



General Assembly

January Session, 2009

**Raised Bill No. 932**

LCO No. 3682

\*03682\_\_\_\_\_FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

**AN ACT MAKING CHANGES TO VARIOUS TAX STATUTES.**

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

1 Section 1. Subdivision (1) of subsection (f) of section 12-7b of the  
2 general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective October 1, 2009*):

4 (f) (1) The Office of Fiscal Analysis shall not make known in any  
5 manner any information obtained from any such report or inventory,  
6 or any information obtained pursuant to subdivision (2) of this  
7 subsection which would allow the identification of any taxpayer or of  
8 the amount or source of income, profits, losses, expenditures or any  
9 particulars thereof set forth or disclosed in any return, statement or  
10 report required to be filed with or submitted to the commissioner  
11 which is discernible from such report or inventory, or from such  
12 information obtained pursuant to subdivision [(d)] (2) of this  
13 subsection, except as provided in this subsection. The Office of Fiscal  
14 Analysis may disclose such information to other state officers and  
15 employees when required in the course of duty. No such officer or  
16 employee shall make known any such information to any other person

17 except as provided in this subsection. Any person who violates any  
18 provision of this subsection shall be fined not more than one thousand  
19 dollars or imprisoned not more than one year or both.

20 Sec. 2. Section 12-317 of the general statutes is repealed and the  
21 following is substituted in lieu thereof (*Effective July 1, 2009*):

22 Any person having in [his] such person's possession any cigarettes  
23 with respect to the storage or use of which a tax is imposed herein  
24 shall, within twenty-four hours after coming into possession of such  
25 cigarettes, file a return with the Commissioner of Revenue Services in  
26 such form as [he] said commissioner may prescribe. The return shall be  
27 accompanied by a payment of the amount of the tax shown to be due  
28 thereon. If any such person fails to file the return as required by this  
29 section, said commissioner shall make such return at any time  
30 thereafter, according to the best information obtainable, in accordance  
31 with section 12-309, except that the penalty shall be equal to ten per  
32 cent of such tax due and unpaid. Such tax shall bear interest at the rate  
33 of one per cent per month or fraction thereof, from the due date of  
34 such tax until the date of payment.

35 Sec. 3. Section 12-326a of the general statutes is amended by adding  
36 subsection (c) as follows (*Effective October 1, 2009*):

37 (NEW) (c) Notwithstanding the provisions of section 12-15 or any  
38 other section of the general statutes, for purposes of this part the  
39 commissioner may make public the identity of those persons who are  
40 stamping agents, subjobbers or chain stores.

41 Sec. 4. Subsection (b) of section 12-460a of the general statutes is  
42 repealed and the following is substituted in lieu thereof (*Effective July*  
43 *1, 2009*):

44 (b) With respect to fiscal years ending on or after June 30, [2004]  
45 2010, the [Commissioner of Revenue Services] Comptroller shall  
46 deposit into the Conservation Fund established under section 22a-27h

47 three million dollars of the amount of the funds received by the state  
48 from the tax imposed under this chapter attributable to sales of fuel  
49 from distributors to any boat yard, public or private marina or other  
50 entity renting or leasing slips, dry storage, mooring or other space for  
51 marine vessels provided (1) two hundred fifty thousand dollars shall  
52 be credited to the boating account, and (2) two million dollars shall be  
53 credited to the fisheries account of which not less than seventy-five  
54 thousand dollars shall be allocated to The University of Connecticut  
55 for the Long Island Sound councils.

56 Sec. 5. Section 12-484 of the general statutes is repealed and the  
57 following is substituted in lieu thereof (*Effective January 1, 2010*):

58 (a) Except as otherwise provided in this section, every motor carrier  
59 subject to the tax imposed by this chapter shall, on or before the last  
60 day of January, April, July and October, annually, [or on or before the  
61 last day of the month following such reporting period, other than a  
62 quarterly period as may be established under regulations promulgated  
63 by the Commissioner of Revenue Services,] make to the commissioner  
64 such reports of its operations during the quarter [or such other period,  
65 as the case may be,] ending the last day of the preceding month as the  
66 commissioner may require and such other reports from time to time as  
67 the commissioner may deem necessary.

