shall
202 have the same force and effect as an execution issued pursuant to
203 chapter 906. Such warrant may be levied on any real property or
204 tangible or intangible personal property of such person, and sale made
205 pursuant to such warrant in the same manner and with the same force
206 and effect as a levy of sale pursuant to an execution. In addition
207 thereto, if such warrant has been issued by the Commissioner of
208 Revenue Services, his deputy, the Labor Commissioner, the executive
209 director of the Employment Security Division or any person in the
210 Employment Security Division in a position equivalent to or higher
211 than the position presently held by a revenue examiner four, said
212 serving officer shall be authorized to place a keeper in any place of
213 business and it shall be such keeper's duty to secure the income of such
214 business for the state and, when it is in the best interest of the state, to

215 force cessation of such business operation. In addition, the Attorney
216 General may collect any such tax by civil action. Each serving officer so
217 receiving a warrant shall make a return with respect to such warrant to
218 the appropriate collection agency within a period of ten days following
219 receipt of such warrant. Each serving officer shall collect from such
220 person, in addition to the amount shown on such warrant, his fees and
221 charges, which shall be twice those authorized by statute for serving
222 officers, provided the minimum charge shall be five dollars and money
223 collected pursuant to such warrant shall be first applied to the amount
224 of any fees and charges of the serving officer. In the case of an
225 employee of the state acting as a serving officer the fees and charges
226 collected by such employee shall inure to the benefit of the state. For
227 the purposes of this section, "keeper" means a person who has been
228 given authority by an officer authorized to serve a tax warrant to act in
229 the state's interest to secure the income of a business for the state and,
230 when it is in the best interest of the state, to force the cessation of such
231 business's operation, upon the failure of such business to pay taxes
232 owed to the state.

233 Sec. 7. Section 12-235 of the general statutes is repealed and the
234 following is substituted in lieu thereof (*Effective October 1, 2006, and*
235 *applicable to taxes due and payable on or after said date*):

236 To any taxes which are assessed under section 12-233, <u>as amended,</u>
237 there shall be added interest **[**at the rate of one per cent per month or
238 fraction thereof**]** <u>at a rate adjusted annually to be equal to the federal</u>
239 <u>short-term rate as it is determined as of July first of each year under</u>
240 <u>Section 6621(b) of the Internal Revenue Code, plus three percentage</u>
241 <u>points</u> from the date when the original tax became due and payable.
242 The amount of any tax, penalty or interest due and unpaid under the
243 provisions of this part may be collected under the provisions of section
244 12-35<u>, as amended by this act</u>. The warrant therein provided for shall
245 be signed by the commissioner or his authorized agent. The amount of
246 any such tax, penalty and interest shall be a lien, from the last day of
247 the income year until discharged by payment, against all real estate of
248 the company within the state, and a certificate of such lien signed by

249 the commissioner may be filed for record in the office of the clerk of
250 any town in which such real estate is situated, provided no such lien
251 shall be effective as against any bona fide purchaser or qualified
252 encumbrancer of any interest in any such property. When any tax with
253 respect to which a lien has been recorded under the provisions of this
254 section has been satisfied, the commissioner, upon request of any
255 interested party, shall issue a certificate discharging such lien, which
256 certificate shall be recorded in the same office in which the lien was
257 recorded. Any action for the foreclosure of such lien shall be brought
258 by the Attorney General in the name of the state in the superior court
259 for the judicial district in which the property subject to such lien is
260 situated, or, if such property is located in two or more judicial districts,
261 in the superior court for any one such judicial district, and the court
262 may limit the time for redemption or order the sale of such property or
263 pass such other or further decree as it judges equitable.

264 Sec. 8. Subsection (b) of section 12-415 of the general statutes is
265 repealed and the following is substituted in lieu thereof (*Effective*
266 *October 1, 2006, and applicable to taxes due and payable on or after said*
267 *date*):

268 (b) The amount of the assessment, exclusive of penalties, shall bear
269 interest at **[**the rate of one per cent per month or fraction thereof**]** <u>a rate</u>
270 <u>adjusted annually to be equal to the federal short-term rate as it is</u>
271 <u>determined as of July first of each year under Section 6621(b) of the</u>
272 <u>Internal Revenue Code of 1986, or any subsequent corresponding</u>
273 <u>internal revenue code of the United States, as from time to time</u>
274 <u>amended, plus three percentage points. The interest shall be computed</u>
275 from the last day of the month succeeding the period for which the
276 amount or any portion thereof should have been returned until the
277 date of payment.

278 Sec. 9. Subsection (a) of section 12-728 of the 2006 supplement to the
279 general statutes is repealed and the following is substituted in lieu
280 thereof (*Effective October 1, 2006, and applicable to taxes due and payable on*
281 *or after said date*):

282 (a) (1) After a final return pursuant to the provisions of this chapter
283 is filed, the commissioner shall cause the same to be examined and
284 may make such further audit or investigation or reaudit as the
285 commissioner deems necessary, and if the commissioner determines
286 that there is a deficiency with respect to the payment of any tax due
287 under this chapter, the commissioner shall assess or reassess the
288 additional taxes, penalties and interest due to this state, give notice of
289 such assessment or reassessment to the taxpayer and make demand
290 upon the taxpayer for payment. Not later than sixty days after the
291 mailing of such notice, the taxpayer shall pay to the commissioner, in
292 cash or by check, draft or money order drawn to the order of the
293 commissioner, the amount of the deficiency. Such amount shall bear
294 interest at **[**the rate of one per cent per month or fraction thereof**]** a rate
295 adjusted annually to be equal to the federal short-term rate as it is
296 determined as of July first of each year under Section 6621(b) of the
297 Internal Revenue Code, plus three percentage points from the date
298 when the original tax became due and payable.

299 (2) When it appears that any part of the deficiency for which a
300 deficiency assessment is made is due to negligence or intentional
301 disregard of the provisions of this chapter or regulations adopted
302 thereunder, there shall be imposed a penalty equal to ten per cent of
303 the amount of such deficiency assessment. When it appears that any
304 part of the deficiency for which a deficiency assessment is made is due
305 to fraud or intent to evade the provisions of this chapter or regulations
306 adopted thereunder, there shall be imposed a penalty equal to
307 twenty-five per cent of the amount of such deficiency assessment. For
308 audits of returns commencing on or after January 1, 2006, when it
309 appears that any part of the deficiency for which a deficiency
310 assessment is made is due to failure to disclose a listed transaction, as
311 defined in Section 6707A of the Internal Revenue Code, **[**of 1986, or any
312 subsequent corresponding internal revenue code of the United States,
313 as from time to time amended,**]** on the taxpayer's federal tax return,
314 there shall be imposed a penalty equal to seventy-five per cent of the
315 amount of such deficiency assessment.

316 (3) No taxpayer shall be subject to more than one penalty under this
317 section in relation to the same tax period.

318 (4) Any decision rendered by any federal court holding that a
319 taxpayer has filed a fraudulent return with the Director of Internal
320 Revenue shall subject the taxpayer to the twenty-five per cent penalty
321 imposed by this subsection without the necessity of further proof
322 thereof, except when it can be shown that the return to the state so
323 differed from the return to the federal government as to afford a
324 reasonable presumption that the attempt to defraud did not extend to
325 the state.

326 Sec. 10. Subsection (a) of section 12-30a of the general statutes is
327 repealed and the following is substituted in lieu thereof (*Effective*
328 *October 1, 2006, and applicable to taxes due and payable on or after said*
329 *date*):

330 (a) (1) Whenever the provisions of section 12-35, as amended by this
331 act, 12-204, as amended by this act, 12-205, as amended by this act, 12-
332 206, as amended by this act, 12-225, as amended by this act, 12-226, as
333 amended by this act, 12-229, as amended by this act, 12-235, as
334 amended by this act, 12-242d, as amended by this act, 12-263c, as
335 amended by this act, 12-263d, as amended by this act, 12-263m, as
336 amended by this act, 12-268d, as amended by this act, 12-268h, as
337 amended by this act, 12-293a, as amended by this act, 12-309, as
338 amended by this act, 12-330d, as amended by this act, 12-330i, as
339 amended by this act, 12-376, as amended by this act, 12-376a, 12-376b,
340 as amended by this act, 12-392, as amended by this act, 12-414, as
341 amended by this act, 12-415, as amended by this act, 12-416, as
342 amended by this act, 12-419, as amended by this act, 12-419a, 12-439, as
343 amended by this act, 12-440, as amended by this act, 12-458, as
344 amended by this act, 12-458d, as amended by this act, 12-486a, as
345 amended by this act, 12-488, as amended by this act, 12-547, as
346 amended by this act, 12-548, as amended by this act, 12-590, as
347 amended by this act, 12-594, as amended by this act, 12-638c, as
348 amended by this act, 12-638d, as amended by this act, 12-646a, as

349 amended by this act, 12-647, as amended by this act, 12-655, as
350 amended by this act, 12-667, as amended by this act, 12-722, as
351 amended by this act, 12-723, as amended by this act, 12-728, as
352 amended by this act, 12-731, as amended by this act, 12-735, as
353 amended by this act, 22a-132, 22a-232, 22a-237c, 38a-277 or 51-81b
354 require interest to be paid to the Commissioner of Revenue Services at
355 **[**the rate of one per cent per month or fraction thereof or one per cent
356 for each month or fraction thereof**]** a rate adjusted annually to be equal
357 to the federal short-term rate as it is determined as of July first of each
358 year under Section 6621(b) of the Internal Revenue Code of 1986, or
359 any subsequent corresponding internal revenue code of the United
360 States, as from time to time amended, plus three percentage points, the
361 Commissioner of Revenue Services may adopt regulations in
362 accordance with the provisions of chapter 54 that require interest to be
363 paid to said commissioner at the equivalent daily rate in lieu of such
364 monthly rate.

365 (2) If such regulations are adopted, such regulations shall provide
366 that (A) if notice and demand is made by said commissioner for
367 payment of any amount to said commissioner, and if such amount is
368 paid within ten days after the date of such notice and demand, interest
369 under this section on the amount so paid shall not be imposed for the
370 period after the date of such notice and demand, and (B) such
371 regulations are applicable to interest required to be paid to the
372 Commissioner of Revenue Services on taxes due and owing on or after
373 the date specified in such regulations, whether or not such taxes first
374 became due before said date.

375 Sec. 11. Subsection (b) of section 12-204 of the general statutes is
376 repealed and the following is substituted in lieu thereof (*Effective*
377 *October 1, 2006, and applicable to taxes due and payable on or after said*
378 *date*):

379 (b) To any taxes which are assessed under this section, there shall be
380 added interest at **[**the rate of one per cent per month or fraction
381 thereof**]** a rate adjusted annually to be equal to the federal short-term

382 rate as it is determined as of July first of each year under Section
383 6621(b) of the Internal Revenue Code of 1986, or any subsequent
384 corresponding internal revenue code of the United States, as from time
385 to time amended, plus three percentage points from the date when the
386 original tax became due and payable. The amount of any tax, penalty
387 or interest due and unpaid under the provisions of this chapter may be
388 collected under the provisions of section 12-35. The warrant therein
389 provided for shall be signed by the commissioner or his authorized
390 agent. The amount of any such tax, penalty or interest shall be a lien on
391 the real estate of the taxpayer from the thirty-first day of December
392 next preceding the due date of such tax until such tax is paid. The
393 commissioner may, at any time after such December thirty-first, record
394 such lien in the records of any town in which the real estate of such
395 company is situated, but no such lien shall be enforceable against a
396 bona fide purchaser or qualified encumbrancer of such real estate.
397 When any tax with respect to which a lien has been recorded under the
398 provisions of this section has been satisfied, the commissioner upon
399 request of any interested party, shall issue a certificate discharging
400 such lien, which certificate shall be recorded in the same office in
401 which the lien was recorded. Any action for the foreclosure of such
402 lien shall be brought by the Attorney General in the name of the state
403 in the superior court for the judicial district in which the property
404 subject to such lien is situated, or, if such property is located in two or
405 more judicial districts, in the superior court for any one such judicial
406 district, and the court may limit the time for redemption or order the
407 sale of such property or make such other or further decree as it judges
408 equitable.

409 Sec. 12. Subsection (a) of section 12-204c of the general statutes is
410 repealed and the following is substituted in lieu thereof (*Effective*
411 *October 1, 2006, and applicable to taxes due and payable on or after said*
412 *date*):

413 (a) Except as otherwise provided in this section, in the case of any
414 underpayment of estimated tax by a company, there shall be added to
415 the tax under this chapter for the calendar year an amount determined

416 by applying (1) interest at **[**the rate of one per cent per month or
417 portion thereof**]** a rate adjusted annually to be equal to the federal
418 short-term rate as it is determined as of July first of each year under
419 Section 6621(b) of the Internal Revenue Code of 1986, or any
420 subsequent corresponding internal revenue code of the United States,
421 as from time to time amended, plus three percentage points, (2) to the
422 amount of the underpayment, (3) for the period of the underpayment.

423 Sec. 13. Section 12-205 of the general statutes is repealed and the
424 following is substituted in lieu thereof (*Effective October 1, 2006, and*
425 *applicable to taxes due and payable on or after said date*):

426 Each domestic insurance company doing business in this state shall,
427 on or before the first day of March, annually, render to the
428 Commissioner of Revenue Services an annual return, on forms
429 prescribed or furnished by the commissioner and signed by one of the
430 principal officers of such company, stating specifically the name of the
431 company and the location of its principal office, the names and
432 locations of any subsidiary domestic insurance companies or insurance
433 holding companies, the interest, dividends, premiums and other items
434 of gross income received by such company and by each of the
435 departments of such company during the next preceding calendar
436 year, the deductions from such items of gross income as specified in
437 this chapter and such other information as the commissioner may
438 require for the purpose of making any computations required by this
439 chapter and for the enforcement of this chapter. The amount of tax
440 reported to be due on such return shall be due and payable on or
441 before said first day of March. Payments shall be made in cash or by
442 check, draft or money order drawn to the order of the Commissioner
443 of Revenue Services. The commissioner may, for good cause shown,
444 extend the time for making the return and paying the tax, if a written
445 request is filed with the commissioner together with a tentative return
446 which must be accompanied by a payment of the tax reported to be
447 due thereon on or before said first day of March. Any company to
448 which an extension is granted shall pay, in addition to the tax, interest
449 at **[**the rate of one per cent per month or fraction thereof**]** a rate

450 adjusted annually to be equal to the federal short-term rate as it is
451 determined as of July first of each year under Section 6621(b) of the
452 Internal Revenue Code of 1986, or any subsequent corresponding
453 internal revenue code of the United States, as from time to time
454 amended, plus three percentage points from the date on which the tax
455 would have been due without the extension until the date of payment.

456 Sec. 14. Subsections (a) and (b) of section 12-206 of the general
457 statutes are repealed and the following is substituted in lieu thereof
458 (*Effective October 1, 2006, and applicable to taxes due and payable on or after*
459 *said date*):

460 (a) If any company fails to pay the amount of tax reported to be due
461 on its return within the time specified under the provisions of this
462 chapter, there shall be imposed a penalty equal to ten per cent of such
463 amount due and unpaid, or fifty dollars, whichever is greater. Such
464 amount shall bear interest at **[**the rate of one per cent per month or
465 fraction thereof,**]** a rate adjusted annually to be equal to the federal
466 short-term rate as it is determined as of July first of each year under
467 Section 6621(b) of the Internal Revenue Code of 1986, or any
468 subsequent corresponding internal revenue code of the United States,
469 as from time to time amended, plus three percentage points from the
470 due date of such tax until the date of payment.

471 (b) If any company has not made its return within three months
472 after the time specified under the provisions of this chapter, the
473 commissioner may make such return at any time thereafter, according
474 to the best information obtainable and according to the form
475 prescribed. To the tax imposed upon the basis of such return, there
476 shall be added an amount equal to ten per cent of such tax, or fifty
477 dollars, whichever is greater. The tax shall bear interest at **[**the rate of
478 one per cent per month or fraction thereof,**]** a rate adjusted annually to
479 be equal to the federal short-term rate as it is determined as of July first
480 of each year under Section 6621(b) of the Internal Revenue Code of
481 1986, or any subsequent corresponding internal revenue code of the
482 United States, as from time to time amended, plus three percentage

483 points from the due date of such tax until the date of payment. No
484 taxpayer shall be subject to a penalty under both **[**subsections (a) and
485 (b) of this section**]** subsection (a) of this section and this subsection in
486 relation to the same tax period.

487 Sec. 15. Subsection (h) of section 12-217p of the general statutes is
488 repealed and the following is substituted in lieu thereof (*Effective*
489 *October 1, 2006, and applicable to taxes due and payable on or after said*
490 *date*):

491 (h) Any tax credit not used in the period during which the
492 investment was made may be carried forward or backward for the five
493 immediately succeeding or preceding income years until the full credit
494 has been allowed. For income years commencing on or after January 1,
495 1998, if the Connecticut Housing Finance Authority determines that
496 sixty per cent or more of a revolving loan fund has not been loaned as
497 provided in this section by a business firm on or before the date that is
498 three years after the date that a revolving loan fund is established
499 pursuant to this section by such business firm, the authority shall
500 notify such firm and the commissioner that the authority has
501 determined that sixty per cent or more of the fund has not been loaned
502 as provided in this section, and such firm shall be required to
503 recapture the credits previously granted under this section, to the
504 extent provided for in written procedures of the authority adopted
505 under section 1-121, on the first tax return required to be filed on or
506 after the date of such notice for a tax imposed by this chapter or
507 chapter 207, 209, 210, 210a or 212. If any amount of such recaptured
508 credit has not been paid to the commissioner on or before the due date
509 of such return, such amount shall bear interest at **[**the rate of one per
510 cent per month or fraction thereof**]** a rate adjusted annually to be equal
511 to the federal short-term rate as it is determined as of July first of each
512 year under Section 6621(b) of the Internal Revenue Code of 1986, or
513 any subsequent corresponding internal revenue code of the United
514 States, as from time to time amended, plus three percentage points
515 from such due date to the date of payment.

516 Sec. 16. Subsection (f) of section 12-217w of the general statutes is
517 repealed and the following is substituted in lieu thereof (*Effective*
518 *October 1, 2006, and applicable to taxes due and payable on or after said*
519 *date*):

520 (f) If the fixed capital on account of which a corporation has claimed
521 the credit allowed by this section is not held and used in this state in
522 the ordinary course of the corporation's trade or business in this state
523 for three full years following its acquisition as provided in subsection
524 (a) of this section, the corporation shall recapture one hundred per cent
525 of the amount of the credit allowed under this section on its
526 corporation business tax return required to be filed for the income year
527 immediately succeeding the income year during which such three-year
528 period expires. If the fixed capital on account of which a corporation
529 has claimed the credit allowed by this section is not held and used in
530 this state in the ordinary course of the corporation's trade or business
531 in this state for five full years following its acquisition as provided in
532 subsection (a) of this section, the corporation shall recapture fifty per
533 cent of the amount of the credit allowed under this section on its
534 corporation business tax return required to be filed for the income year
535 immediately succeeding the income year during which such five-year
536 period expires. The provisions of this subsection shall not apply if the
537 property that is the subject of the credit under this section is replaced.
538 If any amount of credit required to be recaptured has not been paid to
539 the commissioner on or before the first day of the fourth month next
540 succeeding the end of the income year immediately succeeding the
541 income year during which the three-year or five-year period, as the
542 case may be, expires, such amount shall bear interest at **[**the rate of one
543 per cent per month or fraction thereof**]** <u>a rate adjusted annually to be</u>
544 <u>equal to the federal short-term rate as it is determined as of July first of</u>
545 <u>each year under Section 6621(b) of the Internal Revenue Code of 1986,</u>
546 <u>or any subsequent corresponding internal revenue code of the United</u>
547 <u>States, as from time to time amended, plus three percentage points</u>
548 from such date to the date of payment.

