



House of Representatives

General Assembly

File No. 581

January Session, 2011

House Bill No. 6270

House of Representatives, April 19, 2011

The Committee on Finance, Revenue and Bonding reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES AND LOTTERY WINNINGS.

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

1 Section 1. (NEW) (*Effective October 1, 2011*) (a) On or after January 1,
2 2012, 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 of Revenue Services may disclose to the
10 president of the Connecticut Lottery Corporation: (1) The name and
11 such other information as may be necessary to identify a person from
12 whom taxes, including penalties and interest related thereto, are due to
13 the state and unpaid when: (A) A period in excess of thirty days has
14 elapsed following the date on which such taxes were due, and (B) such

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Resources of the General Fund	GF - Revenue Gain	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Connecticut Lottery Corporation (CLC) to withhold delinquent taxes from certain lottery claims, which results in a potential state revenue gain to the extent that a delinquent taxpayer wins a lottery prize of \$5,000 or more.

There is currently approximately \$400.0 million in tax delinquencies eligible for collection.

The Out Years

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

OLR Bill Analysis**HB 6270*****AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES AND LOTTERY WINNINGS.*****SUMMARY:**

This bill requires the Connecticut Lottery Corporation (CLC) to deduct and withhold delinquent taxes from any lottery claim of \$5,000 or more a delinquent taxpayer submits at CLC's central office after December 30, 2011.

The bill requires the Division of Revenue Services (DRS) commissioner to submit a list of delinquent taxpayers to CLC. It allows the commissioner to disclose to CLC (1) the name and any information necessary to identify delinquent taxpayers and (2) the amount of taxes, penalty, and interest owed. Before paying any prize claim of \$5,000 or more, CLC must check the list. If a claimant is delinquent, CLC must withhold from the winnings and promptly notify and forward to the commissioner the amount of taxes owed, plus penalties and interest, after deducting and withholding any amount owed for child support.

The bill applies to taxes, including penalties and interest, more than 30 days overdue that are not the subject of a timely filed (1) administrative appeal to the commissioner or (2) 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. By law, a violation carries a fine of up to \$ 1,000, imprisonment for up to one year, or both.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Change of Reference

Yea 21 Nay 0 (02/22/2011)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 52 Nay 0 (04/07/2011)