



General Assembly

January Session, 2013

**Committee Bill No. 295**

LCO No. 2850



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Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:  
(PD)

**AN ACT AUTHORIZING MUNICIPALITIES TO COLLECT THE MARIJUANA AND CONTROLLED SUBSTANCES TAX.**

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

1 Section 1. Section 12-651 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) A tax is imposed on any marijuana or controlled substances  
4 purchased, acquired, transported or imported into the state. Payment  
5 thereof shall be evidenced by the permanent affixing of stamps on the  
6 marijuana or controlled substance immediately after receipt. Each  
7 stamp or other official indicia may be used only once.

8 (b) The tax imposed pursuant to this section shall be at the following  
9 rates: (1) On each gram of marijuana or portion of a gram, three dollars  
10 and fifty cents, and (2) on each gram of a controlled substance, or  
11 portion of a gram, two hundred dollars or on each fifty dosage units of  
12 a controlled substance that is not sold by weight, or portion thereof,  
13 two thousand dollars. For the purpose of calculating the tax due under  
14 this section, an ounce of marijuana or other controlled substance is  
15 measured by the weight of the substance in the dealer's possession.

16 (c) Any tax imposed pursuant to this section is due and payable  
17 immediately upon acquisition or possession in this state by a dealer.

18 (d) Notwithstanding the provisions of this chapter, any  
19 municipality having a population of less than twenty-five thousand  
20 may collect the tax imposed pursuant to this section on any marijuana  
21 or controlled substance that is seized in such municipality by a law  
22 enforcement officer as a result of a lawful arrest of a dealer or a lawful  
23 search of the real or personal property of a dealer, provided (1) such  
24 tax is due and payable, (2) the chief of police of such municipality or, if  
25 such municipality does not have an organized police department, the  
26 chief elected official of such municipality, notifies the commissioner of  
27 such municipality's intent to collect such tax, and (3) the municipality  
28 complies with the provisions of subsection (e) of this section. The full  
29 amount of any tax collected pursuant to this subsection may be  
30 retained by such municipality.

31 (e) Before a municipality may collect any tax imposed pursuant to  
32 this section, the chief elected official of such municipality shall appoint  
33 one or more hearing officers, other than police officers or persons who  
34 work in the police department, to hear the petitions of aggrieved  
35 taxpayers and shall establish by ordinance a hearing procedure  
36 following the timelines and requirements set forth in section 12-553.  
37 The provisions of sections 12-553 and 12-554, adapted accordingly,  
38 shall apply to hearings before and appeals from a municipality under  
39 this section.

40 Sec. 2. Section 12-655 of the general statutes is repealed and the  
41 following is substituted in lieu thereof (*Effective October 1, 2013*):

42 (a) Each dealer shall keep complete and accurate records of all  
43 marijuana or controlled substances on which a tax is imposed. Such  
44 records shall be a kind and in such form as the commissioner may  
45 prescribe and shall be preserved for three years in such manner as to  
46 insure permanency and accessibility for inspection by the  
47 commissioner or his authorized agents. The commissioner and his

48 authorized agents and any municipality collecting a tax pursuant to  
49 section 12-651, as amended by this act, may examine the books, papers  
50 and records of any dealer for the purpose of determining whether the  
51 tax imposed by this chapter has been paid and may examine any  
52 marijuana or controlled substances upon any premises where such  
53 marijuana or controlled substances are possessed to determine if the  
54 provisions of this chapter are being obeyed.

55 (b) If, after an examination of the invoices, books and records of a  
56 dealer, or if, from any other information obtained by [him] the  
57 commissioner or his or her authorized agents or the tax collector for  
58 any municipality collecting a tax pursuant to section 12-651, as  
59 amended by this act, the commissioner or tax collector determines that  
60 the dealer has not purchased sufficient stamps to cover his or her  
61 receipts and sales or other disposition of any marijuana or controlled  
62 substances, [he] the commissioner or tax collector shall thereupon  
63 assess the deficiency in tax. There shall be imposed a penalty of ten per  
64 cent of the deficiency or fifty dollars, whichever amount is greater, and  
65 interest shall accrue on the tax at the rate of one per cent per month  
66 from the due date of such tax to the date of payment. In any case  
67 where a dealer cannot produce evidence of sufficient stamp purchases  
68 to cover the receipt of any marijuana or controlled substances, it shall  
69 be presumed that such marijuana or controlled substances were sold  
70 without having the proper stamps affixed.

