
OLR Bill Analysis

sHB 5421

AN ACT CONCERNING "ZAPPERS".

SUMMARY:

This bill (1) makes it a crime to willfully and knowingly sell, purchase, install, transfer, or possess an automated sales suppression device (i.e., "zapper") or "phantom-ware" and (2) subjects violators to a fine of up to \$100,000, one to five years in prison, or both.

Violators also (1) are liable for all taxes, penalties, and interest due as result of the crime and (2) forfeit all profits associated with the sale or use of the zapper or phantom-ware. The bill makes zappers and phantom-ware, and any device on which they are installed, contraband and allows the Department of Revenue Services commissioner to confiscate them.

EFFECTIVE DATE: July 1, 2012

ZAPPERS AND PHANTOM-WARE

Under the bill, an "automated sales suppression device" or "zapper" is a software program that falsifies electronic cash register and other point-of-sale system electronic records, including transaction data (e.g., items purchased, price and taxability of each item, and amount tendered and returned) and transaction reports. It can be carried on a memory stick or removable compact disc and accessed through an internet link or other means. "Transaction reports" are those (1) printed on cash register tape at the end of a day or shift that include sales, taxes collected, media totals, and discount voids at an electronic cash register or (2) stored electronically that document every action at an electronic cash register.

"Phantom-ware" is a hidden programming option embedded in or hardwired into an electronic cash register, whether preinstalled or

installed later, which may be used to (1) create a virtual second till or (2) eliminate or manipulate sales records, that may or may not be digitally preserved, to represent the true or manipulated record of electronic cash register transactions.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/03/2012)