68 (b) The commissioner shall adopt in accordance with chapter 54 and  
69 enforce regulations relating to the administration and enforcement of  
70 this chapter.

71 (c) The commissioner [by regulation may] shall exempt from the  
72 [aforesaid] reporting requirements of subsection (a) of this section [, as  
73 a class, (1)] those motor carriers operating solely within this state and  
74 [(2) those motor carriers] purchasing motor fuel solely within this  
75 state. [, and require in each such instance an annual report, if in his  
76 discretion the enforcement of this chapter would not be adversely  
77 affected by such regulation.]

78 Sec. 6. Subsection (c) of section 12-487 of the general statutes is  
79 repealed and the following is substituted in lieu thereof (*Effective*  
80 *January 1, 2010*):

81 (c) [No] (1) Except as otherwise provided in subdivisions (2) and (3)  
82 of this subsection, no person shall operate or cause to be operated any  
83 [such vehicle] qualified motor vehicle, as defined in section 12-478, in  
84 this state unless such vehicle bears the identification markers required  
85 by this section. [, provided the commissioner by letter or telegram may  
86 authorize the operation, for a period not to exceed ten days as to any  
87 one motor carrier, of a vehicle or vehicles without such identification  
88 marker when the enforcement of this section would cause undue delay  
89 and hardship in the operation of such vehicle or vehicles and when the  
90 enforcement of this chapter will not be adversely affected.] Any person  
91 operating or causing to be operated in this state any qualified motor  
92 vehicle [, as defined in section 12-478,] to which the identification  
93 markers required by this section or any regulations adopted in  
94 accordance with the provisions of chapter 54 are not properly affixed  
95 shall have committed an infraction, the fine for which shall be ninety  
96 dollars. Any provision of the general statutes to the contrary  
97 notwithstanding, any person who is alleged to have committed such  
98 an infraction shall follow the procedures set forth in section 51-164n.

99 (2) The commissioner may authorize the operation without the  
100 identification markers required by this section of a qualified motor  
101 vehicle in this state by a motor carrier where (A) the motor carrier has  
102 filed with the commissioner or an authorized third party an  
103 application for a trip permit, on a form prescribed by the commissioner  
104 or authorized third party, and has paid the trip permit fee; (B) the  
105 commissioner has determined that the enforcement of this chapter will  
106 not be adversely affected; and (C) the commissioner has determined  
107 that the enforcement of this section would cause undue delay and  
108 hardship in the operation of such vehicle. Each trip permit, upon  
109 issuance, shall be valid for a period of seventy-two hours from the time  
110 of its issuance, or from the time specified by the trip permittee,

111 whichever is later. The issuance of a trip permit to a motor carrier for a  
112 qualified motor vehicle shall exempt the motor carrier from filing the  
113 quarterly report otherwise required under section 12-484, as amended  
114 by this act, and from paying the tax otherwise required under section  
115 12-483 on the operation of such vehicle in this state during the time  
116 that the permit is in effect. A motor carrier to whom a trip permit is  
117 issued shall, during the time that the permit is in effect, be required to  
118 have the permit present at all times in the vehicle for which it was  
119 issued, and to present the permit, on demand, for inspection by  
120 employees or other agents of the Department of Revenue Services, or  
121 by law enforcement officers. A trip permit shall not be transferable by  
122 a trip permittee. The trip permit fee shall be fifty dollars for each  
123 qualified motor vehicle. A motor carrier, in signing the application for  
124 a trip permit and in paying the trip permit fee, shall acknowledge and  
125 agree that the motor carrier is waiving and releasing any claim for  
126 refund that might otherwise be allowable if the amount of the trip  
127 permit fee were to exceed the tax that would otherwise be required to  
128 be paid under section 12-483 on the operation of such vehicle in this  
129 state during the time that the permit is in effect. The commissioner  
130 may authorize third parties to issue trip permits under this subsection.  
131 An authorized third party shall remit to the commissioner fifty dollars  
132 for each trip permit. Such third party shall issue a receipt to each trip  
133 permittee.