549 Sec. 17. Subsection (c) of section 12-222 of the general statutes is

550 repealed and the following is substituted in lieu thereof (*Effective*
551 *October 1, 2006, and applicable to taxes due and payable on or after said*
552 *date*):

553 (c) The commissioner may grant a reasonable extension of time for
554 filing a return, if the company files a tentative return and application
555 for extension of time in which to file a return, on forms furnished or
556 prescribed by the commissioner, and pays the tax reported to be due
557 on such tentative return on or before the original due date of the
558 return, as provided in subsection (b) of this section. Any additional tax
559 which may be found to be due on the filing of the return as allowed by
560 such extension shall bear interest at **[**the rate of one per cent per month
561 or fraction thereof**]** a rate adjusted annually to be equal to the federal
562 short-term rate as it is determined as of July first of each year under
563 Section 6621(b) of the Internal Revenue Code of 1986, or any
564 subsequent corresponding internal revenue code of the United States,
565 as from time to time amended, plus three percentage points from the
566 original due date of the return to the date of actual payment.
567 Notwithstanding the provisions of section 12-229, as amended by this
568 act, if the commissioner grants a reasonable extension of time for filing
569 a return, no penalty shall be imposed on account of any failure to pay
570 the amount of tax reported to be due on a return within the time
571 specified under the provisions of this chapter if the excess of the
572 amount of tax shown on the return over the amount of tax paid on or
573 before the original due date of such return is no greater than ten per
574 cent of the amount of tax shown on such return, and any balance due
575 shown on such return is remitted with such return on or before the
576 extended due date of such return.

577 Sec. 18. Subsection (a) of section 12-225 of the general statutes is
578 repealed and the following is substituted in lieu thereof (*Effective*
579 *October 1, 2006, and applicable to taxes due and payable on or after said*
580 *date*):

581 (a) Any company which, either intentionally or through error, fails
582 to include in its return items of income or invested capital or which

583 claims unlawful deductions therefrom shall make a supplemental
584 return disclosing such facts within three years from the due date of the
585 return and, within thirty days thereafter, shall pay to the commissioner
586 any tax due thereon, with interest upon the amount of such additional
587 tax at **[**the rate of one per cent per month or fraction thereof**]** a rate
588 adjusted annually to be equal to the federal short-term rate as it is
589 determined as of July first of each year under Section 6621(b) of the
590 Internal Revenue Code of 1986, or any subsequent corresponding
591 internal revenue code of the United States, as from time to time
592 amended, plus three percentage points from the date when the original
593 tax became due and payable.

594 Sec. 19. Section 12-226 of the general statutes is repealed and the
595 following is substituted in lieu thereof (*Effective October 1, 2006, and*
596 *applicable to taxes due and payable on or after said date*):

597 (a) (1) Any company whose income, profits or earnings are changed,
598 adjusted or corrected for any income year by any official of the United
599 States government, or any agency thereof, in any respect affecting the
600 tax imposed by this part, shall provide notice of such change,
601 adjustment or correction to the commissioner by filing, on or before the
602 date that is ninety days after the final determination of such change,
603 adjustment or correction, or as otherwise required by the
604 commissioner, an amended return under this chapter, and shall
605 concede the accuracy of such determination or state wherein it is
606 erroneous, and thereafter promptly furnish to the commissioner any
607 information, schedules, records, documents or papers relating to such
608 change, adjustment or correction as the commissioner requires. The
609 time for filing such return may be extended by the commissioner upon
610 due cause shown. If, upon examination, the commissioner finds that
611 the company is liable for the payment of an additional tax, the
612 commissioner shall, within a reasonable time from the receipt of such
613 return, notify the company of the amount of such additional tax,
614 together with interest thereon computed at **[**the rate of one per cent per
615 month or fraction thereof**]** a rate adjusted annually to be equal to the
616 federal short-term rate as it is determined as of July first of each year

617 under Section 6621(b) of the Internal Revenue Code of 1986, or any
618 subsequent corresponding internal revenue code of the United States,
619 as from time to time amended, plus three percentage points from the
620 date when the original tax became due and payable. Within thirty days
621 of the mailing of such notice, the company shall pay to the
622 commissioner, in cash or by check, draft or money order, drawn to the
623 order of the Commissioner of Revenue Services, the amount of such
624 additional tax and interest. If, upon examination of such return and
625 related information, the commissioner finds that the company has
626 overpaid the tax due the state and has not received from or been
627 allowed by the United States government, or any agency thereof, a
628 credit or a benefit as a deduction or otherwise, for or by reason of such
629 overpayment, the State Treasurer shall pay the company, upon order
630 of the State Comptroller, the amount of such overpayment. If the
631 commissioner determines that the company's claim of overpayment is
632 not valid, either in whole or in part, the commissioner shall mail notice
633 to the company of the proposed disallowance of the claim in whole or
634 in part, which notice shall set forth briefly the commissioner's findings
635 of fact and the basis of disallowance in each case decided in whole or
636 in part adversely to the claimant. Sixty days after the date on which it
637 is mailed, a notice of proposed disallowance shall constitute a final
638 disallowance except only for such amounts as to which the company
639 has filed a written protest with the commissioner, as provided in
640 subdivision (2) of this subsection.

641 (2) On or before the sixtieth day after the mailing of the proposed
642 disallowance, the company may file with the commissioner a written
643 protest against the proposed disallowance in which it sets forth the
644 grounds on which the protest is based. If a protest is filed, the
645 commissioner shall reconsider the proposed disallowance and, if the
646 company has so requested, may grant or deny the company or its
647 authorized representatives an oral hearing.

648 (3) The commissioner shall mail notice of his determination to the
649 company, which notice shall set forth briefly the commissioner's
650 findings of fact and the basis of decision in each case decided in whole

651 or in part adversely to the company.

652 (4) The action of the commissioner on the company's protest shall be
653 final upon the expiration of one month from the date on which he
654 mails notice of his action to the company unless within such period the
655 company seeks judicial review of the commissioner's determination
656 pursuant to section 12-237.

657 (b) (1) Any company whose return to the Director of Internal
658 Revenue has been amended shall, within ninety days after having filed
659 the amended return, make an amended return to the commissioner.
660 The time for filing such amended return may be extended by the
661 commissioner upon due cause shown. If, upon examination, the
662 commissioner finds that the company is liable for the payment of an
663 additional tax, he shall, within a reasonable time from the receipt of
664 such amended return, notify the company of the amount of such
665 additional tax, together with interest thereon computed at **[**the rate of
666 one per cent per month or fraction thereof**]** a rate adjusted annually to
667 be equal to the federal short-term rate as it is determined as of July first
668 of each year under Section 6621(b) of the Internal Revenue Code of
669 1986, or any subsequent corresponding internal revenue code of the
670 United States, as from time to time amended, plus three percentage
671 points from the date when the original tax became due and payable.
672 Within thirty days of the mailing of such notice, the company shall pay
673 to the commissioner, in cash or by check, draft or money order, drawn
674 to the order of the Commissioner of Revenue Services, the amount of
675 such additional tax and interest. If, upon examination of such
676 amended return and related information, the commissioner finds that
677 the company has overpaid the tax due the state and has not received
678 from or been allowed by the United States government, or any agency
679 thereof, a credit or a benefit, as a deduction or otherwise, for or by
680 reason of such overpayment, the company shall be paid by the State
681 Treasurer, upon order of the Comptroller, the amount of such
682 overpayment. If the commissioner determines that the company's
683 claim of overpayment is not valid, either in whole or in part, he shall
684 mail notice of the proposed disallowance in whole or in part of the

685 claim to the company, which notice shall set forth briefly the
686 commissioner's findings of fact and the basis of disallowance in each
687 case decided in whole or in part adversely to the claimant. Sixty days
688 after the date on which it is mailed, a notice of proposed disallowance
689 shall constitute a final disallowance except only for such amounts as to
690 which the company has filed, as provided in subdivision (2) of this
691 subsection, a written protest with the commissioner.

692 (2) On or before the sixtieth day after the mailing of the proposed
693 disallowance, the company may file with the commissioner a written
694 protest against the proposed disallowance in which it sets forth the
695 grounds on which the protest is based. If a protest is filed, the
696 commissioner shall reconsider the proposed disallowance and, if the
697 company has so requested, may grant or deny the company or its
698 authorized representatives an oral hearing.

699 (3) The commissioner shall mail notice of his determination to the
700 company, which notice shall set forth briefly the commissioner's
701 findings of fact and the basis of decision in each case decided in whole
702 or in part adversely to the company.

703 (4) The action of the commissioner on the company's protest shall be
704 final upon the expiration of one month from the date on which he
705 mails notice of his action to the company unless within such period the
706 company seeks judicial review of the commissioner's determination
707 pursuant to section 12-237.

708 Sec. 20. Section 12-229 of the general statutes is repealed and the
709 following is substituted in lieu thereof (*Effective October 1, 2006, and*
710 *applicable to taxes due and payable on or after said date*):

711 (a) If any company fails to pay the amount of tax reported to be due
712 on its return within the time specified under the provisions of this part,
713 there shall be imposed a penalty equal to ten per cent of such amount
714 due and unpaid, or fifty dollars, whichever amount is greater. Such
715 amount shall bear interest at **[**the rate of one per cent per month or
716 fraction thereof,**]** <u>a rate adjusted annually to be equal to the federal</u>

717 short-term rate as it is determined as of July first of each year under
718 Section 6621(b) of the Internal Revenue Code of 1986, or any
719 subsequent corresponding internal revenue code of the United States,
720 as from time to time amended, plus three percentage points from the
721 due date of such tax until the date of payment.

722 (b) If any company has not made its return within three months
723 after the time specified under the provisions of this part, the
724 commissioner may make such return at any time thereafter, according
725 to the best information obtainable and according to the form
726 prescribed. To the tax imposed upon the basis of such return, there
727 shall be added an amount equal to ten per cent of such tax, or fifty
728 dollars, whichever is greater. The tax shall bear interest at **[**the rate of
729 one per cent per month or fraction thereof,**]** a rate adjusted annually to
730 be equal to the federal short-term rate as it is determined as of July first
731 of each year under Section 6621(b) of the Internal Revenue Code of
732 1986, or any subsequent corresponding internal revenue code of the
733 United States, as from time to time amended, plus three percentage
734 points from the due date of such tax until the date of payment. No
735 taxpayer shall be subject to a penalty under both subsections (a) and
736 (b) of this section in relation to the same tax period.

737 (c) Subject to the provisions of section 12-3a, the commissioner may
738 waive all or part of the penalties provided under this chapter when it
739 is proven to his satisfaction that the failure to pay any tax on time was
740 due to reasonable cause and was not intentional or due to neglect.

741 Sec. 21. Subsection (c) of section 12-242d of the general statutes is
742 repealed and the following is substituted in lieu thereof (*Effective*
743 *October 1, 2006, and applicable to taxes due and payable on or after said*
744 *date*):

745 (c) Except as otherwise provided in this section, in the case of any
746 underpayment of estimated tax by a company, there shall be added to
747 the tax an amount determined by applying interest (1) at **[**the rate of
748 one per cent per month or fraction thereof**]** a rate adjusted annually to

749 be equal to the federal short-term rate as it is determined as of July first
750 of each year under Section 6621(b) of the Internal Revenue Code of
751 1986, or any subsequent corresponding internal revenue code of the
752 United States, as from time to time amended, plus three percentage
753 points, (2) to the amount of the underpayment, (3) for the period of the
754 underpayment.

755 Sec. 22. Section 12-263c of the general statutes is repealed and the
756 following is substituted in lieu thereof (*Effective October 1, 2006, and*
757 *applicable to taxes due and payable on or after said date*):

758 (a) If any hospital fails to pay the amount of tax reported to be due
759 on its return within the time specified under the provisions of section
760 12-263b, there shall be imposed a penalty equal to ten per cent of such
761 amount due and unpaid, or fifty dollars, whichever is greater. The tax
762 shall bear interest at **[**the rate of one per cent per month or fraction
763 thereof,**]** a rate adjusted annually to be equal to the federal short-term
764 rate as it is determined as of July first of each year under Section
765 6621(b) of the Internal Revenue Code of 1986, or any subsequent
766 corresponding internal revenue code of the United States, as from time
767 to time amended, plus three percentage points from the due date of
768 such tax until the date of payment.

769 (b) If any hospital has not made its return within one month after
770 the time specified in section 12-263b, the Commissioner of Revenue
771 Services may make such return at any time thereafter, according to the
772 best information obtainable and according to the form prescribed. To
773 the tax imposed upon the basis of such return, there shall be added an
774 amount equal to ten per cent of such tax, or fifty dollars, whichever is
775 greater. The tax shall bear interest at **[**the rate of one per cent per
776 month or fraction thereof,**]** a rate adjusted annually to be equal to the
777 federal short-term rate as it is determined as of July first of each year
778 under Section 6621(b) of the Internal Revenue Code of 1986, or any
779 subsequent corresponding internal revenue code of the United States,
780 as from time to time amended, plus three percentage points from the
781 due date of such tax until the date of payment.

782 (c) Subject to the provisions of section 12-3a, the commissioner may
783 waive all or part of the penalties provided under this section when it is
784 proven to his satisfaction that the failure to pay any tax on time was
785 due to reasonable cause and was not intentional or due to neglect.

786 Sec. 23. Subsection (a) of section 12-263d of the general statutes is
787 repealed and the following is substituted in lieu thereof (*Effective*
788 *October 1, 2006, and applicable to taxes due and payable on or after said*
789 *date*):

790 (a) The Commissioner of Revenue Services may examine the records
791 of any hospital subject to a tax imposed under the provisions of
792 sections 12-263a to 12-263e, inclusive, as he may deem necessary. If he
793 shall determine therefrom that there is a deficiency with respect to the
794 payment of any such tax due under the provisions of said sections 12-
795 263a to 12-263e, inclusive, he shall assess the deficiency in tax, give
796 notice of such deficiency assessment to the hospital and make demand
797 thereupon for payment. Such amount shall bear interest at **[**the rate of
798 one per cent per month or fraction thereof**]** <u>a rate adjusted annually to</u>
799 <u>be equal to the federal short-term rate as it is determined as of July first</u>
800 <u>of each year under Section 6621(b) of the Internal Revenue Code of</u>
801 <u>1986, or any subsequent corresponding internal revenue code of the</u>
802 <u>United States, as from time to time amended, plus three percentage</u>
803 <u>points</u> from the date when the original tax was due and payable. When
804 it appears that any part of the deficiency for which a deficiency
805 assessment is made is due to negligence or intentional disregard of the
806 provisions of said sections 12-263a to 12-263e, inclusive, or regulations
807 adopted thereunder, there shall be imposed a penalty equal to ten per
808 cent of the amount of such deficiency assessment, or fifty dollars,
809 whichever is greater. When it appears that any part of the deficiency
810 for which a deficiency assessment is made is due to fraud or intent to
811 evade the provisions of sections 12-263a to 12-263e, inclusive, or
812 regulations adopted thereunder, there shall be imposed a penalty
813 equal to twenty-five per cent of the amount of such deficiency
814 assessment. No hospital shall be subject to more than one penalty
815 under this subsection in relation to the same tax period. Within thirty

816 days of the mailing of such notice, the hospital shall pay to the
817 commissioner, in cash, or by check, draft or money order drawn to the
818 order of the Commissioner of Revenue Services, any additional
819 amount of tax, penalty and interest shown to be due.

820 Sec. 24. Subsection (a) of section 12-263m of the 2006 supplement to
821 the general statutes is repealed and the following is substituted in lieu
822 thereof (*Effective October 1, 2006, and applicable to taxes due and payable on*
823 *or after said date*):

824 (a) There shall be paid to the Commissioner of Revenue Services by
825 each dry cleaning establishment, as defined in this subsection, a
826 surcharge of one per cent of its gross receipts at retail for any dry
827 cleaning service performed on or after January 1, 1995. Each such
828 establishment shall register with the Commissioner of Revenue
829 Services on forms prescribed by him. Each such establishment shall
830 submit a return quarterly to the Commissioner of Revenue Services,
831 applicable with respect to the calendar quarter beginning January 1,
832 1995, and each calendar quarter thereafter, on or before the last day of
833 the month immediately following the end of each such calendar
834 quarter, on a form prescribed by the commissioner, together with
835 payment of the quarterly surcharge determined and payable in
836 accordance with the provisions of this section. Whenever such
837 surcharge is not paid when due, a penalty of ten per cent of the
838 amount due or fifty dollars, whichever is greater, shall be imposed,
839 and such surcharge shall bear interest at **[**the rate of one per cent per
840 month or fraction thereof**]** <u>a rate adjusted annually to be equal to the</u>
841 <u>federal short-term rate as it is determined as of July first of each year</u>
842 <u>under Section 6621(b) of the Internal Revenue Code of 1986, or any</u>
843 <u>subsequent corresponding internal revenue code of the United States,</u>
844 <u>as from time to time amended, plus three percentage points</u> until the
845 same is paid. The Commissioner of Revenue Services shall cause
846 copies of a form prescribed for submitting returns as required under
847 this section to be distributed to persons subject to the surcharge.
848 Failure to receive such form shall not be construed to relieve anyone
849 subject to the surcharge under this section from the obligations of

850 submitting a return, together with payment of such surcharge within
851 the time required. The provisions of sections 12-548 to 12-554,
852 inclusive, as amended by this act, and sections 12-555a and 12-555b
853 shall apply to the provisions of this section in the same manner and
854 with the same force and effect as if the language of said sections 12-548
855 to 12-554, inclusive, and sections 12-555a and 12-555b had been
856 incorporated in full into this section and had expressly referred to the
857 surcharge imposed under this section, except to the extent that any
858 such provision is inconsistent with a provision of this section and
859 except that the term "tax" shall be read as "dry cleaning establishment
860 surcharge". Any moneys received by the state pursuant to this section
861 shall be deposited into the account established pursuant to subsection
862 (b) of this section. For the purposes of this section, "dry cleaning
863 establishment" means any place of business engaged in the cleaning of
864 clothing or other fabrics using tetrachlorethylene, Stoddard solvent or
865 other chemicals or any place of business which accepts clothing or
866 other fabrics to be cleaned by another establishment using such
867 chemicals and "gross receipts at retail" means the total amount
868 accruing from dry cleaning services at retail, valued in money, without
869 any deduction for the cost of the materials used, labor or service cost or
870 any other expense.

871 Sec. 25. Section 12-268d of the general statutes is repealed and the
872 following is substituted in lieu thereof (*Effective October 1, 2006, and*
873 *applicable to taxes due and payable on or after said date*):

874 (a) If any company or municipal utility included in section 12-249,
875 section 12-256 or section 12-264, as amended, fails to pay the amount of
876 tax reported to be due on its return within the time specified under the
877 provisions of chapter 210, 211, 212 or this chapter, there shall be
878 imposed a penalty equal to ten per cent of such amount due and
879 unpaid, or fifty dollars, whichever is greater. Such amount shall bear
880 interest at **[**the rate of one per cent per month or fraction thereof,**]** a
881 rate adjusted annually to be equal to the federal short-term rate as it is
882 determined as of July first of each year under Section 6621(b) of the
883 Internal Revenue Code of 1986, or any subsequent corresponding

884 internal revenue code of the United States, as from time to time
885 amended, plus three percentage points from the due date of such tax
886 until the date of payment.

887 (b) If any company or municipal utility has not made its return
888 within one month after the time specified in section 12-249, 12-256 or
889 section 12-264, as amended, the commissioner may make such return
890 at any time thereafter, according to the best information obtainable and
891 according to the form prescribed. To the tax imposed upon the basis of
892 such return, there shall be added an amount equal to ten per cent of
893 such tax, or fifty dollars, whichever is greater. The tax shall bear
894 interest at **[**the rate of one per cent per month or fraction thereof,**]** a
895 rate adjusted annually to be equal to the federal short-term rate as it is
896 determined as of July first of each year under Section 6621(b) of the
897 Internal Revenue Code of 1986, or any subsequent corresponding
898 internal revenue code of the United States, as from time to time
899 amended, plus three percentage points from the due date of such tax
900 until the date of payment. No taxpayer shall be subject to a penalty
901 under both subsections (a) and (b) of this section in relation to the
902 same tax period.

903 (c) Subject to the provisions of section 12-3a, the commissioner may
904 waive all or part of the penalties provided under this chapter when it
905 is proven to his satisfaction that the failure to pay any tax was due to
906 reasonable cause and was not intentional or due to neglect.

