



General Assembly

January Session, 2015

Raised Bill No. 1080

LCO No. 4959



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES.

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

1 Section 1. Section 12-35 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2016*):

3 (a) (1) Wherever used in this chapter, unless otherwise provided,
4 "state collection agency" includes the Treasurer, the Commissioner of
5 Revenue Services and any other state official, board or commission
6 authorized by law to collect taxes payable to the state and any duly
7 appointed deputy of any such official, board or commission; "tax"
8 includes not only the principal of any tax but also all interest, penalties,
9 fees and other charges added thereto by law; and "serving officer"
10 includes any state marshal, constable or employee of such state
11 collection agency designated for such purpose by a state collection
12 agency and any person so designated by the Labor Commissioner.

13 (2) Upon the failure of any person to pay any tax, except any tax
14 under chapter 216, due the state within thirty days from its due date,

15 the state collection agency charged by law with its collection shall add
16 thereto such penalty or interest or both as are prescribed by law,
17 provided, if any statutory penalty is not specified, there may be added
18 a penalty in the amount of ten per cent of the whole or such part of the
19 principal of the tax as is unpaid or fifty dollars, whichever amount is
20 greater, and provided further, if any statutory interest is not specified,
21 there shall be added interest at the rate of one per cent of the whole or
22 such part of the principal of the tax as is unpaid for each month or
23 fraction thereof, from the due date of such tax to the date of payment.
24 Upon the failure of any person to pay any tax, except any tax under
25 chapter 216, due within thirty days of its due date, the state collection
26 agency charged by law with the collection of such tax may make out
27 and sign a warrant directed to any serving officer for distraint upon
28 any property of such person found within the state, whether real or
29 personal. An itemized bill shall be attached thereto, certified by the
30 state collection agency issuing such warrant as a true statement of the
31 amount due from such person. Such warrant shall have the same force
32 and effect as an execution issued pursuant to chapter 906. Such
33 warrant may be levied on any real property or tangible or intangible
34 personal property of such person, and sale made pursuant to such
35 warrant in the same manner and with the same force and effect as a
36 levy of sale pursuant to an execution. In addition thereto, if such
37 warrant has been issued by the Commissioner of Revenue Services, his
38 deputy, the Labor Commissioner, the executive director of the
39 Employment Security Division or any person in the Employment
40 Security Division in a position equivalent to or higher than the position
41 presently held by a revenue examiner four, said serving officer shall be
42 authorized to place a keeper in any place of business and it shall be
43 such keeper's duty to secure the income of such business for the state
44 and, when it is in the best interest of the state, to force cessation of such
45 business operation. In addition, the Attorney General may collect any
46 such tax by civil action. Each serving officer so receiving a warrant
47 shall make a return with respect to such warrant to the appropriate
48 collection agency within a period of ten days following receipt of such

49 warrant. Each serving officer shall collect from such person, in
50 addition to the amount shown on such warrant, his fees and charges,
51 which shall be twice those authorized by statute for serving officers,
52 provided the minimum charge shall be five dollars and money
53 collected pursuant to such warrant shall be first applied to the amount
54 of any fees and charges of the serving officer. In the case of an
55 employee of the state acting as a serving officer the fees and charges
56 collected by such employee shall inure to the benefit of the state.

57 (3) For the purposes of this [section] subsection, "keeper" means a
58 person who has been given authority by an officer authorized to serve
59 a tax warrant to act in the state's interest to secure the income of a
60 business for the state and, when it is in the best interest of the state, to
61 force the cessation of such business's operation, upon the failure of
62 such business to pay taxes owed to the state.

63 (b) (1) Any such warrant on any intangible personal property of any
64 person may be served by mailing a certified copy of such warrant by
65 [certified mail, return receipt requested,] mail evidenced by a
66 certificate of mailing or other similar United States Postal Service form
67 from which the date of deposit can be verified to any third person in
68 possession of, or obligated with respect to, receivables, bank accounts,
69 evidences of debt, securities, salaries, wages, commissions,
70 compensation or other intangible personal property subject to such
71 warrant, ordering such third person to forthwith deliver such property
72 or pay the amount due or payable to the state collection agency which
73 has made out such warrant, provided such warrant may be issued only
74 after the state collection agency making out such warrant has notified
75 the person owning such property, in writing, of its intention to issue
76 such warrant. The notice of intent shall be:

77 (A) Given in person;

78 (B) [left] Left at the dwelling or usual place of business of such
79 person; or

80 (C) [sent] Sent by [certified mail, return receipt requested,] mail
81 evidenced by a certificate of mailing or other similar United States
82 Postal Service form from which the date of deposit can be verified to
83 such person's [last known] last-known address [,] not less than thirty
84 days before the day the warrant is to be issued.

