



# House of Representatives

General Assembly

**File No. 556**

January Session, 2007

Substitute House Bill No. 7282

*House of Representatives, April 23, 2007*

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING PROPERTY TAX DELINQUENCIES OF TELECOMMUNICATIONS COMPANIES.**

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

1 Section 1. Subsection (b) of section 12-80a of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage and applicable to assessment years of municipalities commencing on*  
4 *or after October 1, 2006*):

5 (b) (1) Not later than the first day of February immediately  
6 following the end of such tax year, the Secretary of the Office of Policy  
7 and Management shall determine, with respect to such company, a  
8 value for personal property equivalent to seventy per cent of the value  
9 of personal property included in the list of such property prepared and  
10 certified in accordance with subsection (a) of this section. The amount  
11 of tax applicable with respect to such personal property of any  
12 taxpayer subject to the tax imposed under this section shall be  
13 determined by multiplying the value of personal property of such  
14 company, as determined under this subsection, by a mill rate of forty-

15 seven mills. Said secretary shall, not later than the first day of March  
 16 immediately following the end of such tax year, submit a tax bill to  
 17 each company stating the amount of tax payable to each town in  
 18 relation to the personal property of such taxpayer located in such  
 19 town. Such tax shall be due and payable to the town in which such  
 20 personal property is located not later than the first day of April  
 21 immediately following. Any city or borough not consolidated with the  
 22 town in which it is located and any town containing such a city or  
 23 borough shall receive a portion of the tax due and payable to such  
 24 town on the basis of the following ratio: The total taxes levied in the  
 25 previous fiscal year by such town, city or borough shall be the  
 26 numerator of the fraction. The total taxes levied by the town and all  
 27 cities or boroughs located within such town shall be added together,  
 28 and the sum shall be the denominator of the fraction. Any such city or  
 29 borough may, by vote of its legislative body, direct the Secretary of the  
 30 Office of Policy and Management to reallocate all or a portion of the  
 31 share of such city or borough to the town in which it is located.

32 (2) The [tax collector of] person responsible for the collection of  
 33 taxes for each town, city or borough owed taxes under this subsection  
 34 may, at such time as such tax becomes delinquent as provided in  
 35 sections 12-146 and 12-169, subject such tax to interest at the rate of one  
 36 and one-half per cent of such tax for each month or fraction thereof  
 37 which elapses from the time when such tax becomes due and payable  
 38 until the same is paid.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage and applicable to assessment years of municipalities commencing on or after October 1, 2006</i>	12-80a(b)

**FIN**            *Joint Favorable Subst.*

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

---

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 08 \$</b>	<b>FY 09 \$</b>
Various Municipalities	Revenue Gain	See Below	See Below

**Explanation**

The bill is anticipated to result in a revenue gain to boroughs and unconsolidated cities to the extent that telecommunications companies are delinquent in paying their property taxes. There have been only isolated instances of late payments, so any revenue gain is expected to be less than \$50,000 per year.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis**

**sHB 7282**

***AN ACT CONCERNING PROPERTY TAX DELINQUENCIES OF TELECOMMUNICATIONS COMPANIES.***

**SUMMARY:**

This bill allows tax collectors for unconsolidated boroughs and cities to impose an interest penalty on delinquent telecommunications property tax payments. Under current law only town tax collectors can do so. The penalty is 1.5% of the delinquent tax for each month or part of a month from when the tax was due until it is paid.

The bill applies to telecommunications companies that pay property taxes on the personal property they use to provide telecommunications services at the statewide rate of 47 mills. By law, the Office of Policy and Management secretary determines the taxes owed and sends tax bills to companies. By April 1 of each year, the companies must send the tax payments to each town, and to any unconsolidated cities and boroughs within them, where their telecommunications property is located.

**EFFECTIVE DATE:** Upon passage and applicable to assessment years starting on or after October 1, 2006.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/05/2007)