907 Sec. 26. Subsection (a) of section 12-268h of the general statutes is
908 repealed and the following is substituted in lieu thereof (*Effective*
909 *October 1, 2006, and applicable to taxes due and payable on or after said*
910 *date*):

911 (a) To any taxes which are assessed under chapter 210, 211 or 212 or
912 this chapter with respect to gross earnings of any company or
913 municipal utility for any taxable period, there shall be added interest at
914 **[**the rate of one per cent per month or fraction thereof**]** a rate adjusted
915 annually to be equal to the federal short-term rate as it is determined

916 as of July first of each year under Section 6621(b) of the Internal
917 Revenue Code of 1986, or any subsequent corresponding internal
918 revenue code of the United States, as from time to time amended, plus
919 three percentage points which elapses from the date when the original
920 tax became due and payable. The amount of any tax, penalty or
921 interest due and unpaid by any such company under the provisions of
922 chapter 210, 211 or 212 or this chapter may be collected under the
923 provisions of section 12-35. The warrant therein provided for shall be
924 signed by the commissioner or his authorized agent. The amount of
925 any such tax, penalty and interest shall be a lien, from the last day of
926 such taxable quarter until discharged by payment, against all real
927 estate of the company within the state, and a certificate of such lien
928 signed by the commissioner may be filed for record in the office of the
929 clerk of any town in which such real estate is situated and such lien
930 shall take precedence over any other encumbrance, provided no such
931 lien shall be effective as against any bona fide purchaser or qualified
932 encumbrancer of any interest in any such property, provided the
933 amount of any tax, penalty and interest due under chapter 210, shall be
934 a lien, taking precedence over all other encumbrances, against real
935 estate used exclusively for railroad purposes. When any tax with
936 respect to which a lien has been recorded under the provisions of this
937 section has been satisfied, the commissioner, upon request of any
938 interested party, shall issue a certificate discharging such lien, which
939 certificate shall be recorded in the same office in which the lien was
940 recorded. Any action for the foreclosure of such lien shall be brought
941 by the Attorney General in the name of the state in the superior court
942 for the judicial district in which such property subject to such lien is
943 situated, or, if such property is located in two or more judicial districts,
944 in the superior court for any one such judicial district, and the court
945 may limit the time for redemption or order the sale of such property or
946 pass such other or further decree as it judges equitable.

947 Sec. 27. Subsection (e) of section 12-284b of the general statutes is
948 repealed and the following is substituted in lieu thereof (*Effective*
949 *October 1, 2006, and applicable to taxes due and payable on or after said*

950 *date*):

951 (e) If any tax is not paid when due as provided in this section, there
952 shall be added to the amount of the tax interest at **[**the rate of one per
953 cent per month or fraction thereof**]** a rate adjusted annually to be equal
954 to the federal short-term rate as it is determined as of July first of each
955 year under Section 6621(b) of the Internal Revenue Code of 1986, or
956 any subsequent corresponding internal revenue code of the United
957 States, as from time to time amended, plus three percentage points
958 from the date the tax became due until it is paid.

959 Sec. 28. Subsection (c) of section 12-293a of the 2006 supplement to
960 the general statutes is repealed and the following is substituted in lieu
961 thereof (*Effective October 1, 2006, and applicable to taxes due and payable on*
962 *or after said date*):

963 (c) If any person fails to pay the amount of tax reported due on its
964 report within the time specified under this section, there shall be
965 imposed a penalty equal to ten per cent of such amount due and
966 unpaid, or fifty dollars, whichever is greater. No person shall be
967 subject to a penalty under both this section and subsection (b) of
968 section 12-309, as amended by this act. Such amount shall bear interest
969 at **[**the rate of one per cent per month or fraction thereof,**]** a rate
970 adjusted annually to be equal to the federal short-term rate as it is
971 determined as of July first of each year under Section 6621(b) of the
972 Internal Revenue Code of 1986, or any subsequent corresponding
973 internal revenue code of the United States, as from time to time
974 amended, plus three percentage points from the due date of such tax
975 until the date of payment.

976 Sec. 29. Section 12-309 of the general statutes is repealed and the
977 following is substituted in lieu thereof (*Effective October 1, 2006, and*
978 *applicable to taxes due and payable on or after said date*):

979 (a) Each distributor and each dealer shall keep complete and
980 accurate records of all cigarettes manufactured, produced, purchased
981 and sold. Such records shall be of such kind and in such form as the

982 Commissioner of Revenue Services may prescribe and shall be safely
983 preserved for three years in such manner as to insure permanency and
984 accessibility for inspection by the commissioner and his authorized
985 agents. The commissioner and his authorized agents may examine the
986 books, papers and records of any distributor or dealer in this state for
987 the purpose of determining whether the tax imposed by this chapter
988 has been fully paid, and may investigate and examine the stock of
989 cigarettes in or upon any premises where such cigarettes are
990 possessed, stored or sold for the purpose of determining whether the
991 provisions of this chapter are being obeyed. If, after an examination of
992 the invoices, books and records of a licensed distributor or dealer, or if,
993 from any other information obtained by him or his authorized agents,
994 the commissioner determines that the report of any licensed
995 distributor or licensed dealer is incorrect, and that the licensed
996 distributor or licensed dealer has not purchased sufficient stamps to
997 cover his receipts and sales or other disposition of unstamped
998 cigarettes, he shall thereupon assess the deficiency in tax. Such amount
999 shall bear interest at **[**the rate of one per cent per month or fraction
1000 thereof**]** a rate adjusted annually to be equal to the federal short-term
1001 rate as it is determined as of July first of each year under Section
1002 6621(b) of the Internal Revenue Code of 1986, or any subsequent
1003 corresponding internal revenue code of the United States, as from time
1004 to time amended, plus three percentage points from the date when the
1005 original tax was due and payable. In any case where a licensed
1006 distributor or licensed dealer cannot produce evidence of sufficient
1007 stamp purchases to cover the receipt of unstamped cigarettes, it shall
1008 be presumed that such cigarettes were sold without having the proper
1009 stamps affixed. When it appears that any part of the deficiency for
1010 which a deficiency assessment is made is due to negligence or
1011 intentional disregard of the provisions of this chapter or regulations
1012 promulgated thereunder, there shall be imposed a penalty equal to ten
1013 per cent of the amount of such deficiency assessment, or fifty dollars,
1014 whichever is greater. When it appears that any part of the deficiency
1015 for which a deficiency assessment is made is due to fraud or intent to
1016 evade the provisions of this chapter or regulations promulgated

1017 thereunder, there shall be imposed a penalty equal to twenty-five per
1018 cent of the amount of such deficiency assessment. No taxpayer shall be
1019 subject to more than one penalty under this subsection in relation to
1020 the same tax period. The amount of any tax, penalty or interest due
1021 and unpaid under the provisions of this chapter may be collected
1022 under the provisions of section 12-35. The warrant therein provided for
1023 shall be signed by the commissioner or his authorized agent. The
1024 amount of any such tax, penalty and interest shall be a lien, from the
1025 last day of the month next preceding the due date of such tax until
1026 discharged by payment, against all real estate of the taxpayer within
1027 the state, and a certificate of such lien signed by the commissioner may
1028 be filed for record in the office of the clerk of any town in which such
1029 real estate is situated, provided no such lien shall be effective as
1030 against any bona fide purchaser or qualified encumbrancer of any
1031 interest in any such property. When any tax with respect to which a
1032 lien has been recorded under the provisions of this section has been
1033 satisfied, the commissioner, upon request of any interested party, shall
1034 issue a certificate discharging such lien, which certificate shall be
1035 recorded in the same office in which the lien is recorded. Any action
1036 for the foreclosure of such lien shall be brought by the Attorney
1037 General in the name of the state in the superior court for the judicial
1038 district in which the property subject to such lien is situated, or, if such
1039 property is located in two or more judicial districts, in the superior
1040 court for any one such judicial district, and the court may limit the
1041 time for redemption or order the sale of such property or make such
1042 other or further decree as it judges equitable.

1043 (b) Except in the case of a wilfully false or fraudulent return with
1044 intent to evade the tax, no assessment of additional tax with respect to
1045 any return shall be made after the expiration of more than three years
1046 from the date of the filing of such return or from the original due date
1047 of such return, whichever is later. If no return has been filed as
1048 provided in this chapter, the commissioner may make such return at
1049 any time thereafter, according to the best information obtainable and
1050 according to the form prescribed. To the tax imposed upon the basis of

1051 such return, there shall be added an amount equal to ten per cent of
1052 such tax, or fifty dollars, whichever is greater. The tax shall bear
1053 interest at **[**the rate of one per cent per month or fraction thereof**]** a rate
1054 adjusted annually to be equal to the federal short-term rate as it is
1055 determined as of July first of each year under Section 6621(b) of the
1056 Internal Revenue Code of 1986, or any subsequent corresponding
1057 internal revenue code of the United States, as from time to time
1058 amended, plus three percentage points from the due date of such tax to
1059 the date of payment. If prior to the expiration of the period prescribed
1060 in this section for the assessment of additional tax, a taxpayer has
1061 consented in writing that such period may be extended, the amount of
1062 such additional tax due may be determined at any time within such
1063 extended period. Any such extended period may be further extended
1064 by consent in writing before the expiration of such extended period.

1065 Sec. 30. Subsection (a) of section 12-330d of the 2006 supplement to
1066 the general statutes is repealed and the following is substituted in lieu
1067 thereof (*Effective October 1, 2006, and applicable to taxes due and payable on*
1068 *or after said date*):

1069 (a) Except as otherwise provided in subsection (b) of this section,
1070 each licensed distributor and each licensed unclassified importer shall
1071 file with the commissioner, on or before the twenty-fifth day of each
1072 month, a report for the calendar month immediately preceding in such
1073 form and containing such information as the commissioner may
1074 prescribe. The return shall be accompanied by a payment of the
1075 amount of the tax shown to be due thereon. If any person fails to pay
1076 the amount of tax reported due on its report within the time specified
1077 under this section, there shall be imposed a penalty equal to ten per
1078 cent of such amount due and unpaid, or fifty dollars, whichever is
1079 greater. Such amount shall bear interest at **[**the rate of one per cent per
1080 month or fraction thereof,**]** a rate adjusted annually to be equal to the
1081 federal short-term rate as it is determined as of July first of each year
1082 under Section 6621(b) of the Internal Revenue Code of 1986, or any
1083 subsequent corresponding internal revenue code of the United States,
1084 as from time to time amended, plus three percentage points from the

1085 due date of such tax until the date of payment. Subject to the
1086 provisions of section 12-3a, the commissioner may waive all or part of
1087 the penalties provided under this chapter when it is proven to the
1088 commissioner's satisfaction that the failure to pay any tax was due to
1089 reasonable cause and was not intentional or due to neglect.

1090 Sec. 31. Section 12-330i of the general statutes is repealed and the
1091 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1092 *applicable to taxes due and payable on or after said date*):

1093 (a) Each distributor and each unclassified importer shall keep
1094 complete and accurate records of all tobacco products manufactured,
1095 produced, purchased and sold. Such records shall be of such kind and
1096 in such form as the commissioner may prescribe and shall be safely
1097 preserved for three years in such manner as to ensure permanency and
1098 accessibility for inspection by the commissioner and his authorized
1099 agents. The commissioner and his authorized agents may examine the
1100 books, papers and records of any distributor or unclassified importer
1101 in this state for the purpose of determining whether the tax imposed
1102 by this chapter has been fully paid, and may investigate and examine
1103 the stock of tobacco products in or upon any premises where such
1104 tobacco products are possessed, stored or sold for the purpose of
1105 determining whether the provisions of this chapter are being obeyed.
1106 If, after an examination of the invoices, books and records of a licensed
1107 distributor or unclassified importer, or if, from any other information
1108 obtained by him or his authorized agents, the commissioner
1109 determines that the report of any licensed distributor or licensed
1110 unclassified importer is incorrect, he shall thereupon assess the
1111 deficiency in tax. Such amount shall bear interest at **[**the rate of one per
1112 cent per month or fraction thereof**]** <u>a rate adjusted annually to be equal</u>
1113 <u>to the federal short-term rate as it is determined as of July first of each</u>
1114 <u>year under Section 6621(b) of the Internal Revenue Code of 1986, or</u>
1115 <u>any subsequent corresponding internal revenue code of the United</u>
1116 <u>States, as from time to time amended, plus three percentage points</u>
1117 from the date when the original tax was due and payable. When it
1118 appears that any part of the deficiency for which a deficiency

1119 assessment is made is due to negligence or intentional disregard of the
1120 provisions of this chapter or regulations promulgated thereunder,
1121 there shall be imposed a penalty equal to ten per cent of the amount of
1122 such deficiency assessment, or fifty dollars, whichever is greater. When
1123 it appears that any part of the deficiency for which a deficiency
1124 assessment is made is due to fraud or intent to evade the provisions of
1125 this chapter or regulations promulgated thereunder, there shall be
1126 imposed a penalty equal to twenty-five per cent of the amount of such
1127 deficiency assessment. No taxpayer shall be subject to more than one
1128 penalty under this subsection in relation to the same tax period. The
1129 amount of any tax, penalty or interest due and unpaid under the
1130 provisions of this chapter may be collected under the provisions of
1131 section 12-35. The warrant therein provided for shall be signed by the
1132 commissioner or his authorized agent. The amount of any such tax,
1133 penalty and interest shall be a lien, from the last day of the month next
1134 preceding the due date of such tax until discharged by payment,
1135 against all real estate of the taxpayer within the state, and a certificate
1136 of such lien signed by the commissioner may be filed for record in the
1137 office of the clerk of any town in which such real estate is situated,
1138 provided no such lien shall be effective as against any bona fide
1139 purchaser or qualified encumbrancer of any interest in any such
1140 property. When any tax with respect to which a lien has been recorded
1141 under the provisions of this section has been satisfied, the
1142 commissioner, upon request of any interested party, shall issue a
1143 certificate discharging such lien, which certificate shall be recorded in
1144 the same office in which the lien is recorded. Any action for the
1145 foreclosure of such lien shall be brought by the Attorney General in the
1146 name of the state in the superior court for the judicial district in which
1147 the property subject to such lien is situated, or, if such property is
1148 located in two or more judicial districts, in the superior court for any
1149 one such judicial district, and the court may limit the time for
1150 redemption or order the sale of such property or make such other or
1151 further decree as it judges equitable.

1152 (b) Except in the case of a wilfully false or fraudulent return with

1153 intent to evade the tax, no assessment of additional tax with respect to
1154 any return shall be made after the expiration of more than three years
1155 from the date of the filing of such return or from the original due date
1156 of such return, whichever is later. If no return has been filed as
1157 provided in this chapter the commissioner may make such return at
1158 any time thereafter, according to the best information obtainable and
1159 according to the form prescribed. To the tax imposed upon the basis of
1160 such return, there shall be added an amount equal to ten per cent of
1161 such tax, or fifty dollars, whichever is greater. The tax shall bear
1162 interest at **[**the rate of one per cent per month or fraction thereof**]** a rate
1163 adjusted annually to be equal to the federal short-term rate as it is
1164 determined as of July first of each year under Section 6621(b) of the
1165 Internal Revenue Code of 1986, or any subsequent corresponding
1166 internal revenue code of the United States, as from time to time
1167 amended, plus three percentage points from the due date of such tax to
1168 the date of payment. If prior to the expiration of the period prescribed
1169 in this section for the assessment of additional tax, a taxpayer has
1170 consented in writing that such period may be extended, the amount of
1171 such additional tax due may be determined at any time within such
1172 extended period. Any such extended period may be further extended
1173 by consent in writing before the expiration of such extended period.

1174 Sec. 32. Section 12-376 of the general statutes is repealed and the
1175 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1176 *applicable to taxes due and payable on or after said date*):

1177 Each tax imposed by the provisions of this chapter, which is not
1178 paid to the Commissioner of Revenue Services within six months after
1179 the date of the death of the transferor or within six months of any
1180 moneys received as a result of a settlement, award or judgment from
1181 any action pending on the date of the death of the transferor, shall bear
1182 interest at **[**the rate of one per cent per month or fraction thereof,**]** a
1183 rate adjusted annually to be equal to the federal short-term rate as it is
1184 determined as of July first of each year under Section 6621(b) of the
1185 Internal Revenue Code of 1986, or any subsequent corresponding
1186 internal revenue code of the United States, as from time to time

1187 amended, plus three percentage points commencing at the expiration
1188 of such six months, until paid; but the Commissioner of Revenue
1189 Services may, for cause shown, on the written application of the
1190 fiduciary or transferee filed with said commissioner at or before the
1191 expiration of such six months, extend the time for the payment of such
1192 tax or any part thereof. Such application shall set forth the extension
1193 desired and the reasons therefor and a copy thereof shall be filed in the
1194 court of probate for the district within which the transferor resided at
1195 the date of his death or, if the transferor died a nonresident of this
1196 state, in the court of probate for the district within which the real estate
1197 or tangible personal property is situated. Unless, not later than sixty
1198 days after his receipt of such application, the commissioner files in the
1199 court of probate a copy of his order denying or modifying the
1200 extension requested, the extension requested shall be deemed granted.
1201 If the extension request is denied or modified, the fiduciary may not
1202 later than thirty days after the receipt of such order from the
1203 commissioner, file in such probate court an application for an
1204 extension of time to pay the tax setting forth the extension desired and
1205 the reasons therefor. The court of probate shall assign a time and place
1206 for a hearing upon such application not less than two nor more than
1207 four weeks after the filing thereof, and shall cause copies of such order
1208 for hearing to be sent to the commissioner and to the fiduciary or
1209 transferee at least ten days before such hearing. For cause shown, the
1210 court of probate may, after hearing on such application, extend the
1211 time for the payment of such tax or any part thereof for a period not to
1212 exceed thirty days after receipt by the fiduciary or transferee of a copy
1213 of the first computation of the succession tax from the Commissioner
1214 of Revenue Services. The commissioner or any other party in interest
1215 may appear before such court at such hearing and be heard concerning
1216 the requested extension. Such court, after such hearing, shall forthwith
1217 send to the commissioner and to the fiduciary or transferee a copy of
1218 any order relating to such application. Further extensions may be
1219 granted by the Commissioner of Revenue Services or the court if the
1220 foregoing provisions have been complied with and if written
1221 application for such further extensions is filed before the expiration of

1222 the preceding extension. If one or more extensions have been granted,
1223 the tax shall bear interest at **[**the rate of one per cent per month or
1224 fraction thereof,**]** a rate adjusted annually to be equal to the federal
1225 short-term rate as it is determined as of July first of each year under
1226 Section 6621(b) of the Internal Revenue Code of 1986, or any
1227 subsequent corresponding internal revenue code of the United States,
1228 as from time to time amended, plus three percentage points
1229 commencing with the expiration of six months after the death of the
1230 transferor, until paid. Except as provided by the provisions of a will,
1231 such tax shall be paid from property passing to the donee, beneficiary
1232 or distributee unless such recipient pays to the fiduciary or transferee
1233 the amount thereof. Each donee, beneficiary or distributee of the same
1234 class shall pay such percentage of the tax on property passing to such
1235 class as his share is of such property. The tax to be allocated against a
1236 tenant for life or limited term or an annuitant or remainderman shall
1237 be such percentage of the whole tax on property passing to persons of
1238 the same class as the value of his interest as determined under the
1239 provisions of section 12-353 is of the net taxable estate passing to such
1240 class and shall be paid out of the principal fund in which any such
1241 temporary interest or remainder exists. Whenever there is an
1242 overpayment of the tax imposed by this chapter, exclusive of any such
1243 overpayment in relation to a computation of tax in accordance with
1244 subsection (b) of section 12-355, the Commissioner of Revenue Services
1245 shall return to the fiduciary or transferee the overpayment which shall
1246 bear interest at the rate of two-thirds of one per cent per month or
1247 fraction thereof, said interest commencing from the expiration of six
1248 months after the death of the transferor or date of payment, whichever
1249 is later.