85 (2) Any such warrant on any intangible personal property of any
86 person may be served by electronic mail or facsimile machine on any
87 third person in possession of, or obligated with respect to, receivables,
88 bank accounts, evidences of debt, securities, salaries, wages,
89 commissions, compensation or other intangible personal property
90 subject to such warrant, ordering such third person to forthwith
91 deliver such property or pay the amount due or payable to the state
92 collection agency which has made out such warrant provided such
93 warrant may be issued only after the state collection agency making
94 out such warrant has notified the person owning such property, in
95 writing, of its intention to issue such warrant. The notice of intent shall
96 be:

97 (A) Given in person;

98 (B) [left] Left at the dwelling or usual place of business of such
99 person; or

100 (C) [sent] Sent by [certified mail, return receipt requested,] mail
101 evidenced by a certificate of mailing or other similar United States
102 Postal Service form from which the date of deposit can be verified to
103 such person's last-known address, not less than thirty days before the
104 day the warrant is to be issued.

105 Sec. 2. Subsection (a) of section 1-2b of the general statutes is
106 repealed and the following is substituted in lieu thereof (*Effective*
107 *January 1, 2016*):

108 (a) For purposes of sections 1-100oo, 1-206, 2-71r, 4-176, 4-180, 4-183,
109 4a-52a, 4a-60q, 4a-63, 4a-100, 4e-34, 4e-35, 7-65, 7-148w, 7-247a, 7-473c,

110 7-478e, 8-3b, 8-3i, 8-7d, 8-26b, 8-169r, 8-293, 9-388, 9-608, 9-623, 10a-22c,
111 10a-22i, 10a-34a, 10a-109n, [12-35,] 12-157, 12-242ii, 12-242jj, 13a-80,
112 13a-123, 15-11a, 16-41, 16-50c, 16-50d, 17a-103b, 19a-87, 19a-87c, 19a-
113 209c, 19a-332e, 19a-343a, 19a-486a, 19a-486c, 19a-486d, 19a-497, 19a-
114 507b, 20-205a, 20-325a, 21-63, 21-80, 22-7, 22a-6b, 22a-6u, 22a-30, 22a-
115 42d, 22a-42f, 22a-66d, 22a-137, 22a-178, 22a-225, 22a-228, 22a-250, 22a-
116 354p, 22a-354s, 22a-354t, 22a-361, 22a-371, 22a-401, 22a-403, 22a-433,
117 22a-436, 22a-449f, 22a-449l, 22a-449n, 22a-504, 22a-626, 23-46, 23-65j, 23-
118 651, 23-65p, 25-32, 25-32e, 25-331, 25-34, 25-204, 25-234, 29-108d, 31-57c,
119 31-57d, 31-355, 32-613, 33-663, 33-929, 33-1053, 33-1219, 34-521, 35-42,
120 36a-50, 36a-51, 36a-52, 36a-53, 36a-82, 36a-184, 36a-493, 36b-62, 36b-72,
121 38-323a, 38a-344, 38a-676, 38a-724, 38a-788, 42-158j, 42-161, 42-181, 42-
122 182, 42-186, 42-271, 45a-716, 46b-115w, 46b-128, 47-42d, 47-74f, 47-88b,
123 47-236, 47-284, 47a-11b, 47a-11d, 47a-13a, 47a-14h, 47a-56b, 49-2, 49-4a,
124 49-8, 49-8a, 49-10b, 49-31b, 49-51, 49-70, 51-90e, 52-57, 52-59b, 52-63, 52-
125 64, 52-195c, 52-350e, 52-351b, 52-361a, 52-362, 52-565a, 52-605, 52-606,
126 53-401, 53a-128, 53a-128d, 53a-207 and 54-82c and chapter 965, any
127 reference to certified mail, return receipt requested, shall include mail,
128 electronic, and digital methods of receiving the return receipt,
129 including all methods of receiving the return receipt identified by the
130 Mailing Standards of the United States Postal Service in Chapter 500 of
131 the Domestic Mail Manual or any subsequent corresponding
132 document of the United States Postal Service.

