



# House of Representatives

General Assembly

**File No. 663**

January Session, 2013

House Bill No. 6447

*House of Representatives, May 1, 2013*

The Committee on Judiciary reported through REP. FOX, G. of the 146th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING THE OCCUPATIONAL TAX ON ATTORNEYS.***

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

1 Section 1. Subsection (g) of section 51-81b of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2013*):

4 (g) This section shall not apply (1) to any attorney whose name has  
5 been removed from the roll of attorneys maintained by the clerk of the  
6 superior court for the judicial district of Hartford, (2) to any attorney  
7 who has retired from the practice of law, provided the attorney shall  
8 file written notice of retirement with the clerk of the superior court for  
9 the judicial district of Hartford, (3) to any attorney who does not  
10 engage in the practice of law as an occupation and receives less than  
11 [four hundred fifty] one thousand dollars in legal fees or other  
12 compensation for services involving the practice of law during any  
13 calendar year, or (4) with respect to the tax due in any calendar year, to  
14 any attorney serving on active duty with the armed forces of the  
15 United States for more than six months in such year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	51-81b(g)

**JUD**      *Joint Favorable*

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.

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 14 \$</b>	<b>FY 15 \$</b>
Department of Revenue Services	GF - Revenue Loss	Less than 20,000	Less than 20,000

**Municipal Impact:** None

**Explanation**

The bill, which increases to \$1,000 the Occupational Tax exemption for certain attorneys, results in a minimal revenue loss beginning in FY 14, anticipated to be less than \$20,000 annually.

In FY 12, Attorney Occupational Tax revenue totaled approximately \$9.1 million.

**The Out Years**

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

Sources: Department of Revenue Services Fiscal Year 2011-2012 Annual Report

**OLR Bill Analysis****HB 6447*****AN ACT CONCERNING THE OCCUPATIONAL TAX ON ATTORNEYS.*****SUMMARY:**

This bill increases the maximum amount an attorney who does not practice law as his or her primary occupation can earn per year in legal fees or other compensation for legal services without being required to (1) file an annual return and (2) pay a \$565 occupational tax. Under current law, such attorneys must file and pay the tax if they earn \$450 or more. The bill increases the amount to \$1,000.

EFFECTIVE DATE: October 1, 2013

**BACKGROUND*****Occupational Tax on Attorneys***

With certain exceptions, anyone admitted as an attorney to practice law in Connecticut must (1) file an annual return and (2) pay a \$565 occupational tax to the commissioner of revenue services by January 15.

The law exempts the following from the occupational tax and related provisions:

1. any attorney whose name has been removed from the roll of attorneys maintained by the clerk of the Superior Court for the judicial district of Hartford;
2. any attorney who has retired from the practice of law and filed written notice of retirement with the clerk of the Superior Court for the judicial district of Hartford; or
3. with respect to the tax due in any calendar year, any attorney

serving on active duty with the U.S. Armed Forces for more than six months in such year.

**COMMITTEE ACTION**

Judiciary Committee

Joint Favorable

Yea 44    Nay 0    (04/16/2013)