1250 Sec. 33. Subsection (a) of section 12-376b of the general statutes is
1251 repealed and the following is substituted in lieu thereof (*Effective*
1252 *October 1, 2006, and applicable to taxes due and payable on or after said*
1253 *date*):

1254 (a) Whenever the value of an interest in a closely held business, as
1255 defined in subsection (b) of this section, included in the gross estate of

1256 any decedent exceeds an amount determined as thirty-five per cent of
1257 the value of such gross estate, the fiduciary of such estate may elect to
1258 pay all or part of the tax imposed under this chapter in equal annual
1259 installments but not in excess of ten such installments. The maximum
1260 amount of tax which may be paid in such installments shall be an
1261 amount which bears the same ratio to the tax imposed under this
1262 chapter with respect to such decedent's estate as the value of such
1263 interest in a closely held business bears to the total value of such gross
1264 estate. The amount of tax paid in such installments shall bear interest
1265 in relation to the unpaid portion of such tax from the expiration of six
1266 months after the death of the decedent until such tax is paid at **[**the rate
1267 of one per cent per month or fraction thereof**]** a rate adjusted annually
1268 to be equal to the federal short-term rate as it is determined as of July
1269 first of each year under Section 6621(b) of the Internal Revenue Code
1270 of 1986, or any subsequent corresponding internal revenue code of the
1271 United States, as from time to time amended, plus three percentage
1272 points. If the fiduciary of such estate elects to pay such tax or any
1273 portion thereof in accordance with this section, notice of such election
1274 shall be filed in writing with the Commissioner of Revenue Services
1275 not later than six months after the date of death of the decedent. The
1276 first such installment payment, including interest, shall be due not
1277 later than sixty days immediately following determination by said
1278 commissioner of the amount of tax applicable to such estate under this
1279 chapter. If such interest in a closely held business is transferred from
1280 such estate or if the fiduciary fails to make the first installment
1281 payment, including interest, or if the fiduciary fails to make any
1282 subsequent installment payment, including interest, within twelve
1283 months immediately following such preceding payment, such estate
1284 shall cease to be eligible for the payment procedure allowed in
1285 accordance with this section. Whenever the tax imposed under this
1286 chapter is paid in installments as provided in this section, the fiduciary
1287 of the estate shall deposit with the Commissioner of Revenue Services
1288 a surety bond, or such other form of security deemed acceptable by
1289 said commissioner, in an amount equivalent to the tax to be paid in
1290 such installments.

1291 Sec. 34. Section 12-390c of the general statutes is repealed and the
1292 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1293 *applicable to taxes due and payable on or after said date*):

1294 (a) (1) The tax imposed by section 12-390b shall be due, become
1295 payable, and shall be paid, without assessment, notice or demand, to
1296 the Commissioner of Revenue Services upon a taxable distribution or
1297 taxable termination as determined under applicable provisions of the
1298 federal generation-skipping transfer tax. The person liable for payment
1299 of the federal generation-skipping transfer tax shall be liable for the tax
1300 imposed by this section. Such tax shall be paid to the Commissioner of
1301 Revenue Services on or before the last day allowed for filing a return,
1302 determined without regard to any extension of time for filing the
1303 return. If the amount of tax reported to be due on the return is not paid
1304 on or before such date, there shall be imposed a penalty equal to ten
1305 per cent of such amount due and unpaid. Such amount shall bear
1306 interest at **[**the rate of one per cent per month or fraction thereof**]** a rate
1307 adjusted annually to be equal to the federal short-term rate as it is
1308 determined as of July first of each year under Section 6621(b) of the
1309 Internal Revenue Code of 1986, or any subsequent corresponding
1310 internal revenue code of the United States, as from time to time
1311 amended, plus three percentage points from the due date of such tax
1312 until the date of payment. Subject to the provisions of section 12-3a, the
1313 commissioner may waive all or part of the penalties provided under
1314 this section when it is proven to his satisfaction that the failure to pay
1315 any tax was due to reasonable cause and was not intentional or due to
1316 neglect.

1317 (2) The Commissioner of Revenue Services may, for reasonable
1318 cause shown, extend the time for payment. The commissioner may
1319 require the filing of a tentative return and the payment of the tax
1320 reported to be due in connection with such extension. Any additional
1321 tax which may be found to be due on the filing of a return as allowed
1322 by such extension shall bear interest at **[**the rate of one per cent per
1323 month or fraction thereof**]** a rate adjusted annually to be equal to the
1324 federal short-term rate as it is determined as of July first of each year

1325 under Section 6621(b) of the Internal Revenue Code of 1986, or any
1326 subsequent corresponding internal revenue code of the United States,
1327 as from time to time amended, plus three percentage points from the
1328 original due date of such tax to the date of actual payment.

1329 (3) Whenever there is an overpayment of the tax imposed by section
1330 12-390b, the Commissioner of Revenue Services shall return to the
1331 person who was liable for the tax, the overpayment which shall bear
1332 interest at the rate of two-thirds of one per cent per month or fraction
1333 thereof, said interest commencing from the due date of the tax or the
1334 date of payment, whichever is later.

1335 (b) (1) The tax imposed by this chapter shall be reported on a tax
1336 return that shall be made and filed with the Commissioner of Revenue
1337 Services on or before the last day prescribed for filing the federal
1338 return. The person who is required to file a return reporting a
1339 generation-skipping transfer under the federal Internal Revenue Code
1340 and the regulations thereunder shall file the return with the
1341 Commissioner of Revenue Services. For purposes of this section, the
1342 requirements for filing a return shall be satisfied by filing a duplicate
1343 copy of the federal return, with a schedule detailing the value and
1344 location of all transferred real and tangible personal property which is
1345 subject to generation-skipping transfer taxes attached thereto.

1346 (2) The Commissioner of Revenue Services may, for reasonable
1347 cause shown, extend the time for filing the return.

1348 (3) If the person required to make and file the tax return under this
1349 chapter fails to file the return within the time prescribed, the
1350 commissioner may assess and compute the tax upon the best
1351 information obtainable. To the tax imposed upon the basis of such
1352 return, there shall be added an amount equal to ten per cent of such
1353 tax or fifty dollars, whichever is greater. The tax shall bear interest at
1354 **[**the rate of one per cent per month or fraction thereof,**]** a rate adjusted
1355 annually to be equal to the federal short-term rate as it is determined
1356 as of July first of each year under Section 6621(b) of the Internal

1357 Revenue Code of 1986, or any subsequent corresponding internal
1358 revenue code of the United States, as from time to time amended, plus
1359 three percentage points from the due date of such tax until the date of
1360 payment.

1361 (c) No person shall be subject to a penalty under both subsections
1362 (a) and (b) of this section in relation to the same tax period.

1363 Sec. 35. Section 12-390d of the general statutes is repealed and the
1364 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1365 *applicable to taxes due and payable on or after said date*):

1366 If the amount of federal generation-skipping transfer tax reported
1367 on a federal generation-skipping transfer tax return is changed or
1368 corrected by the United States Internal Revenue Service or other
1369 competent authority, the person required to make and file the
1370 generation-skipping transfer tax return under this chapter shall
1371 provide notice of such change or correction to the commissioner by
1372 filing, on or before the date that is ninety days after the final
1373 determination of such change or correction, or as otherwise required
1374 by the commissioner, an amended return under this chapter, and shall
1375 concede the accuracy of such determination or state wherein it is
1376 erroneous, and thereafter promptly furnish to the commissioner any
1377 information, schedules, records, documents or papers relating to such
1378 change or correction as the commissioner requires. The time for filing
1379 such return may be extended by the commissioner upon due cause
1380 shown. If, upon examination, the commissioner finds that such person
1381 is liable for the payment of an additional tax, the commissioner shall,
1382 within a reasonable time from the receipt of such return, notify such
1383 person of the amount of such additional tax, together with interest
1384 thereon computed at **[**the rate of one per cent per month or fraction
1385 thereof**]** a rate adjusted annually to be equal to the federal short-term
1386 rate as it is determined as of July first of each year under Section
1387 6621(b) of the Internal Revenue Code of 1986, or any subsequent
1388 corresponding internal revenue code of the United States, as from time
1389 to time amended, plus three percentage points from the date when the

1390 original tax became due and payable. Within thirty days of the mailing
1391 of such notice, such person shall pay to the commissioner, in cash or by
1392 check, draft or money order, drawn to the order of the Commissioner
1393 of Revenue Services, the amount of such additional tax and interest. If,
1394 upon examination of such return and related information, the
1395 commissioner finds that such person has overpaid the tax due the state
1396 and has not received from or been allowed by the United States
1397 government, or any agency thereof, a credit or a benefit, as a deduction
1398 or otherwise, for or by reason of such overpayment, such person shall
1399 be paid by the State Treasurer, upon order of the Comptroller, the
1400 amount of such overpayment.

1401 Sec. 36. Section 12-392 of the 2006 supplement to the general statutes
1402 is repealed and the following is substituted in lieu thereof (*Effective*
1403 *October 1, 2006, and applicable to taxes due and payable on or after said*
1404 *date*):

1405 (a) (1) The tax imposed by this chapter shall become due at the date
1406 of the taxable transfer and shall become payable, and shall be paid,
1407 without assessment, notice or demand, to the Commissioner of
1408 Revenue Services at the expiration of nine months from the date of
1409 death, and executors, administrators, trustees, grantees, donees,
1410 beneficiaries and surviving joint owners shall be liable for the tax and
1411 for any interest or penalty thereon until it is paid, except that no
1412 executor, administrator, trustee, grantee, donee, beneficiary or
1413 surviving joint owner shall be liable for a greater sum than the value of
1414 the property actually received by him or her. If the amount of tax
1415 reported to be due on the return is not paid within such nine months,
1416 there shall be imposed a penalty equal to ten per cent of such amount
1417 due and unpaid. Such amount shall bear interest at **[**the rate of one per
1418 cent per month or fraction thereof,**]** <u>a rate adjusted annually to be</u>
1419 <u>equal to the federal short-term rate as it is determined as of July first of</u>
1420 <u>each year under Section 6621(b) of the Internal Revenue Code of 1986,</u>
1421 <u>or any subsequent corresponding internal revenue code of the United</u>
1422 <u>States, as from time to time amended, plus three percentage points</u>
1423 from the due date of such tax until the date of payment. Subject to the

1424 provisions of section 12-3a, the commissioner may waive all or part of
1425 the penalties provided under this chapter when it is proven to his
1426 satisfaction that the failure to pay any tax was due to reasonable cause
1427 and was not intentional or due to neglect.

1428 (2) The Commissioner of Revenue Services may, for reasonable
1429 cause shown, extend the time for payment. The commissioner may
1430 require the filing of a tentative return and the payment of the tax
1431 reported to be due thereon in connection with such extension. Any
1432 additional tax which may be found to be due on the filing of a return
1433 as allowed by such extension shall bear interest at **[**the rate of one per
1434 cent per month or fraction thereof**]** a rate adjusted annually to be equal
1435 to the federal short-term rate as it is determined as of July first of each
1436 year under Section 6621(b) of the Internal Revenue Code of 1986, or
1437 any subsequent corresponding internal revenue code of the United
1438 States, as from time to time amended, plus three percentage points
1439 from the original due date of such tax to the date of actual payment.

1440 (3) Whenever there is an overpayment of the tax imposed by this
1441 chapter, the Commissioner of Revenue Services shall return to the
1442 fiduciary or transferee the overpayment which shall bear interest at the
1443 rate of two-thirds of one per cent per month or fraction thereof, said
1444 interest commencing from the expiration of nine months after the
1445 death of the transferor or date of payment, whichever is later.

1446 (b) (1) The tax imposed by this chapter shall be reported on a tax
1447 return which shall be filed on or before the date fixed for paying the
1448 tax, determined without regard to any extension of time for paying the
1449 tax. The commissioner shall design a form of return and forms for such
1450 additional statements or schedules as he may require to be filed. Such
1451 forms shall provide for the setting forth of such facts as the
1452 commissioner deems necessary for the proper enforcement of this
1453 chapter. He shall cause a supply of such forms to be printed and shall
1454 furnish appropriate blank forms to each taxpayer upon application or
1455 otherwise as he deems necessary. Failure to receive a form shall not
1456 relieve any person from the obligation to file a return under the

1457 provisions of this chapter. In any case in which the commissioner
1458 believes that it would be advantageous to him in the administration of
1459 the tax imposed by this chapter, the commissioner may require that a
1460 true copy of the federal estate tax return made to the Internal Revenue
1461 Service be provided.

1462 (2) Any tax return or other document, including any amended tax
1463 return or affidavit under section 12-398, as amended by this act, that is
1464 required to be filed under this chapter shall be filed, and shall be
1465 treated as filed, only if filed with both the Commissioner of Revenue
1466 Services and the court of probate for the district within which the
1467 decedent resided at the date of his death or, if the decedent died a
1468 nonresident of this state, in the court of probate for the district within
1469 which real estate or tangible personal property of the decedent is
1470 situated. The return shall contain a statement, to be signed under
1471 penalty of false statement by the person who is required to make and
1472 file the return under this chapter, that the return has been filed with
1473 both the Commissioner of Revenue Services and said court of probate.

1474 (3) (A) A tax return shall be filed, in the case of every decedent who
1475 died prior to January 1, 2005, and at the time of death was (i) a resident
1476 of this state, or (ii) a nonresident of this state whose gross estate
1477 includes any real property situated in this state or tangible personal
1478 property having an actual situs in this state, whenever the personal
1479 representative of the estate is required by the laws of the United States
1480 to file a federal estate tax return.

1481 (B) A tax return shall be filed, in the case of every decedent who dies
1482 on or after January 1, 2005, and at the time of death was (i) a resident
1483 of this state, or (ii) a nonresident of this state whose gross estate
1484 includes any real property situated in this state or tangible personal
1485 property having an actual situs in this state. If the decedent's
1486 Connecticut taxable estate is over two million dollars, such tax return
1487 shall be filed with the Commissioner of Revenue Services and a copy
1488 of such return shall be filed with the court of probate for the district
1489 within which the decedent resided at the date of his or her death or, if

1490 the decedent died a nonresident of this state, the court of probate for
1491 the district within which such real property or tangible personal
1492 property is situated. If the decedent's Connecticut taxable estate is two
1493 million dollars or less, such return shall be filed with the court of
1494 probate for the district within which the decedent resided at the date
1495 of his or her death or, if the decedent died a nonresident of this state,
1496 the court of probate for the district within which such real property or
1497 tangible personal property is situated, and no such return shall be filed
1498 with the Commissioner of Revenue Services. The judge of probate for
1499 the district in which such return is filed shall review each such return
1500 and shall issue a written opinion to the estate representative in each
1501 case in which the judge determines that the estate is not subject to tax
1502 under this chapter.

1503 (C) The duly authorized executor or administrator shall file the
1504 return. If there is more than one executor or administrator, the return
1505 shall be made jointly by all. If there is no executor or administrator
1506 appointed, qualified and acting, each person in actual or constructive
1507 possession of any property of the decedent is constituted an executor
1508 for purposes of the tax and shall make and file a return. If in any case
1509 the executor is unable to make a complete return as to any part of the
1510 gross estate, the executor shall provide all the information available to
1511 him with respect to such property, including a full description, and the
1512 name of every person holding a legal or beneficial interest in the
1513 property. If the executor is unable to make a return as to any property,
1514 each person holding a legal or equitable interest in such property shall,
1515 upon notice from the commissioner, make a return as to that part of
1516 the gross estate.

1517 (D) On or before the last day of the month next succeeding each
1518 calendar quarter, and commencing with the calendar quarter ending
1519 September 30, 2005, each court of probate shall file with the
1520 commissioner a report for the calendar quarter in such form as the
1521 commissioner may prescribe. The report shall pertain to returns filed
1522 with the court of probate during the calendar quarter.

1523 (4) The Commissioner of Revenue Services may, for reasonable
1524 cause shown, extend the time for filing the return.

1525 (5) If any person required to make and file the tax return under this
1526 chapter fails to file the return within the time prescribed, the
1527 commissioner may assess and compute the tax upon the best
1528 information obtainable. To the tax imposed upon the basis of such
1529 return, there shall be added an amount equal to ten per cent of such
1530 tax or fifty dollars, whichever is greater. The tax shall bear interest at
1531 **[**the rate of one per cent per month or fraction thereof,**]** a rate adjusted
1532 annually to be equal to the federal short-term rate as it is determined
1533 as of July first of each year under Section 6621(b) of the Internal
1534 Revenue Code of 1986, or any subsequent corresponding internal
1535 revenue code of the United States, as from time to time amended, plus
1536 three percentage points from the due date of such tax until the date of
1537 payment.

1538 (6) The commissioner shall provide notice of any (A) deficiency
1539 assessment with respect to the payment of any tax under this chapter,
1540 (B) assessment with respect to any failure to make and file a return
1541 under this chapter by a person required to file, and (C) tax return or
1542 other document, including any amended tax return or affidavit under
1543 section 12-398, as amended by this act, that is required to be filed
1544 under this chapter to the court of probate for the district within which
1545 the commissioner contends that the decedent resided at the date of his
1546 death or, if the decedent died a nonresident of this state, to the court of
1547 probate for the district within which the commissioner contends that
1548 real estate or tangible personal property of the decedent is situated.

1549 (c) No person shall be subject to a penalty under both subsections
1550 (a) and (b) of this section in relation to the same tax period.

1551 Sec. 37. Subsections (a) and (b) of section 12-398 of the 2006
1552 supplement to the general statutes are repealed and the following is
1553 substituted in lieu thereof (*Effective October 1, 2006, and applicable to*
1554 *taxes due and payable on or after said date*):

1555 (a) If the amount of federal estate tax reported on an estate's federal
1556 estate tax return is changed or corrected by the United States Internal
1557 Revenue Service or other competent authority, the person required to
1558 make and file the estate tax return under this chapter shall provide
1559 notice of such change or correction to the commissioner by filing, on or
1560 before the date that is ninety days after the final determination of such
1561 change or correction, or as otherwise required by the commissioner, an
1562 amended return under this chapter, and shall concede the accuracy of
1563 such determination or state wherein it is erroneous, and thereafter
1564 promptly furnish to the commissioner any information, schedules,
1565 records, documents or papers relating to such change or correction as
1566 the commissioner requires. The time for filing such return may be
1567 extended by the commissioner upon due cause shown. If, upon
1568 examination, the commissioner finds that the estate is liable for the
1569 payment of an additional tax, the commissioner shall, within a
1570 reasonable time from the receipt of such return, notify the estate of the
1571 amount of such additional tax, together with interest thereon
1572 computed at **[**the rate of one per cent per month or fraction thereof**]** a
1573 rate adjusted annually to be equal to the federal short-term rate as it is
1574 determined as of July first of each year under Section 6621(b) of the
1575 Internal Revenue Code of 1986, or any subsequent corresponding
1576 internal revenue code of the United States, as from time to time
1577 amended, plus three percentage points from the date when the original
1578 tax became due and payable. Within thirty days of the mailing of such
1579 notice, the estate shall pay to the commissioner, in cash or by check,
1580 draft or money order, drawn to the order of the Commissioner of
1581 Revenue Services, the amount of such additional tax and interest. If,
1582 upon examination of such return and related information, the
1583 commissioner finds that the estate has overpaid the tax due the state
1584 and has not received from or been allowed by the United States
1585 government, or any agency thereof, a credit or a benefit, as a deduction
1586 or otherwise, for or by reason of such overpayment, the estate shall be
1587 paid by the State Treasurer, upon order of the Comptroller, the
1588 amount of such overpayment.

1589 (b) If a person required to make and file the estate tax return under
1590 this chapter files an amended federal estate tax return with the United
1591 States Internal Revenue Service, such person shall also file, not later
1592 than ninety days following such amended federal estate tax filing, an
1593 amended return under this chapter and shall give such other
1594 information as the commissioner may require. The commissioner may
1595 adopt regulations in accordance with chapter 54, prescribing
1596 exceptions to the requirements of this section as he deems appropriate.
1597 If, upon examination of such amended return, the commissioner finds
1598 that the estate is liable for the payment of an additional tax, he shall,
1599 within a reasonable time from the receipt of such amended return,
1600 notify the estate of the amount of such additional tax, together with
1601 interest thereon computed at **[**the rate of one per cent per month or
1602 fraction thereof**]** a rate adjusted annually to be equal to the federal
1603 short-term rate as it is determined as of July first of each year under
1604 Section 6621(b) of the Internal Revenue Code of 1986, or any
1605 subsequent corresponding internal revenue code of the United States,
1606 as from time to time amended, plus three percentage points from the
1607 date when the original tax became due and payable. Not later than
1608 thirty days following the mailing of such notice, the estate shall pay to
1609 the commissioner, in cash or by check, draft or money order, drawn to
1610 the order of the Commissioner of Revenue Services, the amount of
1611 such additional tax and interest. If, upon examination of such
1612 amended return, the commissioner finds that the estate has overpaid
1613 the tax due the state and has not received from or been allowed by the
1614 United States government, or any agency thereof, a credit or a benefit,
1615 as a deduction or otherwise, for or by reason of such overpayment, the
1616 estate shall be paid by the State Treasurer, upon order of the State
1617 Comptroller, the amount of such overpayment.

