



House Bill No. 6561

Public Act No. 11-145

AN ACT CONCERNING A WAIVER FROM REQUIRED ELECTRONIC REPORTING AND PAYMENT OF TAXES.

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

Section 1. Section 12-686 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2011, and applicable to payments for tax periods beginning on or after said date*):

(a) (1) Except as otherwise provided in subsections (b), [and] (c) and (d) of this section, the commissioner may require every person who files a tax return for any tax on a monthly or quarterly basis to pay such tax during the twelve-month period following a determination of liability under this subdivision by one of the means of electronic funds transfer approved by the department, if the commissioner determines that such person's liability for such tax was four thousand dollars or more for the twelve-month period ending on the June thirtieth immediately preceding the monthly or quarterly period with respect to which the requirement to pay tax by electronic funds transfer is established. The commissioner, in determining whether tax liability is four thousand dollars or more, shall base such determination on the taxes reported to be due on the tax returns of such person related to the period under examination. If any tax return or returns of such person for such period have not been filed, the commissioner may base

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such determination on any information available to such commissioner.

(2) Except as otherwise provided in subsections (b), [and] (c) and (d) of this section, the commissioner may require every person, other than a person described in subdivision (3) of this subsection, who files a tax return for any tax on an annual basis to pay such tax, or any installment thereof, during the twelve-month period following a determination of liability under this subdivision by one of the means of electronic funds transfer approved by the department if the commissioner determines that such person's liability for such tax was four thousand dollars or more for the year immediately preceding the year with respect to which the requirement to pay tax by electronic funds transfer is established. The commissioner, in determining whether tax liability is four thousand dollars or more, may base the determination on the estimated tax, if any, paid for the immediately preceding year, provided, if the tax return for such immediately preceding year has been filed, the commissioner shall base the determination on the taxes reported to be due on such tax return. If any tax return of such person for such period has not been filed or estimated tax has not been paid by such person for such period, the commissioner may base such determination on any information available to the commissioner.

(3) Except as otherwise provided in subsections (b), [and] (c) and (d) of this section, the commissioner may require every employer who is deducting and withholding Connecticut income tax from employee wages to pay such tax during the twelve-month period following a determination of liability under this subdivision, by one of the means of electronic funds transfer approved by the department if the commissioner determines that the amount of Connecticut income tax deducted and withheld from employee wages by such employer was more than two thousand dollars for the twelve-month period ending

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on the June thirtieth immediately preceding the quarterly period with respect to which the requirement to pay over tax by electronic funds transfer is established. The commissioner, in determining whether tax liability is more than two thousand dollars, shall base such determination on the taxes reported to be due on the quarterly withholding tax returns of such employer related to the period under examination. If any such tax return of such person for such period has not been filed, the commissioner may base such determination on any information available to the commissioner.

(b) Notwithstanding any provision of subsection (a) of this section: (1) No person shall be required to pay any tax by electronic funds transfer until the department has given notice to such person of such requirement; and (2) no person required to pay any tax for any period by electronic funds transfer shall cease such method of payment until notified by the department that such method of payment is no longer required. The department shall give notice to such person that such method of payment is no longer required as soon as practicable after such determination is made.

(c) Notwithstanding any provision of subsection (a) of this section, any person required by regulations adopted under section 12-690 to file electronically any return, statement or other document that is required by law or regulation to be filed with the commissioner shall be required to pay the tax to which such return, statement or other document pertains by electronic funds transfer. For purposes of this subsection, any person required by regulations adopted under section 12-690 shall not include any return preparer, as defined in such regulation.

(d) Notwithstanding any provision of subsection (a) of this section, any person required to file a tax return electronically or to make a tax payment by electronic funds transfer, may request in writing, not later than thirty days prior to the date such filing or payment is due, that

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the commissioner waive such requirements if, on the basis of information provided by such person, the commissioner finds that there would be undue hardship for such person. The commissioner shall promptly inform such person of the granting or rejection of the requested waiver. The decision of the commissioner shall be final and not subject to further review or appeal. If the commissioner grants the waiver, such person may file a signed paper Connecticut tax return or returns and make payments by other than electronic funds transfer. Such waiver shall be effective for twelve months from the date such waiver is granted. The provisions of this subsection shall not apply to return preparers.

Approved July 8, 2011