71 (c) If the commissioner determines that the deficiency or any part  
72 thereof is due to a fraudulent intent to evade the tax, there shall be  
73 imposed a penalty of twenty-five per cent of the deficiency and interest  
74 shall accrue on the tax at the rate of one per cent per month or fraction  
75 thereof from the due date of such tax to the date of payment. Subject to  
76 the provisions of section 12-3a, the commissioner may waive all or part  
77 of the penalties provided under this chapter when it is proven to his  
78 satisfaction that the failure to pay any tax on time was due to  
79 reasonable cause and was not intentional or due to neglect. The  
80 amount of any tax, penalty or interest due to the commissioner and

81 unpaid under the provisions of this chapter may be collected under the  
82 provisions of section 12-35. The warrant therein provided for shall be  
83 signed by the commissioner or his authorized agent. The amount of  
84 any such tax, penalty and interest shall be a lien, from the last day of  
85 the month next preceding the due date of such tax until discharged by  
86 payment, against all real estate of the taxpayer within the state, and a  
87 certificate of such lien signed by the commissioner may be filed for  
88 record in the office of the clerk of any town in which such real estate is  
89 situated, provided no such lien shall be effective as against any bona  
90 fide purchaser or qualified encumbrancer of any interest in any such  
91 property. When any tax with respect to which a lien has been recorded  
92 under the provisions of this section has been satisfied, the  
93 commissioner, upon request of any interested party, shall issue a  
94 certificate discharging such lien, which certificate shall be recorded in  
95 the same office in which the lien is recorded. Any action for the  
96 foreclosure of such lien shall be brought by the Attorney General in the  
97 name of the state in the superior court for the judicial district in which  
98 the property subject to such lien is situated, or, if such property is  
99 located in two or more judicial districts, in the superior court for any  
100 one such judicial district, and the court may limit the time for  
101 redemption or order the sale of such property or make such other or  
102 further decree as it judges equitable.

103 (d) The amount of any tax, penalty and interest due to a  
104 municipality and unpaid under the provisions of this chapter shall  
105 constitute a lien upon any real estate owned by the dealer in the  
106 municipality collecting such tax, penalty and interest. Each such lien  
107 may be continued, recorded and released in the manner provided by  
108 the general statutes for continuing, recording and releasing property  
109 tax liens. Each such lien shall take precedence over all other liens filed  
110 after October 1, 2013, and encumbrances, except taxes, and may be  
111 enforced in the same manner as property tax liens.

112 ~~[(c)]~~ (e) Except in the case of a wilfully false or fraudulent intent to  
113 evade the tax, no assessment of additional tax with respect to any

114 return shall be made after the expiration of more than three years from  
115 the date of the filing of such return or from the original due date of  
116 such return, whichever is later, provided, if no return has been filed as  
117 provided in this chapter, the Commissioner of Revenue Services may  
118 determine the amount of tax due from the best information available  
119 and assess such tax together with statutory penalties and interest at  
120 any time. If prior to the expiration of the period prescribed in this  
121 section for the assessment of additional tax, a taxpayer has consented  
122 in writing that such period may be extended, the amount of such  
123 additional tax due may be determined at any time within such  
124 extended period. Any such extended period may be further extended  
125 by consent in writing before the expiration of such extended period.

126 [(d)] (f) The provisions of sections 12-553 and 12-554 shall apply to  
127 the provisions of this chapter in the same manner and with the same  
128 force and effect as if the language of said sections had been  
129 incorporated in full into said chapter and had expressly referred to the  
130 tax imposed under said chapter, except to the extent that any such  
131 provision is inconsistent with a provision of said chapter.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	12-651
Sec. 2	<i>October 1, 2013</i>	12-655

**Statement of Purpose:**

To authorize certain municipalities to collect and retain taxes due under the marijuana and controlled substances tax.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. KANE, 32nd Dist.

S.B. 295