1618 Sec. 38. Subsection (b) of section 12-405c of the general statutes is
1619 repealed and the following is substituted in lieu thereof (*Effective*
1620 *October 1, 2006, and applicable to taxes due and payable on or after said*
1621 *date*):

1622 (b) The commissioner may for reasonable cause extend the time for

1623 the filing of any return due under this chapter and the payment of tax
1624 due thereon under such rules and regulations as he may prescribe.
1625 Said commissioner may require the filing of a tentative return and the
1626 payment of an estimated tax. Any additional tax which may be found
1627 to be due on the filing of a final return as allowed by such extension
1628 shall bear interest at **[**the rate of one and one-fourth per cent per month
1629 or fraction thereof**]** a rate adjusted annually to be equal to the federal
1630 short-term rate as it is determined as of July first of each year under
1631 Section 6621(b) of the Internal Revenue Code of 1986, or any
1632 subsequent corresponding internal revenue code of the United States,
1633 as from time to time amended, plus three percentage points from the
1634 original due date of such tax to the date of actual payment.

1635 Sec. 39. Subsections (a) and (b) of section 12-405d of the general
1636 statutes are repealed and the following is substituted in lieu thereof
1637 (*Effective October 1, 2006, and applicable to taxes due and payable on or after*
1638 *said date*):

1639 (a) If any taxpayer fails to pay the amount of tax reported to be due
1640 on his return or affidavit within the time specified under the
1641 provisions of section 12-405c, as amended by this act, there shall be
1642 imposed a penalty equal to ten per cent of such amount due and
1643 unpaid, or fifty dollars, whichever is greater. Such amount shall bear
1644 interest at **[**the rate of one and one-fourth per cent per month or
1645 fraction thereof,**]** a rate adjusted annually to be equal to the federal
1646 short-term rate as it is determined as of July first of each year under
1647 Section 6621(b) of the Internal Revenue Code of 1986, or any
1648 subsequent corresponding internal revenue code of the United States,
1649 as from time to time amended, plus three percentage points from the
1650 due date of such tax until the date of payment.

1651 (b) If any taxpayer has not made his return within three months
1652 after the time specified under the provisions of section 12-405c, as
1653 amended by this act, the commissioner may make such return at any
1654 time thereafter, according to the best information obtainable and
1655 according to the form prescribed. To the tax imposed upon the basis of

1656 such return, there shall be added an amount equal to ten per cent of
1657 such tax, or fifty dollars, whichever is greater. No taxpayer shall be
1658 subject to a penalty under both **[**subsections (a) and (b) of this section**]**
1659 subsection (a) of this section and this subsection in relation to the same
1660 tax period. The tax shall bear interest at **[**the rate of one per cent per
1661 month or fraction thereof,**]** a rate adjusted annually to be equal to the
1662 federal short-term rate as it is determined as of July first of each year
1663 under Section 6621(b) of the Internal Revenue Code of 1986, or any
1664 subsequent corresponding internal revenue code of the United States,
1665 as from time to time amended, plus three percentage points from the
1666 due date of such tax until the date of payment.

1667 Sec. 40. Subdivision (6) of section 12-414 of the general statutes is
1668 repealed and the following is substituted in lieu thereof (*Effective*
1669 *October 1, 2006, and applicable to taxes due and payable on or after said*
1670 *date*):

1671 (6) The commissioner for good cause may extend the time for
1672 making any return and paying any amount required to be paid under
1673 this chapter, if a written request therefor is filed with the commissioner
1674 together with a tentative return which must be accompanied by a
1675 payment of the tax, which shall be estimated in such tentative return,
1676 on or before the last day for filing the return. Any person to whom an
1677 extension is granted shall pay, in addition to the tax, interest at **[**the
1678 rate of one per cent per month or fraction thereof**]** a rate adjusted
1679 annually to be equal to the federal short-term rate as it is determined
1680 as of July first of each year under Section 6621(b) of the Internal
1681 Revenue Code of 1986, or any subsequent corresponding internal
1682 revenue code of the United States, as from time to time amended, plus
1683 three percentage points from the date on which the tax would have
1684 been due without the extension until the date of payment.

1685 Sec. 41. Subsection (b) of section 12-416 of the general statutes is
1686 repealed and the following is substituted in lieu thereof (*Effective*
1687 *October 1, 2006, and applicable to taxes due and payable on or after said*
1688 *date*):

1689 (b) The amount of the assessment shall bear interest at **[**the rate of
1690 one per cent per month or fraction thereof**]** a rate adjusted annually to
1691 be equal to the federal short-term rate as it is determined as of July first
1692 of each year under Section 6621(b) of the Internal Revenue Code of
1693 1986, or any subsequent corresponding internal revenue code of the
1694 United States, as from time to time amended, plus three percentage
1695 points from the last day of the month succeeding the period for which
1696 the amount or any portion thereof should have been returned until the
1697 date of payment.

1698 Sec. 42. Section 12-419 of the general statutes is repealed and the
1699 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1700 *applicable to taxes due and payable on or after said date*):

1701 (a) Any person, other than an individual making purchases for
1702 personal use or consumption and not making purchases for use or
1703 consumption in carrying on a trade, occupation, business or
1704 profession, who fails to pay any tax to the state or any amount of tax
1705 required to be collected and paid to the state, except amounts of
1706 assessments made by the commissioner under sections 12-415 and 12-
1707 416, as amended by this act, within the time required shall pay, in
1708 addition to such tax or such amount of tax required to be collected and
1709 paid, a penalty of fifteen per cent of the tax or fifty dollars, whichever
1710 amount is greater, plus interest on such tax or such amount of tax
1711 required to be collected and paid at **[**the rate of one per cent per month
1712 or fraction thereof**]** a rate adjusted annually to be equal to the federal
1713 short-term rate as it is determined as of July first of each year under
1714 Section 6621(b) of the Internal Revenue Code of 1986, or any
1715 subsequent corresponding internal revenue code of the United States,
1716 as from time to time amended, plus three percentage points from the
1717 due date to the date of payment.

1718 (b) Any individual making purchases for personal use or
1719 consumption and not making purchases for use or consumption in
1720 carrying on a trade, occupation, business or profession who fails to pay
1721 use tax to the state, except amounts of assessments made by the

1722 commissioner under sections 12-415 and 12-416, as amended by this
1723 act, within the time required shall pay, in addition to such tax, a
1724 penalty of ten per cent of the tax, plus interest on such tax at **[**the rate
1725 of one per cent per month or fraction thereof**]** a rate adjusted annually
1726 to be equal to the federal short-term rate as it is determined as of July
1727 first of each year under Section 6621(b) of the Internal Revenue Code
1728 of 1986, or any subsequent corresponding internal revenue code of the
1729 United States, as from time to time amended, plus three percentage
1730 points from the due date of such tax to the date of payment.

1731 (c) Subject to the provisions of section 12-3a, the commissioner may
1732 waive all or any part of the penalties provided under this chapter
1733 when it is proven to the satisfaction of the commissioner that failure to
1734 pay any tax was due to reasonable cause and was not intentional or
1735 due to neglect.

1736 Sec. 43. Subsection (a) of section 12-439 of the general statutes is
1737 repealed and the following is substituted in lieu thereof (*Effective*
1738 *October 1, 2006, and applicable to taxes due and payable on or after said*
1739 *date*):

1740 (a) The tax imposed by this chapter shall be due and payable on the
1741 last day on which a return may be filed without penalty under sections
1742 12-437 and 12-438. Upon the filing of such return, the taxpayer shall
1743 forward to the commissioner the amount shown by such return to be
1744 due the state. If any person fails to pay such amount within the time
1745 required, there shall be imposed a penalty equal to ten per cent of such
1746 amount of tax due and unpaid or fifty dollars, whichever is greater.
1747 The tax shall bear interest at **[**the rate of one per cent per month or
1748 fraction thereof,**]** a rate adjusted annually to be equal to the federal
1749 short-term rate as it is determined as of July first of each year under
1750 Section 6621(b) of the Internal Revenue Code of 1986, or any
1751 subsequent corresponding internal revenue code of the United States,
1752 as from time to time amended, plus three percentage points from the
1753 due date of such tax to the date of payment. If no return has been filed
1754 within three months after the time specified under the provisions of

1755 this chapter, the commissioner may make such return at any time
1756 thereafter, according to the best information obtainable and form
1757 prescribed. There shall be added to the tax imposed upon the basis of
1758 such return, an amount equal to ten per cent of such tax, or fifty
1759 dollars, whichever is greater. The tax shall bear interest at **[**the rate of
1760 one per cent per month or fraction thereof**]** a rate adjusted annually to
1761 be equal to the federal short-term rate as it is determined as of July first
1762 of each year under Section 6621(b) of the Internal Revenue Code of
1763 1986, or any subsequent corresponding internal revenue code of the
1764 United States, as from time to time amended, plus three percentage
1765 points from the due date of such tax to the date of payment. Subject to
1766 the provisions of section 12-3a, the commissioner may waive all or part
1767 of the penalties provided under this chapter when it is proven to his
1768 satisfaction that the failure to pay any tax was due to reasonable cause
1769 and was not intentional or due to neglect.

1770 Sec. 44. Section 12-440 of the general statutes is repealed and the
1771 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1772 *applicable to taxes due and payable on or after said date*):

1773 As soon as practicable after each return has been filed, the
1774 commissioner shall cause it to be examined and shall compute and
1775 determine the amount of the tax payable thereon. If it should appear
1776 then or thereafter within three years, as a result of such examination or
1777 as a result of any examination of the records of the taxpayer or of any
1778 other inquiry or investigation provided for under this chapter, that the
1779 correct amount of tax is greater or less than that shown on the return,
1780 the tax shall be recomputed and corrected accordingly, and notices of
1781 such correction shall be delivered or mailed forthwith to the taxpayer.
1782 When it appears that any part of the deficiency for which a deficiency
1783 assessment is made is due to negligence or intentional disregard of the
1784 provisions of this chapter or regulations promulgated thereunder,
1785 there shall be imposed a penalty equal to ten per cent of the amount of
1786 such deficiency assessment, or fifty dollars, whichever is greater. When
1787 it appears that any part of the deficiency for which a deficiency
1788 assessment is made is due to fraud or intent to evade the provisions of

1789 this chapter or regulations promulgated thereunder, there shall be
1790 imposed a penalty equal to twenty-five per cent of the amount of such
1791 deficiency assessment. No taxpayer shall be subject to more than one
1792 penalty under this section in relation to the same tax period. Each
1793 addition to the amount shown to be payable by any taxpayer for any
1794 period, including the amount of any penalty and interest imposed
1795 hereunder, shall be payable within thirty days of the mailing of notice
1796 thereof in cash or by check, draft or money order drawn to the order of
1797 the Commissioner of Revenue Services. The amount of the deficiency
1798 shall bear interest at **[**the rate of one per cent per month or fraction
1799 thereof**]** a rate adjusted annually to be equal to the federal short-term
1800 rate as it is determined as of July first of each year under Section
1801 6621(b) of the Internal Revenue Code of 1986, or any subsequent
1802 corresponding internal revenue code of the United States, as from time
1803 to time amended, plus three percentage points from the date when the
1804 original tax was due and payable. In case of payment by any taxpayer
1805 under this chapter of any amount in excess of any tax lawfully due,
1806 through clerical error or by reason of any reduction of the amount of
1807 tax by action of the commissioner or by court action on appeal,
1808 discovery thereof being made within three years from the date of
1809 payment of the tax, the excess payment may, in the discretion of the
1810 commissioner, be credited on the amount of tax due from the same
1811 taxpayer for any prior tax period, or be retained and credited against
1812 the tax payable for any ensuing tax period, or be refunded to the
1813 taxpayer upon order of the Comptroller drawn on the Treasurer. If
1814 prior to the expiration of the period prescribed in this section for the
1815 assessment of additional tax with respect to any return, a taxpayer has
1816 consented in writing that such period may be extended, the amount of
1817 such additional tax due may be determined at any time within such
1818 extended period. Any such extended period may be further extended
1819 by consent in writing before the expiration of such extended period.

1820 Sec. 45. Section 12-458 of the general statutes is repealed and the
1821 following is substituted in lieu thereof (*Effective October 1, 2006, and*
1822 *applicable to taxes due and payable on or after said date*):

1823 (a) (1) Each distributor shall, on or before the twenty-fifth day of
1824 each month, render a return to the commissioner. Each return shall be
1825 signed by the person required to file the return or by his authorized
1826 agent but need not be verified by oath. Any return required to be filed
1827 by a corporation shall be signed by an officer of such corporation or his
1828 authorized agent. Such return shall state the number of gallons of fuel
1829 sold or used by him during the preceding calendar month, on forms to
1830 be furnished by the commissioner, and shall contain such further
1831 information as the commissioner shall prescribe. The commissioner
1832 may make public the number of gallons of fuel sold or used by the
1833 distributor, as contained in such report, notwithstanding the
1834 provisions of section 12-15, as amended, or any other section. For
1835 purposes of this section, fuel sold shall include but not be limited to
1836 the transfer of fuel by a distributor into a receptacle from which fuel is
1837 supplied or intended to be supplied to other than such distributor's
1838 motor vehicles.

1839 (2) On said date and coincident with the filing of such return each
1840 distributor shall pay to the commissioner for the account of the
1841 purchaser or consumer a tax (A) on each gallon of such fuels sold or
1842 used in this state during the preceding calendar month of twenty-six
1843 cents on and after January 1, 1992, twenty-eight cents on and after
1844 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents
1845 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,
1846 thirty-two cents on and after January 1, 1995, thirty-three cents on and
1847 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-
1848 five cents on and after January 1, 1996, thirty-six cents on and after
1849 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight
1850 cents on and after October 1, 1996, thirty-nine cents on and after
1851 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two
1852 cents on and after July 1, 1998, and twenty-five cents on and after July
1853 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on
1854 each gallon of gasohol, as defined in section 14-1, as amended, sold or
1855 used in this state during such preceding calendar month, of twenty-
1856 five cents on and after January 1, 1992, twenty-seven cents on and after

1857 January 1, 1993, twenty-eight cents on and after July 1, 1993, twenty-
1858 nine cents on and after January 1, 1994, thirty cents on and after July 1,
1859 1994, thirty-one cents on and after January 1, 1995, thirty-two cents on
1860 and after July 1, 1995, thirty-three cents on and after October 1, 1995,
1861 thirty-four cents on and after January 1, 1996, thirty-five cents on and
1862 after April 1, 1996, thirty-six cents on and after July 1, 1996, thirty-
1863 seven cents on and after October 1, 1996, thirty-eight cents on and after
1864 January 1, 1997, thirty-five cents on and after July 1, 1997, thirty-one
1865 cents on and after July 1, 1998, and twenty-four cents on and after July
1866 1, 2000, and twenty-five cents on and after July 1, 2004; and (C) in lieu
1867 of such rate, on each gallon of diesel fuel, propane or natural gas sold
1868 or used in this state during such preceding calendar month, of
1869 eighteen cents on and after September 1, 1991, and twenty-six cents on
1870 and after August 1, 2002.

1871 (3) Said tax shall not be payable on such fuel as may have been (A)
1872 sold to the United States, (B) sold to a municipality of this state, (i) for
1873 use by any contractor performing a service for such municipality in
1874 accordance with a contract, provided such fuel is used by such
1875 contractor exclusively for the purposes of and in accordance with such
1876 contract, or (ii) for use exclusively in a school bus, as defined in section
1877 14-275, (C) sold to a municipality of this state, a transit district of this
1878 state, or this state, at other than a retail outlet, for governmental
1879 purposes and for use in vehicles owned and operated, or leased and
1880 operated by such municipality, such transit district or this state, (D)
1881 sold to a person licensed as a distributor in this state under section 12-
1882 456, (E) transferred from storage within this state to some point
1883 without this state, (F) sold to the holder of a permit issued under
1884 section 12-458a for sale or use without this state, (G) sold to the holder
1885 of a permit issued under subdivision (63) of section 12-412, <u>as</u>
1886 <u>amended,</u> provided (i) such fuel is not used in motor vehicles
1887 registered or required to be registered to operate upon the public
1888 highways of this state, unless such fuel is used in motor vehicles
1889 registered exclusively for farming purposes, (ii) such fuel is not
1890 delivered, upon such sale, to a tank in which such person keeps fuel

1891 for personal and farm use, and (iii) a statement, prescribed as to form
1892 by the Commissioner of Revenue Services and bearing notice to the
1893 effect that false statements made under this section are punishable,
1894 that such fuel is used exclusively for farming purposes, is submitted by
1895 such person to the distributor, (H) sold exclusively to furnish power
1896 for an industrial plant in the actual fabrication of finished products to
1897 be sold, or for the fishing industry, (I) sold exclusively for heating
1898 purposes, (J) sold exclusively to furnish gas, water, steam or electricity,
1899 if delivered to consumers through mains, lines or pipes, (K) sold to the
1900 owner or operator of an aircraft, as defined in section 15-34,
1901 exclusively for aviation purposes, provided (i) for purposes of this
1902 subdivision, "aviation purposes" means for the purpose of powering
1903 an aircraft or an aircraft engine, (ii) such fuel is delivered, upon such
1904 sale, to a tank in which fuel is kept exclusively for aviation purposes,
1905 and (iii) a statement, prescribed as to form by the Commissioner of
1906 Revenue Services and bearing notice to the effect that false statements
1907 made under this section are punishable, that such fuel is used
1908 exclusively for aviation purposes, is submitted by such person to the
1909 distributor, (L) sold to a dealer who is licensed under section 12-462
1910 and whose place of business is located upon an established airport
1911 within this state, or (M) diesel fuel sold exclusively for use in portable
1912 power system generators that are larger than one hundred fifty
1913 kilowatts.

1914 (4) Each distributor, when making a taxable sale, shall furnish to the
1915 purchaser an invoice showing the quantities of fuel sold, the
1916 classification thereof under the provisions of this chapter and the
1917 amount of tax to be paid by the distributor for the account of the
1918 purchaser or consumer.

1919 (5) If any distributor fails to pay the amount of tax reported to be
1920 due on its report within the time specified under the provisions of this
1921 section, there shall be imposed a penalty equal to ten per cent of such
1922 amount due and unpaid, or fifty dollars, whichever is greater. The tax
1923 shall bear interest at **[**the rate of one per cent per month or fraction
1924 thereof**]** <u>a rate adjusted annually to be equal to the federal short-term</u>

1925 rate as it is determined as of July first of each year under Section
1926 6621(b) of the Internal Revenue Code of 1986, or any subsequent
1927 corresponding internal revenue code of the United States, as from time
1928 to time amended, plus three percentage points from the due date of the
1929 tax until the date of payment.

1930 (6) If no return has been filed within three months after the time
1931 specified under the provisions of this chapter, the commissioner may
1932 make such return at any time thereafter, according to the best
1933 information obtainable and the form prescribed. There shall be added
1934 to the tax imposed upon the basis of such return an amount equal to
1935 ten per cent of such tax, or fifty dollars, whichever is greater. The tax
1936 shall bear interest at **[**the rate of one per cent per month or fraction
1937 thereof**]** a rate adjusted annually to be equal to the federal short-term
1938 rate as it is determined as of July first of each year under Section
1939 6621(b) of the Internal Revenue Code of 1986, or any subsequent
1940 corresponding internal revenue code of the United States, as from time
1941 to time amended, plus three percentage points from the due date of
1942 such tax to the date of payment.

1943 (7) Subject to the provisions of section 12-3a, the commissioner may
1944 waive all or part of the penalties provided under this chapter when it
1945 is proven to his satisfaction that the failure to pay any tax was due to
1946 reasonable cause and was not intentional or due to neglect.

1947 (8) A distributor who is exclusively making sales of fuel on which
1948 the tax imposed by this chapter is not payable may be permitted, as
1949 specified in regulations adopted in accordance with the provisions of
1950 chapter 54, to file reports less frequently than monthly but not less
1951 frequently than annually if the commissioner determines that
1952 enforcement of this section would not be adversely affected by less
1953 frequent filings. Distributors permitted to file such reports shall
1954 maintain records that shall detail (A) the persons from whom the fuel
1955 was purchased, (B) the persons to whom, the quantities in which and
1956 the dates on which such fuel was sold, and (C) any other information
1957 deemed necessary by the commissioner.

