



# Senate

General Assembly

**File No. 562**

*January Session, 2007*

Substitute Senate Bill No. 1072

*Senate, April 24, 2007*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES.***

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

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) On or after January 1,  
2 2008, when any person redeems a winning lottery ticket worth five  
3 thousand dollars or more at the central office of the Connecticut  
4 Lottery Corporation, the Connecticut Lottery Corporation shall check  
5 the name and other identifying information of such person against a  
6 list of taxpayers who are delinquent, supplied by the Commissioner of  
7 Revenue Services.

8 (b) Notwithstanding the provisions of section 12-15 of the general  
9 statutes, the commissioner may disclose to the president of the  
10 Connecticut Lottery Corporation: (1) Such information as may be  
11 necessary to identify any person from whom taxes, including penalties  
12 and interest related thereto, are due to the state and unpaid when: (A)  
13 A period in excess of thirty days has elapsed following the date on  
14 which such taxes were due, and (B) such taxes are not the subject of a



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:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Revenue Services	GF - Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The state will experience a revenue gain to the degree the bill results in an increase in delinquent tax payments. The bill is also expected to result in some minimal costs to DRS to establish an off-set program with the Connecticut Lottery Corporation.

**The Out Years**

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

**OLR Bill Analysis****sSB 1072*****AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES.*****SUMMARY:**

This bill requires the Connecticut Lottery Corporation (CLC) to deduct and withhold delinquent taxes from any lottery claim worth \$5,000 or more submitted at its central office on or after January 1, 2008 by a delinquent taxpayer. (The bill is similar to the existing withholding program for delinquent child support. But unlike the child support program, it contains no claimant notification requirement and no hearing or appeal process.)

Before making prize payments worth \$5,000 or more, CLC must check the claimant's name and other identifying information against a Department of Revenue Services (DRS)-supplied list of delinquent taxpayers. If the person's name appears on the list, CLC must deduct and withhold from the winnings the amount of taxes owed, plus penalties and interest, after deducting and withholding any amount owed for child support. The CLC president must notify and forward the amount withheld to the DRS commissioner in accordance with the commissioner's instructions.

The bill allows the commissioner to disclose to the CLC president (1) any information necessary to identify a delinquent taxpayer and (2) the amount of taxes, penalty, and interest the taxpayer owes. It applies to taxes, including penalties and interest, that are more than 30 days overdue and not the subject of a timely filed administrative appeal to the commissioner or a timely filed appeal pending before a court.

For the bill's purposes, CLC employees are state employees. As

such, they are prohibited from disclosing any tax information they receive, except as the law requires. A violation carries a fine of up to \$1,000, imprisonment for up to one year, or both.

EFFECTIVE DATE: July 1, 2007

**COMMITTEE ACTION**

Public Safety and Security Committee

Joint Favorable Substitute Change of Reference  
Yea 23 Nay 0 (03/06/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 51 Nay 0 (04/10/2007)