133 Sec. 3. Section 12-633 of the general statutes is repealed and the
134 following is substituted in lieu thereof (*Effective July 1, 2015*):

135 The Commissioner of Revenue Services shall grant a credit against
136 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
137 212 in an amount not to exceed ~~[sixty]~~ eighty per cent of the total cash
138 amount invested during the taxable year by the business firm in
139 programs operated or created pursuant to proposals approved
140 pursuant to section 12-632. [provided a tax credit not to exceed one
141 hundred per cent of the total cash amount invested during the taxable
142 year by the business firm may be allowed for investment in certain

143 energy conservation projects as provided in subdivisions (1) and (2) of
144 section 12-635.]

145 Sec. 4. Section 12-634 of the general statutes is repealed and the
146 following is substituted in lieu thereof (*Effective July 1, 2015*):

147 The Commissioner of Revenue Services shall grant a credit against
148 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
149 212 in an amount not to exceed [sixty] eighty per cent of the total cash
150 amount invested during the taxable year by the business firm in
151 programs operated or created pursuant to proposals approved
152 pursuant to section 12-632 for planning, site preparation, construction,
153 renovation or acquisition of facilities for purposes of establishing a
154 child day care facility to be used primarily by the children of such
155 business firm's employees and equipment installed for such facility,
156 including kitchen appliances, to the extent that such equipment or
157 appliances are necessary in the use of such facility for purposes of
158 child day care, provided: (1) Such facility is operated under the
159 authority of a license issued by the Commissioner of Early Childhood
160 in accordance with sections 19a-77 to 19a-87, inclusive, (2) such facility
161 is operated without profit by such business firm related to any charges
162 imposed for the use of such facility for purposes of child day care, and
163 (3) the amount of tax credit allowed any business firm under the
164 provisions of this section for any income year may not exceed fifty
165 thousand dollars. If two or more business firms share in the cost of
166 establishing such a facility for the children of their employees, each
167 such taxpayer shall be allowed such credit in relation to the respective
168 share, paid or incurred by such taxpayer, of the total expenditures for
169 the facility in such income year. The commissioner shall not grant a
170 credit pursuant to this section to any taxpayer claiming a credit for the
171 same year pursuant to section 12-217x.

172 Sec. 5. Section 12-635 of the general statutes is repealed and the
173 following is substituted in lieu thereof (*Effective July 1, 2015*):

174 The Commissioner of Revenue Services shall grant a credit against
175 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
176 212: (1) In an amount not to exceed [one hundred] eighty per cent of
177 the total cash amount invested during the taxable year by the business
178 firm in programs operated or created pursuant to proposals approved
179 pursuant to section 12-632 for energy conservation projects directed
180 toward properties occupied by persons, at least seventy-five per cent
181 of whom are at an income level not exceeding one hundred fifty per
182 cent of the poverty level for the year next preceding the year during
183 which such tax credit is to be granted; (2) in an amount equal to [one
184 hundred] eighty per cent of the total cash amount invested during the
185 taxable year by the business firm in programs operated or created
186 pursuant to proposals approved pursuant to section 12-632 for energy
187 conservation projects at properties owned or occupied by charitable
188 corporations, foundations, trusts or other entities as determined under
189 regulations adopted pursuant to this chapter; (3) in an amount equal to
190 [one hundred] eighty per cent of the total cash amount invested during
191 the taxable year by the business firm in a comprehensive college access
192 loan forgiveness program located in an "educational reform district" as
193 defined in section 10-262u, that has established minimum eligibility
194 criteria including, but not limited to, years of enrollment in the
195 educational reform district, grade point average, attendance record
196 and loan forgiveness prerequisite; or (4) in an amount not to exceed
197 [sixty] eighty per cent of the total cash amount invested during the
198 taxable year by the business firm (A) in employment and training
199 programs directed at youths, at least seventy-five per cent of whom are
200 at an income level not exceeding one hundred fifty per cent of the
201 poverty level for the year next preceding the year during which such
202 tax credit is to be granted; (B) in employment and training programs
203 directed at handicapped persons as determined under regulations
204 adopted pursuant to this chapter; (C) in employment and training
205 programs for unemployed workers who are fifty years of age or older;
206 (D) in education and employment training programs for recipients in
207 the temporary family assistance program; or (E) in child care services.

