

STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE FINANCE, REVENUE, BONDING COMMITTEE

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Benjamin Barnes

Secretary

Office of Policy and Management

Testimony Opposing House Bill No. 5471

AN ACT CONCERNING REFUND CLAIM PERIODS FOR SALES AND USE TAXES AND PERSONAL INCOME TAX

Senator Daily, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to offer testimony on House Bill No. 5471, AN ACT CONCERNING REFUND CLAIM PERIODS FOR SALES AND USE TAXES AND PERSONAL INCOME TAX.

This bill changes the statute of limitations for claiming refunds under the sales tax and the income tax by changing the total elapsed time in which a refund can be paid. Under current law, a taxpayer can claim a refund up to 3 years after the due date of the original return. This proposal would allow taxpayers to file a claim for refund either within 3 years of the due date of the return or 2 years after the tax was paid, whichever is later. The flaw in this proposal is that a taxpayer can pay a tax or file a return long after it was due, yet receive the benefit of the full refund claim period. This could indefinitely extend the refund claim period and result in greater uncertainty for the state's tax revenue.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee oppose this bill.

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