



**FINANCE, REVENUE & BONDING COMMITTEE  
MARCH 11, 2013  
TESTIMONY OF COMMISSIONER KEVIN B. SULLIVAN  
DEPARTMENT OF REVENUE SERVICES**

**Excerpt Re: HB 6568**

Senator Fonfara, Representative Widlitz and members of the Committee, thank you for this opportunity to testify in support of the Department's legislative proposals. Thank you also for your hard work in what are much improved but still fiscally challenging times for Connecticut and so many other states.

As you know, the Department of Revenue Services is focused on doing more with less. That includes a workforce that is one-third smaller than just a few years ago, working smarter through lean initiatives and maximizing collections without new taxes. The legislative changes we seek all support these efforts.

**HB 6568 – AN ACT CONCERNING PENALTY WAIVERS AND OTHER PROVISIONS OF TITLE 12**

Section 1 was also reported out favorably by the Committee last session but did not make it to the finish line. It simply raises the threshold from \$500 to \$1,000 for required action by the administrative Penalty Review Committee in addition to review by the Commissioner.

Collecting taxes already due is always better than adding to the tax burden of everyone else. Together, sections 2 and 3 are modest

changes that will significantly reduce tax avoidance. The revenue cost of retail tobacco and cigarette sales non-compliance, as well as sales tax non-compliance in general, adds up -- even if each individual business tax deficiency may be relatively small. DRS needs some of the more effective enforcement tools available in most other states. Section 3 creates a waiveable civil penalty for every day that sales are made without securing and renewing a tax permit. Section 4 bars issuance or renewal of a sellers license or permit until taxes fully and finally determined to be due are either paid in full or being paid off through a payment plan. This is simple fairness for all other taxpayers and business competitors who do the right thing.

Thank you for your consideration.