

***Finance, Revenue and Bonding Committee
JOINT FAVORABLE REPORT**

Bill No.: HB-7373

AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES'
RECOMMENDATIONS FOR MINOR REVISIONS TO THE TAX AND RELATED

Title: STATUTES.

Vote Date: 5/1/2019

Vote Action: Joint Favorable Substitute

PH Date: 4/10/2019

File No.:

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SPONSORS OF BILL:

Finance, Revenue, and Bonding Committee

REASONS FOR BILL:

This bill seeks to assist DRS in their ongoing effort to be fair, accessible, and focused on improving the taxpayer experience. This proposals will allow DRS to streamline operations, alleviate taxpayer confusion, and facilitate digital transactions – which is particularly important as DRS embarks on a multi-year IT modernization initiative designed to stage an environment for integration, knowledge transfer, and flexible adaptation to tax changes.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Department of Revenue Services, Commissioner, Scott D. Jackson](#)

Commissioner Jackson testified in support of this bill. He stated that section 1 and 2 of this legislation are the direct result of feedback of taxpayers and the practitioner community. He further mentioned section 4 is an overdue update that would grant DRS to utilize electronic means to issue tax warrants. Section 7 would extend timeframes for tax preparation. Section 9 would tighten statutory provisions. Section 10 raises a threshold that would allow DRS to streamline consideration and bring results sooner. Section 11-25 clarifies technical language.

NATURE AND SOURCES OF SUPPORT:

[Connecticut Society of Certified Public Accountants](#)

CTCPA appreciates the efforts of the Department of Revenue Services (DRS) and the members of the Finance, Revenue and Bonding Committee to address some of the concerns with Public Act 18-49 by offering and hearing HB 7373. CTCPA supports inclusion of guaranteed payments in the base, adoption of a de minimus filing rule the adoption and other aspects of HB 7373. However, there are several other challenges resulting from the Act that also need to be addressed which are not in the current draft of the bill. There are three things that CTCPA respectfully requests the committee add to HB 7373: bonus depreciation, penalties and interest, and management fees.

NATURE AND SOURCES OF OPPOSITION:

None provided.

**Reported by: Cassandra Gallion
Committee Clerk**

Date: 5/7/2019