



**Substitute House Bill No. 6567**

**Public Act No. 13-150**

**AN ACT CONCERNING DEPARTMENT OF REVENUE SERVICES PROCEDURES REGARDING PENALTY WAIVERS, PERSONNEL PROCEEDINGS, SALES TAX PERMITS AND LICENSE RENEWALS.**

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

Section 1. Section 12-3a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) There is created a Penalty Review Committee which shall consist of the State Comptroller or an employee of the office of the State Comptroller designated by said Comptroller, the Secretary of the Office of Policy and Management or an employee of the Office of Policy and Management designated by said secretary and the Commissioner of Revenue Services or an employee of the Department of Revenue Services designated by said commissioner. Said committee shall meet monthly or as often as necessary to approve any waiver of penalty in excess of one thousand dollars which the Commissioner of Revenue Services [, or the Commissioner of Consumer Protection,] is authorized to waive in accordance with this title, [which is in excess of five hundred dollars] or which the Commissioner of Consumer Protection is authorized to waive in accordance with chapter 226. A majority vote of the committee shall be required for approval of such

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waiver.

(b) An itemized statement of all waivers approved under this section shall be available to the public for inspection by any person.

(c) The Penalty Review Committee created pursuant to subsection (a) of this section shall adopt regulations in accordance with chapter 54 establishing guidelines for the waiver of any penalty in excess of [five hundred] one thousand dollars.

(d) Any person aggrieved by the action of the Penalty Review Committee may, within one month after notice of such action is delivered or mailed to such person, appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the members of said committee to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable. If the appeal is without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 2. Subsection (b) of section 12-15 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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(b) The commissioner may disclose (1) returns or return information to (A) an authorized representative of another state agency or office, upon written request by the head of such agency or office, when required in the course of duty or when there is reasonable cause to believe that any state law is being violated, or (B) an authorized representative of an agency or office of the United States, upon written request by the head of such agency or office, when required in the course of duty or when there is reasonable cause to believe that any federal law is being violated, provided no such agency or office shall disclose such returns or return information, other than in a judicial or administrative proceeding to which such agency or office is a party pertaining to the enforcement of state or federal law, as the case may be, in a form which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer except that the names and addresses of jurors or potential jurors and the fact that the names were derived from the list of taxpayers pursuant to chapter 884 may be disclosed by the Judicial Branch; (2) returns or return information to the Auditors of Public Accounts, when required in the course of duty under chapter 23; (3) returns or return information to tax officers of another state or of a Canadian province or of a political subdivision of such other state or province or of the District of Columbia or to any officer of the United States Treasury Department or the United States Department of Health and Human Services, authorized for such purpose in accordance with an agreement between this state and such other state, province, political subdivision, the District of Columbia or department, respectively, when required in the administration of taxes imposed under the laws of such other state, province, political subdivision, the District of Columbia or the United States, respectively, and when a reciprocal arrangement exists; (4) returns or return information in any action, case or proceeding in any court of competent jurisdiction, when the commissioner or any other state department or agency is a party, and when such information is directly involved in such action, case or proceeding; (5) returns or return

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information to a taxpayer or its authorized representative, upon written request for a return filed by or return information on such taxpayer; (6) returns or return information to a successor, receiver, trustee, executor, administrator, assignee, guardian or guarantor of a taxpayer, when such person establishes, to the satisfaction of the commissioner, that such person has a material interest which will be affected by information contained in such returns or return information; (7) information to the assessor or an authorized representative of the chief executive officer of a Connecticut municipality, when the information disclosed is limited to (A) a list of real or personal property that is or may be subject to property taxes in such municipality, or (B) a list containing the name of each person who is issued any license, permit or certificate which is required, under the provisions of this title, to be conspicuously displayed and whose address is in such municipality; (8) real estate conveyance tax return information or controlling interest transfer tax return information to the town clerk or an authorized representative of the chief executive officer of a Connecticut municipality to which the information relates; (9) estate tax returns and estate tax return information to the Probate Court Administrator or to the court of probate for the district within which a decedent resided at the date of the decedent's death, or within which the commissioner contends that a decedent resided at the date of the decedent's death or, if a decedent died a nonresident of this state, in the court of probate for the district within which real estate or tangible personal property of the decedent is situated, or within which the commissioner contends that real estate or tangible personal property of the decedent is situated; (10) returns or return information to the (A) Secretary of the Office of Policy and Management for purposes of subsection (b) of section 12-7a, and (B) Office of Fiscal Analysis for purposes of, and subject to the provisions of, subdivision (2) of subsection (f) of section 12-7b; (11) return information to the Jury Administrator, when the information disclosed is limited to the names, addresses, federal Social Security numbers and dates of birth, if