1958 (b) The commissioner shall, within three years after the due date for
1959 the filing of a return or, in the case of a completed return filed after
1960 such due date, within three years after the date of which such return
1961 was received by him, examine it and, in case any error is disclosed by
1962 such examination, shall, within thirty days after such disclosure, notify
1963 the taxpayer thereof. When it appears that any part of the deficiency
1964 for which a deficiency assessment is made is due to negligence or
1965 intentional disregard of the provisions of this chapter or regulations
1966 promulgated thereunder, there shall be imposed a penalty equal to ten
1967 per cent of the amount of such deficiency assessment, or fifty dollars,
1968 whichever is greater. When it appears that any part of the deficiency
1969 for which a deficiency assessment is made is due to fraud or intent to
1970 evade the provisions of this chapter or regulations promulgated
1971 thereunder, there shall be imposed a penalty equal to twenty-five per
1972 cent of the amount of such deficiency assessment. No taxpayer shall be
1973 subject to more than one penalty under this subsection in relation to
1974 the same tax period. Within thirty days of the mailing of such notice,
1975 the taxpayer shall pay to the commissioner, in cash or by check, draft
1976 or money order drawn to the order of the Commissioner of Revenue
1977 Services, any additional amount of tax shown to be due by the
1978 corrected return or shall be paid by the State Treasurer, upon order of
1979 the Comptroller, any amount shown to be due such taxpayer by such
1980 corrected return. The failure of such taxpayer to receive any notice
1981 required by this section shall not relieve such taxpayer of the
1982 obligation to pay the tax or any interest or penalties thereon. When,
1983 before the expiration of the time prescribed in this section for the
1984 examination of the return or the assessment of said tax, both the
1985 commissioner and such taxpayer have consented in writing to such
1986 examination or assessment after such time, the return may be
1987 examined and said tax may be assessed at any time prior to the
1988 expiration of the period agreed upon. The period so agreed upon may
1989 be extended by subsequent agreements in writing made before the
1990 expiration of the period previously agreed upon. The commissioner
1991 may also in such a case waive the statute of limitations against a claim
1992 for refund by such taxpayer. To any taxes which are assessed under

1993 this subsection, there shall be added interest at **[**the rate of one per cent
1994 per month or fraction thereof**]** a rate adjusted annually to be equal to
1995 the federal short-term rate as it is determined as of July first of each
1996 year under Section 6621(b) of the Internal Revenue Code of 1986, or
1997 any subsequent corresponding internal revenue code of the United
1998 States, as from time to time amended, plus three percentage points
1999 from the date when the original tax became due and payable.

2000 (c) Any person who owns or operates a vehicle which runs only
2001 upon rails or tracks which is properly registered with the federal
2002 government, in accordance with the provisions of Section 4222 of the
2003 Internal Revenue Code of 1986, or any subsequent corresponding
2004 internal revenue code of the United States, as from time to time
2005 amended, shall be exempt from paying to a distributor the motor fuels
2006 tax imposed pursuant to section 12-458, as amended by this act, for use
2007 in such vehicle.

2008 Sec. 46. Subsection (b) of section 12-458d of the general statutes is
2009 repealed and the following is substituted in lieu thereof (*Effective*
2010 *October 1, 2006, and applicable to taxes due and payable on or after said*
2011 *date*):

2012 (b) Each such licensee shall, not later than the first business day of
2013 the second month next following the date on which such tax is
2014 imposed, file with the Commissioner of Revenue Services, on forms
2015 prescribed by said commissioner, a report which shall show the
2016 number of gallons of fuel in inventory as of the close of business on the
2017 date on which such tax is imposed, or at midnight of such date, and at
2018 the same time shall pay such tax based upon the total gallonage shown
2019 on such report. The Commissioner of Motor Vehicles shall cooperate
2020 with the Commissioner of Revenue Services in the enforcement of this
2021 tax. Failure to file such report and pay the tax when due shall be
2022 sufficient reason to revoke any state license or permit held by such
2023 person and interest at **[**the rate of one per cent per month or fraction
2024 thereof**]** a rate adjusted annually to be equal to the federal short-term
2025 rate as it is determined as of July first of each year under Section

2026 6621(b) of the Internal Revenue Code of 1986, or any subsequent
2027 corresponding internal revenue code of the United States, as from time
2028 to time amended, plus three percentage points shall be assessed on the
2029 amount of such tax not paid when due, from the date such tax
2030 becomes due to the date of payment.

2031 Sec. 47. Subsection (b) of section 12-458g of the general statutes is
2032 repealed and the following is substituted in lieu thereof (*Effective*
2033 *October 1, 2006, and applicable to taxes due and payable on or after said*
2034 *date*):

2035 (b) Each such licensee shall, not later than September 1, 2002, file
2036 with the Commissioner of Revenue Services, on forms prescribed by
2037 said commissioner, a report which shall show the number of gallons of
2038 diesel fuel in inventory as of the close of business on July 31, 2002, or, if
2039 the business closes after 11:59 p.m. on such date, at 11:59 p.m. on such
2040 date, and shall, not later than September 1, 2002, pay such tax based
2041 upon the total gallonage shown on such report. Interest at **[**the rate of
2042 one per cent per month or fraction thereof**]** a rate adjusted annually to
2043 be equal to the federal short-term rate as it is determined as of July first
2044 of each year under Section 6621(b) of the Internal Revenue Code of
2045 1986, or any subsequent corresponding internal revenue code of the
2046 United States, as from time to time amended, plus three percentage
2047 points shall be assessed on the amount of such tax not paid when due,
2048 from the date such tax became due to the date of payment. The
2049 Commissioner of Motor Vehicles shall cooperate with the
2050 Commissioner of Revenue Services in the enforcement of this tax.
2051 Failure to file such report and pay the tax when due shall be sufficient
2052 reason to revoke any state license or permit held by such person.
2053 Failure to file such report shall be treated as a failure to file a report
2054 required to be filed under the provisions of this chapter. The filing of
2055 an incorrect report shall be treated as the filing of an incorrect report
2056 under the provisions of this chapter.

2057 Sec. 48. Subsection (b) of section 12-486a of the general statutes is
2058 repealed and the following is substituted in lieu thereof (*Effective*

2059 *October 1, 2006, and applicable to taxes due and payable on or after said*
2060 *date*):

2061 (b) The amount of such deficiency assessment, exclusive of
2062 penalties, shall bear interest at **[**the rate of one per cent per month or
2063 fraction thereof**]** a rate adjusted annually to be equal to the federal
2064 short-term rate as it is determined as of July first of each year under
2065 Section 6621(b) of the Internal Revenue Code of 1986, or any
2066 subsequent corresponding internal revenue code of the United States,
2067 as from time to time amended, plus three percentage points from the
2068 last day of the month succeeding the quarterly period for which the
2069 amount or any portion thereof should have been returned until the
2070 date of payment.

2071 Sec. 49. Subsection (a) of section 12-488 of the general statutes is
2072 repealed and the following is substituted in lieu thereof (*Effective*
2073 *October 1, 2006, and applicable to taxes due and payable on or after said*
2074 *date*):

2075 (a) If any motor carrier fails to pay tax reported to be due on its
2076 report within the time specified under the provisions of this chapter,
2077 there shall be imposed a penalty of ten per cent of such amount of tax
2078 due and unpaid, or fifty dollars, whichever is greater. The tax shall
2079 bear interest at **[**the rate of one per cent per month or fraction thereof,**]**
2080 a rate adjusted annually to be equal to the federal short-term rate as it
2081 is determined as of July first of each year under Section 6621(b) of the
2082 Internal Revenue Code of 1986, or any subsequent corresponding
2083 internal revenue code of the United States, as from time to time
2084 amended, plus three percentage points from the due date of such tax
2085 until the date of payment. If no return has been filed within one month
2086 after the time specified under the provisions of this chapter, the
2087 commissioner may make such return at any time thereafter, according
2088 to the best information obtainable and the form prescribed. There shall
2089 be added to the tax imposed upon the basis of such return, an amount
2090 equal to ten per cent of such tax, or fifty dollars, whichever is greater.
2091 The tax shall bear interest at **[**the rate of one per cent per month or

2092 fraction thereof,] a rate adjusted annually to be equal to the federal
2093 short-term rate as it is determined as of July first of each year under
2094 Section 6621(b) of the Internal Revenue Code of 1986, or any
2095 subsequent corresponding internal revenue code of the United States,
2096 as from time to time amended, plus three percentage points from the
2097 due date of such tax to the date of payment. Subject to the provisions
2098 of section 12-3a, the commissioner may waive all or part of the
2099 penalties provided under this chapter when it is proven to his
2100 satisfaction that the failure to pay any tax was due to reasonable cause
2101 and was not intentional or due to neglect.

2102 Sec. 50. Section 12-502b of the general statutes is repealed and the
2103 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2104 *applicable to taxes due and payable on or after said date*):

2105 When the Commissioner of Revenue Services makes a deficiency
2106 assessment for any taxes payable under this chapter to the state, the
2107 commissioner is authorized to make a deficiency assessment for any
2108 taxes payable under this chapter to a municipality and to hold a
2109 hearing, when requested in writing by any person aggrieved by the
2110 action of the commissioner or his authorized agent in fixing the
2111 amount of any tax, penalty or interest provided for by this chapter on
2112 or before the sixtieth day after notice of such action is delivered or
2113 mailed to such person. The deficiency assessment for any taxes
2114 payable under this chapter to a municipality shall bear interest at [the
2115 rate of one per cent per month or fraction thereof] a rate adjusted
2116 annually to be equal to the federal short-term rate as it is determined
2117 as of July first of each year under Section 6621(b) of the Internal
2118 Revenue Code of 1986, or any subsequent corresponding internal
2119 revenue code of the United States, as from time to time amended, plus
2120 three percentage points from the date when the original tax was due
2121 and payable. When it appears that any part of the deficiency for which
2122 a deficiency assessment is made is due to negligence or intentional
2123 disregard of the provisions of this chapter or regulations adopted
2124 under this chapter, there shall be imposed a penalty equal to ten per
2125 cent of the amount of such deficiency assessment, or fifty dollars,

2126 whichever is greater. When it appears that any part of the deficiency
2127 for which a deficiency assessment is made is due to fraud or intent to
2128 evade the provisions of this chapter or regulations adopted under this
2129 chapter, there shall be imposed a penalty equal to twenty-five per cent
2130 of the amount of such deficiency assessment. No taxpayer shall be
2131 subject to more than one penalty under this section in relation to the
2132 same tax period. Once a deficiency assessment for any taxes payable
2133 under this chapter to a municipality is no longer the subject of a timely
2134 filed administrative appeal to the commissioner or of a timely filed
2135 appeal pending before any court of competent jurisdiction, the
2136 commissioner may collect, on behalf of such municipality, such taxes,
2137 and all interest and penalties added thereto by law, under the
2138 provisions of section 12-35 as if such taxes, penalties or interest due
2139 such municipality were "tax due the state", as such term is defined in
2140 **[**said**]** section 12-35, and as if such term expressly included taxes,
2141 penalties or interest due to such municipality. Such taxes, and all
2142 interest and penalties added thereto by law, shall be treated, for
2143 purposes of subsection (a) of section 12-39g and for purposes of
2144 subsection (a) of section 12-739 as if they were taxes due to the state.

2145 Sec. 51. Section 12-509 of the general statutes is repealed and the
2146 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2147 *applicable to taxes due and payable on or after said date*):

2148 (a) If any person fails to pay the amount of tax reported to be due on
2149 his return within the time specified under the provisions of this
2150 chapter, there shall be imposed a penalty equal to ten per cent of such
2151 amount due and unpaid. Such amount shall bear interest at **[**the rate of
2152 one and one-fourth per cent per month or fraction thereof,**]** <u>a rate</u>
2153 <u>adjusted annually to be equal to the federal short-term rate as it is</u>
2154 <u>determined as of July first of each year under Section 6621(b) of the</u>
2155 <u>Internal Revenue Code of 1986, or any subsequent corresponding</u>
2156 <u>internal revenue code of the United States, as from time to time</u>
2157 <u>amended, plus three percentage points</u> from the due date of such tax
2158 until the date of payment.

2159 (b) If any person has not made his return within three months after
2160 the time specified under the provisions of this chapter, the
2161 commissioner may make such return at any time thereafter, according
2162 to the best information obtainable and according to the form
2163 prescribed. To the tax imposed upon the basis of such return, there
2164 shall be added an amount equal to ten per cent of such tax. The tax
2165 shall bear interest at **[**the rate of one per cent per month or fraction
2166 thereof,**]** a rate adjusted annually to be equal to the federal short-term
2167 rate as it is determined as of July first of each year under Section
2168 6621(b) of the Internal Revenue Code of 1986, or any subsequent
2169 corresponding internal revenue code of the United States, as from time
2170 to time amended, plus three percentage points from the due date of
2171 such tax until the date of payment. No taxpayer shall be subject to a
2172 penalty under both **[**subsections (a) and (b) of this section**]** subsection
2173 (a) of this section and this subsection in relation to the same tax period.

2174 (c) Subject to the provisions of section 12-3a, the commissioner may
2175 waive all or part of the penalties provided under this chapter when it
2176 is proven to his satisfaction that the failure to pay any tax was due to
2177 reasonable cause and was not intentional or due to neglect.

2178 Sec. 52. Subsection (a) of section 12-511 of the general statutes is
2179 repealed and the following is substituted in lieu thereof (*Effective*
2180 *October 1, 2006, and applicable to taxes due and payable on or after said*
2181 *date*):

2182 (a) After a final return in due form is filed, the commissioner shall
2183 cause the same to be examined and may make such further audit or
2184 investigation or reaudit as he may deem necessary, and if therefrom he
2185 shall determine that there is a deficiency with respect to the payment
2186 of any tax due under this chapter, he shall assess or reassess the
2187 additional taxes, penalties and interest due to this state, give notice of
2188 such assessment or reassessment to the taxpayer, and make demand
2189 upon him for payment. Within sixty days of the mailing of such notice,
2190 the taxpayer shall pay to the commissioner, in cash or by check, draft
2191 or money order drawn to the order of the Commissioner of Revenue

2192 Services, the amount of the deficiency. Such amount shall bear interest
2193 at **[**the rate of one and one-fourth per cent per month or fraction
2194 thereof**]** a rate adjusted annually to be equal to the federal short-term
2195 rate as it is determined as of July first of each year under Section
2196 6621(b) of the Internal Revenue Code of 1986, or any subsequent
2197 corresponding internal revenue code of the United States, as from time
2198 to time amended, plus three percentage points from the date when the
2199 original tax became due and payable. When it appears that any part of
2200 the deficiency for which a deficiency assessment is made is due to
2201 negligence or intentional disregard of the provisions of this chapter or
2202 regulations promulgated thereunder, there shall be imposed a penalty
2203 equal to ten per cent of the amount of such deficiency assessment.
2204 When it appears that any part of the deficiency for which a deficiency
2205 assessment is made is due to fraud or intent to evade the provisions of
2206 this chapter or regulations promulgated thereunder, there shall be
2207 imposed a penalty equal to twenty-five per cent of the amount of such
2208 deficiency assessment. No taxpayer shall be subject to more than one
2209 penalty under this section in relation to the same tax period. Any
2210 decision rendered by any federal court holding that a taxpayer has
2211 filed a fraudulent return with the Director of Internal Revenue shall
2212 subject the taxpayer to a penalty imposed by the preceding sentence
2213 without the necessity of further proof thereof, except when it can be
2214 shown that the return to the state so differed from the return to the
2215 federal government as to afford a reasonable presumption that the
2216 attempt to defraud did not extend to the state.

2217 Sec. 53. Section 12-511a of the general statutes is repealed and the
2218 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2219 *applicable to taxes due and payable on or after said date*):

2220 Any individual whose taxable income for federal income tax
2221 purposes is adjusted or corrected for any taxable year or portion
2222 thereof by any official of the United States government, or any agency
2223 thereof, in any respect affecting the tax imposed under this chapter
2224 shall, within ninety days after having received written notification of
2225 such adjustment or correction, submit to the commissioner an affidavit

2226 disclosing such changes or adjustments and thereafter shall promptly
2227 furnish to the commissioner any information, schedules, records,
2228 documents or papers related to such change, adjustment or correction
2229 as he may require. Any individual whose return to the Director of
2230 Internal Revenue has been amended in any respect affecting the tax
2231 imposed under this chapter shall, within ninety days after having filed
2232 such amended return, make an amended return to the commissioner.
2233 The time for filing such affidavit or amended return may be extended
2234 by the commissioner upon due cause shown. Notwithstanding the
2235 limitation of time in subsection (b) of section 12-511, if, upon
2236 examination, the commissioner finds that such taxpayer is liable for
2237 the payment of an additional tax, he shall, within a reasonable time
2238 from the receipt of an amended return or affidavit, notify such
2239 taxpayer of the amount of such additional tax, together with interest
2240 thereon computed at **[**the rate of one and one-fourth per cent per
2241 month or fraction thereof**]** a rate adjusted annually to be equal to the
2242 federal short-term rate as it is determined as of July first of each year
2243 under Section 6621(b) of the Internal Revenue Code of 1986, or any
2244 subsequent corresponding internal revenue code of the United States,
2245 as from time to time amended, plus three percentage points from the
2246 date when the original tax became due and payable. Within thirty days
2247 of the mailing of such notice, the taxpayer shall pay to the
2248 commissioner the amount of such additional tax and interest. If, upon
2249 examination of such amended return or affidavit and related
2250 information, the commissioner finds that the taxpayer has overpaid the
2251 tax due the state, the commissioner shall certify the amount of such
2252 overpayment to the Comptroller, and such amount shall be paid to the
2253 taxpayer by the State Treasurer upon order of the Comptroller.

2254 Sec. 54. Section 12-547 of the general statutes is repealed and the
2255 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2256 *applicable to taxes due and payable on or after said date*):

2257 Each person subject to a tax imposed under this chapter shall file a
2258 return on or before the last day of each month setting forth the amount
2259 of tax due for the preceding month and such additional information as

2260 the commissioner may require. Each return shall be signed by the
2261 person required to file the return or his authorized agent but need not
2262 be verified by oath. Any return required to be filed by a corporation
2263 shall be signed by an officer of such corporation or his authorized
2264 agent. Payment of the tax shall accompany such return. If any person
2265 fails to pay the amount of tax reported to be due on his return within
2266 the time specified under the provisions of this section, there shall be
2267 imposed a penalty equal to ten per cent of such amount due and
2268 unpaid or fifty dollars, whichever is greater. The tax shall bear interest
2269 at **[**the rate of one per cent per month or fraction thereof,**]** a rate
2270 adjusted annually to be equal to the federal short-term rate as it is
2271 determined as of July first of each year under Section 6621(b) of the
2272 Internal Revenue Code of 1986, or any subsequent corresponding
2273 internal revenue code of the United States, as from time to time
2274 amended, plus three percentage points from the due date.

2275 Sec. 55. Section 12-548 of the general statutes is repealed and the
2276 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2277 *applicable to taxes due and payable on or after said date*):

2278 (a) The commissioner may examine the records of any person
2279 subject to a tax imposed under the provisions of this chapter as the
2280 commissioner deems necessary. If the commissioner determines that
2281 there is a deficiency with respect to the payment of any such tax due
2282 under the provisions of this chapter, the commissioner shall assess or
2283 reassess the deficiency in tax, give notice of such deficiency assessment
2284 or reassessment to the taxpayer and make demand upon the taxpayer
2285 for payment. Such amount shall bear interest at **[**the rate of one per
2286 cent per month or fraction thereof**]** a rate adjusted annually to be equal
2287 to the federal short-term rate as it is determined as of July first of each
2288 year under Section 6621(b) of the Internal Revenue Code of 1986, or
2289 any subsequent corresponding internal revenue code of the United
2290 States, as from time to time amended, plus three percentage points
2291 from the date when the original tax was due and payable. When it
2292 appears that any part of the deficiency for which a deficiency
2293 assessment is made is due to negligence or intentional disregard of the

2294 provisions of this chapter or regulations promulgated thereunder,
2295 there shall be imposed a penalty equal to ten per cent of the amount of
2296 such deficiency assessment, or fifty dollars, whichever is greater. When
2297 it appears that any part of the deficiency for which a deficiency
2298 assessment is made is due to fraud or intent to evade the provisions of
2299 this chapter or regulations promulgated thereunder, there shall be
2300 imposed a penalty equal to twenty-five per cent of the amount of such
2301 deficiency assessment. No taxpayer shall be subject to more than one
2302 penalty under this subsection in relation to the same tax period.
2303 Subject to the provisions of section 12-3a, the commissioner may waive
2304 all or part of the penalties provided under this chapter when it is
2305 proven to the commissioner's satisfaction that the failure to pay any
2306 tax was due to reasonable cause and was not intentional or due to
2307 neglect. Any decision rendered by any federal court holding that a
2308 taxpayer has filed a fraudulent return with the Director of Internal
2309 Revenue shall subject the taxpayer to the penalty imposed by this
2310 section without the necessity of further proof thereof, except when it
2311 can be shown that the return to the state so differed from the return to
2312 the federal government as to afford a reasonable presumption that the
2313 attempt to defraud did not extend to the return filed with the state.
2314 Within thirty days of the mailing of such notice, the taxpayer shall pay
2315 to the commissioner, in cash, or by check, draft or money order drawn
2316 to the order of the Commissioner of Revenue Services, any additional
2317 amount of tax, penalty and interest shown to be due.