134 (3) The commissioner may authorize the operation without the  
135 identification markers required by this section of a qualified motor  
136 vehicle in this state by a motor carrier for emergency purposes if the  
137 commissioner determines that the enforcement of this section would  
138 cause undue delay and hardship in the operation of such vehicle or  
139 vehicles.

140 Sec. 7. Subsection (a) of section 12-631 of the general statutes is  
141 repealed and the following is substituted in lieu thereof (*Effective July*  
142 *1, 2009, and applicable to income years commencing on or after January 1,*  
143 *2009*):

144 As used in this chapter, the following terms have the following  
145 meanings:

146 (a) "Business firm" means any business entity authorized to do  
147 business in the state and subject to the [corporation business] tax  
148 imposed under [chapter 208 or to the unincorporated business tax  
149 imposed under chapter 228, or any insurance company, hospital or  
150 medical services corporation subject to the insurance companies,  
151 hospital and medical services corporations tax imposed under chapter  
152 207, or any air carrier subject to the air carriers tax imposed under  
153 chapter 209, or any railroad company subject to the railroad companies  
154 tax imposed under chapter 210, or any express, telegraph, telephone,  
155 cable, car or community antenna television company subject to the  
156 express, telegraph, telephone, cable, car and community antenna  
157 television companies tax imposed under chapter 211, or any utility  
158 company subject to the utility companies tax imposed under chapter  
159 212, or any public service company subject to the public service  
160 companies tax imposed under chapter 212a] chapter 207, 208, 209, 210,  
161 211 or 212.

162 Sec. 8. Section 12-635a of the general statutes is repealed and the  
163 following is substituted in lieu thereof (*Effective July 1, 2009, and*  
164 *applicable to income years commencing on or after January 1, 2009*):

165 The Commissioner of Revenue Services shall grant a credit against  
166 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or  
167 212 in an amount not to exceed [forty] sixty per cent of the total cash  
168 amount invested during the taxable year by the business firm in  
169 community-based alcoholism prevention or treatment programs  
170 operated or created pursuant to proposals approved pursuant to  
171 section 12-632.

172 Sec. 9. Subsection (g) of section 38a-91hh of the general statutes is  
173 repealed and the following is substituted in lieu thereof (*Effective from*  
174 *passage*):

175 (g) Nothing contained in this section shall prevent or be construed  
176 as prohibiting the commissioner from disclosing the content of an  
177 examination report, preliminary examination report or results, or any  
178 matter relating to such report to (1) the [Insurance Department]  
179 insurance regulatory officials of this or any other state or country, (2)  
180 law enforcement officials of this or any other state, or (3) any agency of  
181 this or any other state, or the federal government at any time, [unless]  
182 provided such agency or office receiving the report or matters relating  
183 to such report agrees, in writing, that such documents shall be  
184 confidential.

185 Sec. 10. Section 38a-91nn of the general statutes is repealed and the  
186 following is substituted in lieu thereof (*Effective from passage and*  
187 *applicable to calendar years commencing on and after January 1, 2009*):

188 (a) Each captive insurance company shall pay to the Commissioner  
189 of Revenue Services, [in the month of February of each year] on or  
190 before the first day of March, annually, a tax at the rate of thirty-eight  
191 hundredths of one per cent on the first twenty million dollars and two  
192 hundred eighty-five thousandths of one per cent on the next twenty  
193 million dollars and nineteen hundredths of one per cent on the next  
194 twenty million dollars and seventy-two thousandths of one per cent on  
195 each dollar thereafter on the direct premiums collected or contracted  
196 for on policies or contracts of insurance written by the captive  
197 insurance company during the year ending December thirty-first next  
198 preceding, after deducting from the direct premiums subject to the tax  
199 the amounts paid to policyholders as return premiums which shall  
200 include dividends on unabsorbed premiums or premium deposits  
201 returned or credited to policyholders, except that no tax shall be due or  
202 payable as to considerations received for annuity contracts.