208 Any other program which serves persons at least seventy-five per cent
209 of whom are at an income level not exceeding one hundred fifty per
210 cent of the poverty level for the year next preceding the year during
211 which such tax credit is to be granted and which meets the standards
212 for eligibility under this chapter shall be eligible for a tax credit under
213 this section in an amount equal to [sixty] eighty per cent of the total
214 cash invested by the business firm in such program.

215 Sec. 6. Section 12-635a of the general statutes is repealed and the
216 following is substituted in lieu thereof (*Effective July 1, 2015*):

217 The Commissioner of Revenue Services shall grant a credit against
218 any tax due under the provisions of chapter 207, 208, 209, 210, 211 or
219 212 in an amount not to exceed [sixty] eighty per cent of the total cash
220 amount invested during the taxable year by the business firm in
221 community-based alcoholism prevention or treatment programs
222 operated or created pursuant to proposals approved pursuant to
223 section 12-632.

224 Sec. 7. Subsection (a) of section 12-702a of the general statutes is
225 repealed and the following is substituted in lieu thereof (*Effective from*
226 *passage*):

227 (a) Any individual who has made a joint return under this chapter
228 may elect to seek relief under the provisions of subsection (b) of this
229 section and if such individual is eligible to elect the application of
230 subsection (c) of this section, such individual may, in addition to any
231 election under subsection (b) of this section, elect to limit such
232 individual's liability for any deficiency with respect to such joint return
233 in the manner prescribed under subsection (c) of this section. Any
234 individual who has made a joint return under this chapter may elect to
235 seek relief under the provisions of subsection (f) of this section, even if
236 such individual is not eligible to seek relief under subsection (b) or (c)
237 of this section.

238 Sec. 8. Subsections (f) to (h), inclusive, of section 12-702a of the

239 general statutes are repealed and the following is substituted in lieu
 240 thereof (*Effective from passage*):

241 (f) Under procedures prescribed by the commissioner, if taking into
 242 account all the facts and circumstances, it is inequitable to hold such
 243 individual liable for any unpaid tax or any deficiency, or any portion
 244 of [either] such unpaid tax or deficiency, and relief is not otherwise
 245 available to such individual under this section, the commissioner may
 246 relieve such individual of such liability.

247 (g) The commissioner [shall] may adopt regulations, in accordance
 248 with chapter 54, as are necessary to carry out the provisions of this
 249 section, including regulations providing the opportunity for an
 250 individual to have notice of, and an opportunity to participate in, any
 251 administrative proceeding with respect to an election made under this
 252 section by the other individual filing the joint return.

253 (h) The provisions of this section shall be applicable with respect to
 254 any liability arising after May 27, 1999, and any liability arising on or
 255 before May 27, 1999, if such liability remains unpaid as of said date,
 256 provided the two-year period to make an election under subsection (b)
 257 or (c) of this section shall not expire before the date that is two years
 258 after the date of the first collection activity after May 27, 1999.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2016</i>	12-35
Sec. 2	<i>January 1, 2016</i>	1-2b(a)
Sec. 3	<i>July 1, 2015</i>	12-633
Sec. 4	<i>July 1, 2015</i>	12-634
Sec. 5	<i>July 1, 2015</i>	12-635
Sec. 6	<i>July 1, 2015</i>	12-635a
Sec. 7	<i>from passage</i>	12-702a(a)
Sec. 8	<i>from passage</i>	12-702a(f) to (h)

Statement of Purpose:

To amend revenue services statutes by: (1) Defining certificate of mailing requirements for certain warrants and notices, (2) setting a uniform percentage of total cash amount invested at eighty per cent for certain tax credits, and (3) clarifying the applicability of certain taxpayer relief provisions under the personal income 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.]