2318 (b) Except in the case of a wilfully false or fraudulent return with
2319 intent to evade the tax, no assessment of additional tax shall be made
2320 after the expiration of more than three years from the date of the filing
2321 of a return or from the original due date of a return, whichever is later.
2322 If no return has been filed as provided under the provisions of this
2323 chapter, the commissioner may make such return at any time
2324 thereafter, according to the best information obtainable and according
2325 to the form prescribed. To the tax imposed upon the basis of such
2326 return, there shall be added an amount equal to ten per cent of such
2327 tax, or fifty dollars, whichever is greater. The tax shall bear interest at

2328 **[**the rate of one per cent per month or fraction thereof**]** a rate adjusted
2329 annually to be equal to the federal short-term rate as it is determined
2330 as of July first of each year under Section 6621(b) of the Internal
2331 Revenue Code of 1986, or any subsequent corresponding internal
2332 revenue code of the United States, as from time to time amended, plus
2333 three percentage points from the due date of such tax to the date of
2334 payment. No person shall be subject to a penalty under both this
2335 subsection and section 12-547, as amended by this act. Where, before
2336 the expiration of the period prescribed herein for the assessment of an
2337 additional tax, a taxpayer has consented in writing that such period
2338 may be extended, the amount of such additional tax due may be
2339 determined at any time within such extended period. The period so
2340 extended may be further extended by subsequent consents in writing
2341 before the expiration of the extended period.

2342 Sec. 56. Section 12-590 of the general statutes is repealed and the
2343 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2344 *applicable to taxes due and payable on or after said date*):

2345 (a) If any company fails to pay the tax reported to be due on its
2346 return within the time specified under the provisions of this chapter,
2347 there shall be imposed a penalty equal to ten per cent of such tax due
2348 and unpaid or fifty dollars, whichever is greater. Such tax shall bear
2349 interest at **[**the rate of one per cent per month or a fraction thereof,**]** a
2350 rate adjusted annually to be equal to the federal short-term rate as it is
2351 determined as of July first of each year under Section 6621(b) of the
2352 Internal Revenue Code of 1986, or any subsequent corresponding
2353 internal revenue code of the United States, as from time to time
2354 amended, plus three percentage points from the due date of such tax
2355 until the date of payment.

2356 (b) If any company has not made its return within one month after
2357 the time specified under the provisions of this chapter, the
2358 commissioner may make such return at any time thereafter according
2359 to the best information obtainable and according to the form
2360 prescribed. To the tax imposed upon the basis of such return, there

2361 shall be added an amount equal to ten per cent of such tax, or fifty
2362 dollars, whichever is greater. No taxpayer shall be subject to a penalty
2363 under both **[**subsections (a) and (b) of this section**]** subsection (a) of this
2364 section and this subsection in relation to the same tax period. The tax
2365 shall bear interest at **[**the rate of one per cent per month or fraction
2366 thereof,**]** a rate adjusted annually to be equal to the federal short-term
2367 rate as it is determined as of July first of each year under Section
2368 6621(b) of the Internal Revenue Code of 1986, or any subsequent
2369 corresponding internal revenue code of the United States, as from time
2370 to time amended, plus three percentage points from the due date of
2371 such tax until the date of payment.

2372 (c) Subject to the provisions of section 12-3a, the commissioner may
2373 waive all or part of the penalties provided under this chapter when it
2374 is proven to his satisfaction that the failure to pay any tax was due to
2375 reasonable cause and was not intentional or due to neglect.

2376 Sec. 57. Subsection (a) of section 12-594 of the general statutes is
2377 repealed and the following is substituted in lieu thereof (*Effective*
2378 *October 1, 2006, and applicable to taxes due and payable on or after said*
2379 *date*):

2380 (a) To any taxes which are assessed under section 12-593, there shall
2381 be added interest at **[**the rate of one per cent per month or fraction
2382 thereof**]** a rate adjusted annually to be equal to the federal short-term
2383 rate as it is determined as of July first of each year under Section
2384 6621(b) of the Internal Revenue Code of 1986, or any subsequent
2385 corresponding internal revenue code of the United States, as from time
2386 to time amended, plus three percentage points which elapses from the
2387 date when the original tax became due and payable. The amount of
2388 such tax and any penalty or interest in respect to such tax, due and
2389 unpaid, may be collected under the provisions of section 12-35. The
2390 warrant therein provided for shall be signed by the Commissioner of
2391 Revenue Services or his authorized agent. The amount of any such tax,
2392 penalty and interest shall be a lien, from the last day of the month next
2393 preceding the due date of such tax until discharged by payment,

2394 against all real estate of the company within the state and a certificate
2395 of such lien signed by said commissioner may be filed for record in the
2396 office of the clerk of any town in which such real estate is situated and
2397 such lien shall take precedence over any other encumbrance, provided
2398 no such lien shall be effective as against any bona fide purchaser or
2399 qualified encumbrancer of any interest in any such property. When
2400 any tax with respect to which a lien has been recorded under the
2401 provisions of this section has been satisfied, said commissioner, upon
2402 request of any interested party, shall issue a certificate discharging
2403 such lien, which certificate shall be recorded in the same office in
2404 which the lien was recorded. Any action for the foreclosure of such
2405 lien shall be brought by the Attorney General in the name of the state
2406 in the superior court for the judicial district in which such property
2407 subject to such lien is situated, or, if such property is located in two or
2408 more judicial districts, in the superior court for any one such judicial
2409 district and the court may limit the time for redemption or order the
2410 sale of such property or pass such other or further decree as it judges
2411 equitable.

2412 Sec. 58. Subsection (a) of section 12-638c of the general statutes is
2413 repealed and the following is substituted in lieu thereof (*Effective*
2414 *October 1, 2006, and applicable to taxes due and payable on or after said*
2415 *date*):

2416 (a) On or before the last day of the month following the month in
2417 which the sale or transfer of a controlling interest in an entity which is
2418 subject to the tax imposed by section 12-638b, a return shall be filed
2419 with the commissioner by the person conveying the controlling
2420 interest, in such form as the commissioner may prescribe. Payment of
2421 the tax shall accompany such return. Returns shall be signed by the
2422 person required to file the return for such entity or by the authorized
2423 agent of such person but need not be verified by oath. If any entity fails
2424 to pay the amount of tax reported to be due on its return within the
2425 time specified under the provisions of this section, there shall be
2426 imposed a penalty equal to ten per cent of such amount due and
2427 unpaid or fifty dollars, whichever is greater. Such amount shall bear

2428 interest at **[**the rate of one per cent per month or fraction thereof,**]** a
2429 rate adjusted annually to be equal to the federal short-term rate as it is
2430 determined as of July first of each year under Section 6621(b) of the
2431 Internal Revenue Code of 1986, or any subsequent corresponding
2432 internal revenue code of the United States, as from time to time
2433 amended, plus three percentage points from the due date. Subject to
2434 the provisions of section 12-3a, the commissioner may waive all or part
2435 of the penalties provided under this chapter when it is proven to the
2436 commissioner's satisfaction that the failure to pay any tax was due to
2437 reasonable cause and was not intentional or due to neglect.

2438 Sec. 59. Section 12-638d of the general statutes is repealed and the
2439 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2440 *applicable to taxes due and payable on or after said date*):

2441 (a) The commissioner may examine the records of any entity subject
2442 to a tax imposed under this chapter, as he may deem necessary. If he
2443 shall determine therefrom that there is a deficiency with respect to the
2444 payment of any such tax due under the provisions of this chapter, he
2445 shall assess or reassess the deficiency in tax, give notice of such
2446 deficiency assessment or reassessment to the taxpayer and make
2447 demand upon him for payment. Such amount shall bear interest at **[**the
2448 rate of one per cent per month or fraction thereof**]** a rate adjusted
2449 annually to be equal to the federal short-term rate as it is determined
2450 as of July first of each year under Section 6621(b) of the Internal
2451 Revenue Code of 1986, or any subsequent corresponding internal
2452 revenue code of the United States, as from time to time amended, plus
2453 three percentage points from the date when the original tax was due
2454 and payable. When it appears that any part of the deficiency for which
2455 a deficiency assessment is made is due to negligence or intentional
2456 disregard of the provisions of this chapter or regulations promulgated
2457 thereunder, there shall be imposed a penalty equal to ten per cent of
2458 the amount of such deficiency assessment, or fifty dollars, whichever is
2459 greater. When it appears that any part of the deficiency for which a
2460 deficiency assessment is made is due to fraud or intent to evade the
2461 provisions of this chapter or regulations promulgated thereunder,

2462 there shall be imposed a penalty equal to twenty-five per cent of the
2463 amount of such deficiency assessment. No taxpayer shall be subject to
2464 more than one penalty under this subsection in relation to the same tax
2465 period. Any decision rendered by any federal court holding that a
2466 taxpayer has filed a fraudulent return with the Director of Internal
2467 Revenue shall subject the taxpayer to the penalty imposed by this
2468 section without the necessity of further proof thereof, except when it
2469 can be shown that the return to the state so differed from the return to
2470 the federal government as to afford a reasonable presumption that the
2471 attempt to defraud did not extend to the return filed with the state.
2472 Within thirty days of the mailing of such notice, the taxpayer shall pay
2473 to the commissioner, in cash, or by check, draft or money order drawn
2474 to the order of the Commissioner of Revenue Services, any additional
2475 amount of tax, penalty and interest shown to be due.

2476 (b) Except in the case of a wilfully false or fraudulent return with
2477 intent to evade the tax, no assessment of additional tax shall be made
2478 after the expiration of more than three years from the date of the filing
2479 of a return or from the original due date of a return, whichever is later.
2480 If no return has been filed as provided under the provisions of this
2481 chapter, the commissioner may make such return at any time
2482 thereafter, according to the best information obtainable and according
2483 to the form prescribed. To the tax imposed upon the basis of such
2484 return, there shall be added an amount equal to ten per cent of such
2485 tax, or fifty dollars, whichever is greater. The tax shall bear interest at
2486 **[**the rate of one per cent per month or fraction thereof**]** a rate adjusted
2487 annually to be equal to the federal short-term rate as it is determined
2488 as of July first of each year under Section 6621(b) of the Internal
2489 Revenue Code of 1986, or any subsequent corresponding internal
2490 revenue code of the United States, as from time to time amended, plus
2491 three percentage points from the due date of such tax to the date of
2492 payment. No person shall be subject to a penalty under both this
2493 subsection and section 12-638c, as amended by this act. If, before the
2494 expiration of the period prescribed herein for the assessment of an
2495 additional tax, a taxpayer has consented in writing that such period

2496 may be extended, the amount of such additional tax due may be
2497 determined at any time within such extended period. The period so
2498 extended may be further extended by subsequent consents in writing
2499 before the expiration of the extended period.

2500 Sec. 60. Subsection (b) of section 12-646a of the general statutes is
2501 repealed and the following is substituted in lieu thereof (*Effective*
2502 *October 1, 2006, and applicable to taxes due and payable on or after said*
2503 *date*):

2504 (b) If, within ten years immediately following a transfer to a donee
2505 where, as provided in subsection (a) of this section, the value is
2506 determined in accordance with the provisions of section 12-63, such
2507 farm land is transferred by the donee to a party other than the donee's
2508 lineal descendant or the spouse thereof or is no longer classified as
2509 farm land in accordance with section 12-107c, <u>as amended,</u> such donee
2510 or, if such land was transferred to such donee's lineal descendant or
2511 the spouse thereof, such descendant or the spouse thereof shall be
2512 liable for the difference between the tax that was due from the donor
2513 under the provisions of subsection (a) of this section and the tax that
2514 would have been due if such land had been valued based upon its fair
2515 market value, rather than at its value as land classified as farm land
2516 pursuant to section 12-107c, <u>as amended,</u> at the time of such transfer
2517 by such donor. The gift tax return of the donor shall include, in such
2518 manner as required by the Commissioner of Revenue Services for
2519 purposes of this section, a declaration, prescribed as to form by the
2520 Commissioner of Revenue Services and bearing notice to the effect that
2521 false statements made in such declaration are punishable, as to the fair
2522 market value of such farm land, based on its highest and best use
2523 value, as of the time of such transfer by such donor. The tax imposed
2524 under this subsection shall be paid to the commissioner within sixty
2525 days following the date of such transfer or change in classification, and
2526 if not so paid shall bear interest at **[**the rate of one per cent per month
2527 or fraction thereof**]** <u>a rate adjusted annually to be equal to the federal</u>
2528 <u>short-term rate as it is determined as of July first of each year under</u>
2529 <u>Section 6621(b) of the Internal Revenue Code of 1986, or any</u>

2530 subsequent corresponding internal revenue code of the United States,
2531 as from time to time amended, plus three percentage points,
2532 commencing at the expiration of such sixty days, until paid. The
2533 commissioner may, for cause shown, on written application of such
2534 donee or, if such land was transferred to the donee's lineal descendant
2535 or the spouse thereof, such descendant or the spouse thereof, filed with
2536 said commissioner at or before the expiration of such sixty days,
2537 extend the time for payment of said tax or any part thereof.

2538 Sec. 61. Section 12-647 of the general statutes is repealed and the
2539 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2540 *applicable to taxes due and payable on or after said date*):

2541 (a) The tax imposed under this chapter shall be due and payable by
2542 the donor no later than April fifteenth following the close of the
2543 calendar year during which the gift was made and shall be payable to
2544 the Commissioner of Revenue Services. The return required under
2545 section 12-644 shall accompany such payment. Where a gift is made
2546 during the calendar year in which the donor dies, the last date for
2547 paying the tax required under this chapter shall be the last date,
2548 including extensions, for filing the gift tax return for federal gift tax
2549 purposes with respect to such donor. If any person fails to pay the
2550 amount of tax reported to be due on such return within the time
2551 specified under the provisions of this section, there shall be imposed a
2552 penalty equal to ten per cent of such amount due and unpaid or fifty
2553 dollars, whichever is greater. Such amount shall bear interest at **[**the
2554 rate of one per cent per month or fraction thereof,**]** a rate adjusted
2555 annually to be equal to the federal short-term rate as it is determined
2556 as of July first of each year under Section 6621(b) of the Internal
2557 Revenue Code of 1986, or any subsequent corresponding internal
2558 revenue code of the United States, as from time to time amended, plus
2559 three percentage points from the due date of such return.

2560 (b) The commissioner for good cause may extend the time for
2561 making any return and paying any amount required to be paid under
2562 this chapter if a written request therefor is filed with the commissioner

2563 together with a tentative return which must be accompanied by a
2564 payment of the tax, which shall be estimated in such tentative return,
2565 on or before the last day for filing the return. Any person to whom an
2566 extension is granted shall pay, in addition to the tax, interest at **[**the
2567 rate of one per cent per month or fraction thereof**]** a rate adjusted
2568 annually to be equal to the federal short-term rate as it is determined
2569 as of July first of each year under Section 6621(b) of the Internal
2570 Revenue Code of 1986, or any subsequent corresponding internal
2571 revenue code of the United States, as from time to time amended, plus
2572 three percentage points from the date on which the tax would have
2573 been due without the extension until the date of payment.

2574 (c) If the amount of a taxpayer's taxable gifts, for federal gift tax
2575 purposes, reported on such taxpayer's federal gift tax return for any
2576 calendar year, is changed or corrected by the United States Internal
2577 Revenue Service or other competent authority, the taxpayer shall
2578 report such change or correction in federal taxable gifts within ninety
2579 days after the final determination of such change or correction, and
2580 shall concede the accuracy of such determination or state wherein it is
2581 erroneous. Any taxpayer filing an amended federal gift tax return shall
2582 also file within ninety days thereafter an amended return under this
2583 chapter and shall give such information as the commissioner may
2584 require. The time for filing such report or amended return may be
2585 extended by the commissioner upon due cause shown.
2586 Notwithstanding any limitation of time in this chapter, if, upon
2587 examination, the commissioner finds that such taxpayer is liable for
2588 the payment of an additional tax, he shall, within a reasonable time
2589 from the receipt of such report or amended return, notify such
2590 taxpayer of the amount of such additional tax, together with interest
2591 thereon computed at **[**the rate of one per cent per month or fraction
2592 thereof**]** a rate adjusted annually to be equal to the federal short-term
2593 rate as it is determined as of July first of each year under Section
2594 6621(b) of the Internal Revenue Code of 1986, or any subsequent
2595 corresponding internal revenue code of the United States, as from time
2596 to time amended, plus three percentage points from the date when the

2597 original tax became due and payable. Within thirty days of the mailing
2598 of such notice, the taxpayer shall pay the commissioner the amount of
2599 such additional tax and interest. If, upon examination of such report or
2600 amended return and related information, the commissioner finds that
2601 the taxpayer has overpaid the tax due the state, the commissioner shall
2602 certify the amount of such overpayment to the Comptroller, and such
2603 amount shall be paid to the taxpayer by the State Treasurer upon order
2604 of the Comptroller.

2605 Sec. 62. Subsection (b) of section 12-655 of the general statutes is
2606 repealed and the following is substituted in lieu thereof (*Effective*
2607 *October 1, 2006, and applicable to taxes due and payable on or after said*
2608 *date*):

2609 (b) If, after an examination of the invoices, books and records of a
2610 dealer, or if, from any other information obtained by him or his
2611 authorized agents, the commissioner determines that the dealer has
2612 not purchased sufficient stamps to cover his receipts and sales or other
2613 disposition of any marijuana or controlled substances, he shall
2614 thereupon assess the deficiency in tax. There shall be imposed a
2615 penalty of ten per cent of the deficiency or fifty dollars, whichever
2616 amount is greater, and interest shall accrue on the tax at **[**the rate of
2617 one per cent per month**]** a rate adjusted annually to be equal to the
2618 federal short-term rate as it is determined as of July first of each year
2619 under Section 6621(b) of the Internal Revenue Code of 1986, or any
2620 subsequent corresponding internal revenue code of the United States,
2621 as from time to time amended, plus three percentage points from the
2622 due date of such tax to the date of payment. In any case where a dealer
2623 cannot produce evidence of sufficient stamp purchases to cover the
2624 receipt of any marijuana or controlled substances, it shall be presumed
2625 that such marijuana or controlled substances were sold without having
2626 the proper stamps affixed. If the commissioner determines that the
2627 deficiency or any part thereof is due to a fraudulent intent to evade the
2628 tax, there shall be imposed a penalty of twenty-five per cent of the
2629 deficiency and interest shall accrue on the tax at **[**the rate of one per
2630 cent per month or fraction thereof**]** a rate adjusted annually to be equal

2631 to the federal short-term rate as it is determined as of July first of each
2632 year under Section 6621(b) of the Internal Revenue Code of 1986, or
2633 any subsequent corresponding internal revenue code of the United
2634 States, as from time to time amended, plus three percentage points
2635 from the due date of such tax to the date of payment. Subject to the
2636 provisions of section 12-3a, the commissioner may waive all or part of
2637 the penalties provided under this chapter when it is proven to his
2638 satisfaction that the failure to pay any tax on time was due to
2639 reasonable cause and was not intentional or due to neglect. The
2640 amount of any tax, penalty or interest due and unpaid under the
2641 provisions of this chapter may be collected under the provisions of
2642 section 12-35. The warrant therein provided for shall be signed by the
2643 commissioner or his authorized agent. The amount of any such tax,
2644 penalty and interest shall be a lien, from the last day of the month next
2645 preceding the due date of such tax until discharged by payment,
2646 against all real estate of the taxpayer within the state, and a certificate
2647 of such lien signed by the commissioner may be filed for record in the
2648 office of the clerk of any town in which such real estate is situated,
2649 provided no such lien shall be effective as against any bona fide
2650 purchaser or qualified encumbrancer of any interest in any such
2651 property. When any tax with respect to which a lien has been recorded
2652 under the provisions of this section has been satisfied, the
2653 commissioner, upon request of any interested party, shall issue a
2654 certificate discharging such lien, which certificate shall be recorded in
2655 the same office in which the lien is recorded. Any action for the
2656 foreclosure of such lien shall be brought by the Attorney General in the
2657 name of the state in the superior court for the judicial district in which
2658 the property subject to such lien is situated, or, if such property is
2659 located in two or more judicial districts, in the superior court for any
2660 one such judicial district, and the court may limit the time for
2661 redemption or order the sale of such property or make such other or
2662 further decree as it judges equitable.