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available, of residents of this state, as defined in subdivision (1) of subsection (a) of section 12-701; (12) pursuant to regulations adopted by the commissioner, returns or return information to any person to the extent necessary in connection with the processing, storage, transmission or reproduction of such returns or return information, and the programming, maintenance, repair, testing or procurement of equipment, or the providing of other services, for purposes of tax administration; (13) without written request and unless the commissioner determines that disclosure would identify a confidential informant or seriously impair a civil or criminal tax investigation, returns and return information which may constitute evidence of a violation of any civil or criminal law of this state or the United States to the extent necessary to apprise the head of such agency or office charged with the responsibility of enforcing such law, in which event the head of such agency or office may disclose such return information to officers and employees of such agency or office to the extent necessary to enforce such law; (14) names and addresses of operators, as defined in section 12-407, to tourism districts, as defined in section 10-397; (15) names of each licensed dealer, as defined in section 12-285, and the location of the premises covered by the dealer's license; (16) to a tobacco product manufacturer that places funds into escrow pursuant to the provisions of subsection (a) of section 4-28i, return information of a distributor licensed under the provisions of chapter 214 or chapter 214a, provided the information disclosed is limited to information relating to such manufacturer's sales to consumers within this state, whether directly or through a distributor, dealer or similar intermediary or intermediaries, of cigarettes, as defined in section 4-28h, and further provided there is reasonable cause to believe that such manufacturer is not in compliance with section 4-28i; (17) returns, which shall not include a copy of the return filed with the commissioner, or return information for purposes of section 12-217z; [and] (18) returns or return information to the State Elections Enforcement Commission, upon written request by said commission,

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when necessary to investigate suspected violations of state election laws; and (19) returns or return information for purposes of, and subject to the conditions of, subsection (e) of section 5-240, as amended by this act.

Sec. 3. Section 5-240 of the general statutes is amended by adding subsection (e) as follows (*Effective from passage*):

(NEW) (e) (1) As provided in subsection (b) of section 12-15, as amended by this act, the Commissioner of Revenue Services may, subject to such terms and conditions as said commissioner may prescribe, disclose return or return information, as defined in said section 12-15, in connection with a personnel proceeding, including any administrative or judicial proceedings related thereto, involving an employee or former employee of the Department of Revenue Services, if said commissioner determines that such information is relevant and material to such proceeding. If such return or return information is relevant and material to such proceeding, the commissioner shall, upon request made by the employee or former employee who is the subject of such proceeding, disclose such return or return information to such employee or former employee, or the collective bargaining agent for such employee or former employee, regardless of whether the commissioner introduces or otherwise relies upon such return or return information during the course of the proceeding. Return and return information disclosed under this subsection shall be used only for purposes of and to the extent necessary in such proceeding and shall not be further disclosed by any person involved in such proceeding.

(2) Any person who violates any provision of this subsection shall be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Sec. 4. Subsection (h) of section 12-409 of the general statutes is

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repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(h) (1) Any person who knowingly violates any provision of this section shall be fined not more than five hundred dollars or imprisoned not more than three months or both for each offense.

(2) Any person who fails to secure or renew a permit as provided in this section shall be subject to a civil penalty of two hundred fifty dollars for the first day such person engages in or transacts business without a permit and one hundred dollars for each subsequent day such person engages in or transacts business without such permit. Subject to the provisions of section 12-3a, as amended by this act, the commissioner may waive all or any part of the civil penalty provided in this subdivision if it is proven to the commissioner's satisfaction that the failure to secure or renew such permit was due to reasonable cause and was not intentional or due to neglect.

Sec. 5. (NEW) (*Effective July 1, 2013*) (a) For purposes of this section, "license" means (1) any license issued by the commissioner pursuant to the provisions of chapter 214 of the general statutes, (2) any license issued by the commissioner pursuant to the provisions of section 12-330b of the general statutes, or (3) a seller's permit issued by the commissioner pursuant to section 12-409 of the general statutes, as amended by this act.

(b) Prior to issuing or renewing the license of any person, the commissioner may determine whether such person owes taxes to this state, which taxes are finally due and payable and with respect to which any administrative or judicial remedies, or both, have been exhausted or have lapsed. If the commissioner determines that such person owes such taxes, the commissioner shall not issue a license to, or renew the license of, such person, until such person pays such taxes, or makes an arrangement satisfactory to the commissioner to pay such

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taxes.

Approved June 25, 2013