203 (b) The annual minimum aggregate tax to be paid by a captive  
204 insurance company calculated under [subsections (a) and (b)]  
205 subsection (a) of this section shall be seven thousand five hundred  
206 dollars, and the annual maximum aggregate tax shall be two hundred

207 thousand dollars.

208 (c) [A captive insurance company failing to file returns as required  
209 in this section or failing to pay within the time required all taxes  
210 assessed by this section shall be subject to penalty under section 12-  
211 229] The provisions of sections 12-204, 12-204d, 12-204g and 12-205 to  
212 12-208, inclusive, shall apply to the provisions of sections 38a-91aa to  
213 38a-91qq, inclusive, as amended by this act, in the same manner and  
214 with the same force and effect as if the language of said sections 12-  
215 204, 12-204d, 12-204g and 12-205 to 12-208, inclusive, had been  
216 incorporated in full into this section and had expressly referred to the  
217 tax due under sections 38a-91aa to 38a-91qq, inclusive, as amended by  
218 this act, except to the extent that any such language is inconsistent with  
219 a provision of said sections 38a-91aa to 38a-91qq, inclusive.

220 (d) Two or more captive insurance companies under common  
221 ownership and control shall be taxed as though they were a single  
222 captive insurance company.

223 (e) For the purposes of this section common ownership and control  
224 means:

225 (1) In the case of stock corporations, the direct or indirect ownership  
226 of eighty per cent or more of the outstanding voting stock of two or  
227 more corporations by the same shareholder or shareholders; and

228 (2) In the case of mutual or nonprofit corporations, the direct or  
229 indirect ownership of eighty per cent or more of the surplus and the  
230 voting power of two or more corporations by the same member or  
231 members.

232 (f) The tax provided for in this section shall constitute all taxes  
233 collectible under the laws of this state from any captive insurance  
234 company, and no other occupation tax or other taxes shall be levied or  
235 collected from any captive insurance company by the state or any  
236 county, city or municipality within this state, except taxes on real and

237 personal property used in the production of income.

238 (g) The tax provided for in this section shall be calculated on an  
 239 annual basis, notwithstanding policies or contracts of insurance or  
 240 contracts of reinsurance issued on a multiyear basis. In the case of  
 241 multiyear policies or contracts, the premium shall be prorated for  
 242 purposes of determining the tax under this section.

243 Sec. 11. (*Effective July 1, 2009*) Sections 12-34d and 12-315a of the  
 244 general statutes are repealed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	12-7b(f)(1)
Sec. 2	<i>July 1, 2009</i>	12-317
Sec. 3	<i>October 1, 2009</i>	12-326a
Sec. 4	<i>July 1, 2009</i>	12-460a(b)
Sec. 5	<i>January 1, 2010</i>	12-484
Sec. 6	<i>January 1, 2010</i>	12-487(c)
Sec. 7	<i>July 1, 2009, and applicable to income years commencing on or after January 1, 2009</i>	12-631(a)
Sec. 8	<i>July 1, 2009, and applicable to income years commencing on or after January 1, 2009</i>	12-635a
Sec. 9	<i>from passage</i>	38a-91hh(g)
Sec. 10	<i>from passage and applicable to calendar years commencing on and after January 1, 2009</i>	38a-91nn
Sec. 11	<i>July 1, 2009</i>	Repealer section

**Statement of Purpose:**

To make various technical changes and corrections, to provide a ten per cent penalty for failure to file cigarette taxes, to publicly identify certain persons for purposes of cigarette tax administration, to transfer responsibility for making transfers to the Conservation Fund to the

Comptroller, to exempt in-state motor carriers from filing certain quarterly reports, to provide for issuance of a trip permit for motor carriers that do not normally travel in this state, to provide for application of certain tax provisions to the captive insurers premium receipts tax, and to repeal two statutes, one an outdated statute that established the State Tax Review Commission, and the other requiring a report on cigarette enforcement efforts.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*