2663 Sec. 63. Section 12-667 of the general statutes is repealed and the
2664 following is substituted in lieu thereof (*Effective October 1, 2006, and*

2665 *applicable to taxes due and payable on or after said date*):

2666 (a) The surcharge imposed by this chapter is due and payable to the
2667 commissioner monthly on or before the last day of the month next
2668 succeeding each monthly period except that every person whose total
2669 surcharge liability for the twelve-month period ended on the
2670 preceding September thirtieth was less than four thousand dollars
2671 shall file returns and pay the surcharge on a quarterly basis.
2672 "Quarterly" means a period of three calendar months commencing on
2673 the first day of January, April, July or October of each year or, if any
2674 seller commences business on a date other than the first day of
2675 January, April, July or October, a period beginning on the date of
2676 commencement of business and ending on March thirty-first, June
2677 thirtieth, September thirtieth or December thirty-first, respectively.

2678 (b) On or before the last day of the month following each monthly
2679 or quarterly period, as the case may be, a return for the preceding
2680 period shall be filed with the commissioner in such form as the
2681 commissioner may prescribe. Returns shall be signed by the person
2682 required to file the return or by his authorized agent but need not be
2683 verified by oath, provided a return required to be filed by a
2684 corporation shall be signed by an officer of such corporation.

2685 (c) The return shall show the number and rental period of all
2686 vehicles leased by the lessor during the preceding reporting period.
2687 The return shall also show the amount of the surcharges for the period
2688 covered by the return in such manner as the commissioner may
2689 require and such other information as the commissioner deems
2690 necessary for the proper administration of this chapter.

2691 (d) Any person who fails to pay the surcharge imposed by this
2692 chapter to the state or any amount of surcharge required to be
2693 collected and paid to the state within the time required shall pay a
2694 penalty of fifteen per cent of the surcharge or fifty dollars, whichever
2695 amount is greater, in addition to the surcharge or amount of the
2696 surcharge, plus interest at **[**the rate of one per cent per month or

2697 fraction thereof**]** a rate adjusted annually to be equal to the federal
2698 short-term rate as it is determined as of July first of each year under
2699 Section 6621(b) of the Internal Revenue Code of 1986, or any
2700 subsequent corresponding internal revenue code of the United States,
2701 as from time to time amended, plus three percentage points from the
2702 due date of such surcharge or amount of surcharge required to be
2703 collected to the date of payment. Subject to the provisions of section
2704 12-3a, the commissioner may waive all or any part of the penalties
2705 provided under this chapter when it is proven to the satisfaction of the
2706 commissioner that failure to pay any surcharge was due to reasonable
2707 cause and was not intentional or due to neglect.

2708 (e) The commissioner, if he deems it necessary in order to insure
2709 payment to or facilitate the collection by the state of the amount of
2710 surcharges, may permit or require returns and payment of the amount
2711 of surcharges for other than monthly or quarterly periods.

2712 (f) The commissioner for good cause may extend the time for
2713 making any return and paying any amount required to be paid under
2714 this chapter if a written request therefor is filed with the commissioner
2715 together with a tentative return which must be accompanied by a
2716 payment of the surcharge, which shall be estimated in such tentative
2717 return, on or before the last day for filing the return. Any person to
2718 whom an extension is granted shall pay, in addition to the surcharge,
2719 interest at **[**the rate of one per cent per month or fraction thereof**]** a rate
2720 adjusted annually to be equal to the federal short-term rate as it is
2721 determined as of July first of each year under Section 6621(b) of the
2722 Internal Revenue Code of 1986, or any subsequent corresponding
2723 internal revenue code of the United States, as from time to time
2724 amended, plus three percentage points from the date on which the
2725 surcharge would have been due without the extension until the date of
2726 payment.

2727 (g) The proceeds from the surcharge imposed by this chapter shall
2728 be deposited in the General Fund.

2729 Sec. 64. Section 12-692 of the 2006 supplement to the general statutes
2730 is repealed and the following is substituted in lieu thereof (*Effective*
2731 *October 1, 2006, and applicable to taxes due and payable on or after said*
2732 *date*):

2733 (a) For purposes of this section:

2734 (1) "Passenger motor vehicle" means a passenger vehicle, which is
2735 rented without a driver and which is part of a motor vehicle fleet of
2736 five or more passenger motor vehicles that are used for rental purposes
2737 by a rental company.

2738 (2) "Rental truck" means a (A) vehicle rented without a driver that
2739 has a gross vehicle weight rating of twenty-six thousand pounds or
2740 less and is used in the transportation of personal property but not for
2741 business purposes, or (B) trailer that has a gross vehicle weight rating
2742 of not more than six thousand pounds.

2743 (3) "Rental company" means any business entity that is engaged in
2744 the business of renting passenger motor vehicles, rental trucks without
2745 a driver or machinery in this state to lessees and that uses for rental
2746 purposes a motor vehicle fleet of five or more passenger motor
2747 vehicles, rental trucks or pieces of machinery in this state, but does not
2748 mean any person, firm or corporation that is licensed, or required to be
2749 licensed, pursuant to section 14-52, (A) as a new car dealer, repairer or
2750 limited repairer, or (B) as a used car dealer that is not primarily
2751 engaged in the business of renting passenger motor vehicles or rental
2752 trucks without a driver in this state to lessees.

2753 (4) "Lessee" means any person who leases a passenger motor
2754 vehicle, rental truck or machinery from a rental company for such
2755 person's own use and not for rental to others.

2756 (5) "Machinery" means heavy equipment without an operator that
2757 may be used for construction, mining or forestry, including, but not
2758 limited to, bulldozers, earthmoving equipment, well-drilling
2759 machinery and equipment or cranes.

2760 (b) There is hereby imposed a three per cent surcharge on each
2761 passenger motor vehicle or rental truck rented within the state by a
2762 rental company to a lessee for a period of less than thirty-one days. The
2763 rental surcharge shall be imposed on the total amount the rental
2764 company charges the lessee for the rental of a motor vehicle. Such
2765 surcharge shall be in addition to any tax otherwise applicable to any
2766 such transaction and shall be includable in the measure of the sales
2767 and use taxes imposed under chapter 219.

2768 (c) There is hereby imposed a one and one-half per cent surcharge
2769 on machinery rented within the state by a rental company to a lessee
2770 for a period of less than thirty-one days. The rental surcharge shall be
2771 imposed on the total amount the rental company charges the lessee for
2772 the rental of the machinery. Such surcharge shall be in addition to any
2773 tax otherwise applicable to any such transaction, and shall be
2774 includable in the measure of the sales and use taxes imposed under
2775 chapter 219.

2776 (d) Reimbursement for the surcharge imposed by subsections (b)
2777 and (c) of this section shall be collected by the rental company from the
2778 lessee and such surcharge reimbursement, termed "surcharge" in this
2779 subsection, shall be paid by the lessee to the rental company and each
2780 rental company shall collect from the lessee the full amount of the
2781 surcharge imposed by said subsections (b) and (c). Such surcharge
2782 shall be a debt from the lessee to the rental company, when so added
2783 to the original lease or rental price, and shall be recoverable at law in
2784 the same manner as other debts. The rental contract shall separately
2785 indicate the rental surcharge imposed on each passenger motor
2786 vehicle, truck rental or piece of machinery. The rental surcharge shall,
2787 subject to the provisions of subsection (e) of this section, be retained by
2788 the rental company.

2789 (e) (1) On or before February 15, 1997, and the fifteenth of February
2790 annually thereafter, each rental company shall file a report with the
2791 Commissioner of Revenue Services detailing the aggregate amount of
2792 personal property tax that is actually paid by such company to a

2793 Connecticut municipality or municipalities during the preceding
2794 calendar year on passenger motor vehicles, rental trucks or pieces of
2795 machinery that are used for rental purposes by such company, the
2796 aggregate amount of registration and titling fees that are actually paid
2797 by such company to the Department of Motor Vehicles of this state
2798 during the preceding calendar year on passenger motor vehicles, rental
2799 trucks or pieces of machinery that are used for rental purposes by such
2800 company and the aggregate amount of the rental surcharge that is
2801 actually received, pursuant to this section, by such company during
2802 the preceding calendar year on passenger motor vehicles, rental trucks
2803 or pieces of machinery that are used for rental purposes by such
2804 company. The report shall also show such other information as the
2805 commissioner deems necessary for the proper administration of this
2806 section.

2807 (2) On or before February 15, 1997, and the fifteenth of February
2808 annually thereafter, each rental company shall remit to the
2809 Commissioner of Revenue Services for deposit in the General Fund,
2810 the amount by which the aggregate amount of the rental surcharge
2811 actually received by such company on such vehicles or machinery
2812 during the preceding calendar year exceeds the sum of the aggregate
2813 amount of property taxes actually paid by such company on such
2814 vehicles or machinery to a Connecticut municipality or municipalities
2815 during the preceding calendar year and the aggregate amount of
2816 registration and titling fees actually paid by such company on such
2817 vehicles or machinery to the Department of Motor Vehicles of this state
2818 during the preceding calendar year.

2819 (3) For purposes of this subsection, in the case of any rental
2820 company that leases a passenger motor vehicle, rental truck or piece of
2821 machinery from another person and that uses such vehicle or
2822 machinery for rental purposes and such lease requires such rental
2823 company to pay the registration and titling fees and the property taxes
2824 to such other person, the rental company shall include (A) in the
2825 aggregate amount of registration and titling fees actually paid by such
2826 rental company to the Department of Motor Vehicles of this state, any

2827 such registration and titling fees actually paid by such rental company
2828 to such other person on such passenger motor vehicle, rental truck or
2829 piece of machinery, and (B) in the aggregate amount of property taxes
2830 actually paid by such rental company to a Connecticut municipality or
2831 municipalities, any such property taxes actually paid by such rental
2832 company to such other person on such passenger motor vehicle or
2833 vehicles, rental truck or trucks or one or more pieces of machinery.

2834 (f) Any person who fails to pay any amount required to be paid to
2835 the Commissioner of Revenue Services under this section within the
2836 time required shall pay a penalty of fifteen per cent of such amount or
2837 fifty dollars, whichever amount is greater, in addition to such amount,
2838 plus interest at **[**the rate of one per cent per month or fraction thereof**]** a
2839 rate adjusted annually to be equal to the federal short-term rate as it is
2840 determined as of July first of each year under Section 6621(b) of the
2841 Internal Revenue Code of 1986, or any subsequent corresponding
2842 internal revenue code of the United States, as from time to time
2843 amended, plus three percentage points from the due date of such
2844 amount until the date of payment. Subject to the provisions of section
2845 12-3a, the commissioner may waive all or any part of the penalties
2846 provided under this section when it is proven to the satisfaction of the
2847 commissioner that the failure to pay any amount required to be paid to
2848 the commissioner was due to reasonable cause and was not intentional
2849 or due to neglect.

2850 (g) The Commissioner of Revenue Services for good cause may
2851 extend the time for making any report and paying any amount
2852 required to be paid to the commissioner under this section if a written
2853 request therefor is filed with the commissioner together with a
2854 tentative report which shall be accompanied by a payment of any
2855 amount tentatively believed to be due to the commissioner, on or
2856 before the last day for filing the report. Any person to whom an
2857 extension is granted shall pay, in addition to the amount required to be
2858 paid, interest at **[**the rate of one per cent per month or fraction thereof**]**
2859 a rate adjusted annually to be equal to the federal short-term rate as it
2860 is determined as of July first of each year under Section 6621(b) of the

2861 Internal Revenue Code of 1986, or any subsequent corresponding
2862 internal revenue code of the United States, as from time to time
2863 amended, plus three percentage points from the date on which such
2864 amount would have been due without the extension until the date of
2865 payment.

2866 (h) The provisions of sections 12-548 to 12-554, inclusive, as
2867 amended by this act, and section 12-555a shall apply to the provisions
2868 of this section in the same manner and with the same force and effect
2869 as if the language of said sections 12-548 to 12-554, inclusive, and
2870 section 12-555a had been incorporated in full into this section, except to
2871 the extent that any provision is inconsistent with a provision in this
2872 section, and except that the term "tax" shall be read as "surcharge".

2873 Sec. 65. Subsection (a) of section 12-722 of the general statutes is
2874 repealed and the following is substituted in lieu thereof (*Effective*
2875 *October 1, 2006, and applicable to taxes due and payable on or after said*
2876 *date*):

2877 (a) Except as otherwise provided in this section, in the case of any
2878 underpayment of estimated tax by an individual, there shall be added
2879 to the tax an amount determined by applying interest (1) at **[**the rate of
2880 one per cent per month or fraction thereof**]** a rate adjusted annually to
2881 be equal to the federal short-term rate as it is determined as of July first
2882 of each year under Section 6621(b) of the Internal Revenue Code of
2883 1986, or any subsequent corresponding internal revenue code of the
2884 United States, as from time to time amended, plus three percentage
2885 points, (2) to the amount of the underpayment, (3) for the period of the
2886 underpayment.

2887 Sec. 66. Section 12-723 of the general statutes is repealed and the
2888 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2889 *applicable to taxes due and payable on or after said date*):

2890 The commissioner may for reasonable cause extend the time for the
2891 filing of any return, statement or other document due or required
2892 under this chapter and the payment of tax due pursuant to this chapter

2893 in accordance with regulations adopted in accordance with chapter 54.
2894 Said commissioner may require the filing of a tentative return and the
2895 payment of the tax reported to be due thereon in connection with such
2896 extension. Any additional tax which may be found to be due on the
2897 filing of a return, statement or other document as allowed by such
2898 extension shall bear interest at **[**the rate of one per cent per month or
2899 fraction thereof**]** a rate adjusted annually to be equal to the federal
2900 short-term rate as it is determined as of July first of each year under
2901 Section 6621(b) of the Internal Revenue Code of 1986, or any
2902 subsequent corresponding internal revenue code of the United States,
2903 as from time to time amended, plus three percentage points from the
2904 original due date of such tax to the date of actual payment.
2905 Notwithstanding the provisions of section 12-735, as amended by this
2906 act, no penalty shall be imposed on account of any failure to pay the
2907 amount of tax reported to be due on a return, statement or other
2908 document within the time specified under the provisions of this
2909 chapter if the excess of the amount of tax shown on the return,
2910 statement or other document over the amount of tax paid on or before
2911 the original due date of such return, statement or other document is no
2912 greater than ten per cent of the amount of tax shown on such return,
2913 statement or other document, and any balance due shown on such
2914 return, statement or other document is remitted with such return,
2915 statement or other document on or before the extended due date of
2916 such return, statement or other document.

2917 Sec. 67. Section 12-731 of the general statutes is repealed and the
2918 following is substituted in lieu thereof (*Effective October 1, 2006, and*
2919 *applicable to taxes due and payable on or after said date*):

2920 In the event that the amount of tax is understated on the taxpayer's
2921 return due to a mathematical error, the Commissioner of Revenue
2922 Services shall notify the taxpayer that an amount of tax in excess of
2923 that shown on the return, plus interest at **[**the rate of one per cent per
2924 month or fraction thereof**]** a rate adjusted annually to be equal to the
2925 federal short-term rate as it is determined as of July first of each year
2926 under Section 6621(b) of the Internal Revenue Code of 1986, or any

2927 subsequent corresponding internal revenue code of the United States,
2928 as from time to time amended, plus three percentage points from the
2929 due date of such tax, is due and has been assessed. Such a notice of
2930 additional tax due shall not be considered a notice of a deficiency
2931 assessment nor shall the taxpayer have any right of protest or appeal
2932 as in the case of a deficiency assessment based on such notice, and the
2933 assessment and collection of the amount of tax erroneously omitted in
2934 the return shall not be prohibited by any provision of this chapter.

2935 Sec. 68. Subsections (a) and (b) of section 12-735 of the general
2936 statutes are repealed and the following is substituted in lieu thereof
2937 (*Effective October 1, 2006, and applicable to taxes due and payable on or after*
2938 *said date*):

2939 (a) If any person fails to pay the amount of tax reported to be due on
2940 his return within the time specified under the provisions of this
2941 chapter there shall be imposed a penalty equal to ten per cent of such
2942 amount due and unpaid. Such amount shall bear interest at **[**the rate of
2943 one per cent per month or fraction thereof,**]** a rate adjusted annually to
2944 be equal to the federal short-term rate as it is determined as of July first
2945 of each year under Section 6621(b) of the Internal Revenue Code of
2946 1986, or any subsequent corresponding internal revenue code of the
2947 United States, as from time to time amended, plus three percentage
2948 points from the due date of such tax until the date of payment.

2949 (b) If any person has not made a return within three months after
2950 the time specified under the provisions of this chapter, the
2951 commissioner may make such return at any time thereafter, according
2952 to the best information obtainable and according to the form
2953 prescribed. The making of a return by the commissioner pursuant to
2954 the authority conferred under this section shall not constitute the filing
2955 of a return by such person for purposes of subsection (c) of section 12-
2956 733, as amended, or subsection (a) of section 12-737. To the tax
2957 imposed upon the basis of such return, there shall be added an amount
2958 equal to ten per cent of such tax or fifty dollars, whichever is greater.
2959 The tax shall bear interest at **[**the rate of one per cent per month or

2960 fraction thereof,] a rate adjusted annually to be equal to the federal
2961 short-term rate as it is determined as of July first of each year under
2962 Section 6621(b) of the Internal Revenue Code of 1986, or any
2963 subsequent corresponding internal revenue code of the United States,
2964 as from time to time amended, plus three percentage points from the
2965 due date of such tax until the date of payment. No taxpayer shall be
2966 subject to a penalty under both subsections (a) and (b) of this section in
2967 relation to the same tax period.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2006*	2-79a(c)
Sec. 2	*October 1, 2006*	12-2(a)
Sec. 3	*July 1, 2006*	New section
Sec. 4	*October 1, 2006*	12-7
Sec. 5	*July 1, 2006*	12-9
Sec. 6	*October 1, 2006, and applicable to taxes due on or after said date*	12-35(a)
Sec. 7	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-235
Sec. 8	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-415(b)
Sec. 9	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-728(a)
Sec. 10	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-30a(a)
Sec. 11	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-204(b)

Sec. 12	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-204c(a)
Sec. 13	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-205
Sec. 14	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-206(a) and (b)
Sec. 15	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-217p(h)
Sec. 16	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-217w(f)
Sec. 17	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-222(c)
Sec. 18	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-225(a)
Sec. 19	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-226
Sec. 20	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-229
Sec. 21	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-242d(c)

Sec. 22	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-263c
Sec. 23	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-263d(a)
Sec. 24	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-263m(a)
Sec. 25	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-268d
Sec. 26	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-268h(a)
Sec. 27	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-284b(e)
Sec. 28	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-293a(c)
Sec. 29	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-309
Sec. 30	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-330d(a)
Sec. 31	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-330i

Sec. 32	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-376
Sec. 33	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-376b(a)
Sec. 34	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-390c
Sec. 35	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-390d
Sec. 36	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-392
Sec. 37	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-398(a) and (b)
Sec. 38	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-405c(b)
Sec. 39	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-405d(a) and (b)
Sec. 40	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-414(6)
Sec. 41	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-416(b)

Sec. 42	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-419
Sec. 43	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-439(a)
Sec. 44	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-440
Sec. 45	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-458
Sec. 46	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-458d(b)
Sec. 47	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-458g(b)
Sec. 48	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-486a(b)
Sec. 49	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-488(a)
Sec. 50	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-502b
Sec. 51	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-509

Sec. 52	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-511(a)
Sec. 53	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-511a
Sec. 54	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-547
Sec. 55	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-548
Sec. 56	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-590
Sec. 57	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-594(a)
Sec. 58	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-638c(a)
Sec. 59	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-638d
Sec. 60	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-646a(b)
Sec. 61	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-647

Sec. 62	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-655(b)
Sec. 63	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-667
Sec. 64	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-692
Sec. 65	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-722(a)
Sec. 66	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-723
Sec. 67	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-731
Sec. 68	*October 1, 2006, and applicable to taxes due and payable on or after said date*	12-735(a) and (b)

PRI *Joint Favorable Subst. C/R* FIN

FIN *Joint Favorable Subst.*