



General Assembly

January Session, 2015

Committee Bill No. 462

LCO No. 5471



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT CONCERNING MUNICIPAL COLLECTION OF 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 Section 12-651 of the general statutes is repealed and the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, 2015*):

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

31 (e) Before the municipal tax collector may collect any tax imposed
32 pursuant to this section, the chief elected official of the municipality
33 shall appoint one or more hearing officers, other than police officers or
34 persons who work in the police department, to hear the petitions of
35 aggrieved taxpayers and shall establish by ordinance a hearing
36 procedure following the timelines and requirements set forth in section
37 12-553. The provisions of sections 12-533 and 12-554, adapted
38 accordingly, shall apply to hearings before and appeals from a
39 municipality under this section, except that venue for any appeal shall
40 be in the judicial district in which such municipality is located.

41 Sec. 2. Section 12-655 of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective October 1, 2015*):

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

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

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

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

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

104 (d) The amount of any tax, penalty and interest due to a
105 municipality and unpaid under the provisions of this chapter shall
106 constitute a lien upon any real estate owned by the dealer in the
107 municipality collecting such tax, penalty or interest. Each such lien
108 may be continued, recorded and released in the manner provided by
109 the general statutes for continuing, recording and releasing property
110 tax liens. Each such lien shall take precedence over all other liens filed
111 after October 1, 2015, and encumbrances, except taxes, and may be
112 enforced in the same manner as property tax liens.

113 ~~[(c)]~~ (e) Except in the case of a wilfully false or fraudulent intent to

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

127 [(d)] (f) The provisions of sections 12-553 and 12-554 shall apply to
128 the provisions of this chapter in the same manner and with the same
129 force and effect as if the language of said sections had been
130 incorporated in full into said chapter and had expressly referred to the
131 tax imposed under said chapter, except to the extent that any such
132 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, 2015</i>	12-651
Sec. 2	<i>October 1, 2015</i>	12-655

PD

Joint Favorable C/R

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