



General Assembly

Amendment

January Session, 2019

LCO No. 9423



Offered by:
REP. ROJAS, 9th Dist.

To: Subst. House Bill No. 7373

File No. 914

Cal. No. 621

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

1 In line 212, strike "directly or indirectly"

2 Strike lines 1142 to 1161, inclusive, in their entirety and insert the
3 following in lieu thereof:

4 "(2) (A) For a nonresident estate, the state shall have the power to
5 levy the estate tax upon all real property situated in this state and
6 tangible personal property having an actual situs in this state.

7 (B) For real property and tangible personal property owned by a
8 pass-through entity, the entity shall be disregarded for estate tax
9 purposes and such property shall be treated as personally owned by
10 the decedent in proportion to the nonresident decedent's constructive
11 ownership in the pass-through entity if (i) the entity does not carry on
12 a business for the purpose of profit and gain, (ii) the ownership of the
13 property by the entity was not for a valid business purpose, or (iii) the

14 property was acquired by other than a bona fide sale for full and
15 adequate consideration and the decedent retained any power with
16 respect to or interest in the property that would bring the real property
17 situated in this state or the tangible personal property having an actual
18 situs in the state within the decedent's federal gross estate. Nothing in
19 this subparagraph shall be deemed to impose a lien in favor of the
20 state of Connecticut under subsection (d) of section 12-398 or section
21 45a-107b against any real property included in the nonresident
22 decedent's estate under this subparagraph to any greater extent than if
23 the nonresident decedent was a resident decedent owning an interest
24 in a pass-through entity owning real property located in this state. For
25 purposes of this subparagraph, "pass-through entity" means a
26 partnership or an S corporation, as those terms are defined in section
27 12-699, as amended by this act, or a single member limited liability
28 company that is disregarded for federal income tax purposes.

29 (C) The state is permitted to calculate the estate tax and levy said tax
30 to the fullest extent permitted by the Constitution of the United States."

31 After the last section, add the following and renumber sections and
32 internal references accordingly:

33 "Sec. 501. (*Effective from passage*) Notwithstanding the provisions of
34 section 12-3a of the general statutes, as amended by this act, the
35 Commissioner of Revenue Services shall waive penalty, interest and
36 any other addition to tax caused by the late payment of any tax
37 payment required under chapter 228z or 229 of the general statutes for
38 the 2018 taxable year that was increased or created as a result of the
39 enactment of said chapter 228z, provided such tax payment is made
40 within one year of its due date.

41 Sec. 502. Section 12-408f of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective from passage*):

43 (a) As used in this section:

44 (1) "Referral" or "refer" means the transfer by a referrer of a potential

45 purchaser to a seller who advertises or lists tangible personal property
46 for sale on or in the referrer's medium; and

47 (2) "Referrer" means any person who (A) contracts or otherwise
48 agrees with a seller to list or advertise for sale one or more items of
49 tangible personal property by any means, including an Internet web
50 site and a catalog, provided such listing or advertisement includes the
51 seller's shipping terms or a statement of whether the seller collects
52 sales tax, (B) offers a comparison of similar products offered by
53 multiple sellers, (C) receives commissions, fees or other consideration
54 in excess of one hundred twenty-five thousand dollars during the prior
55 twelve-month period from a seller or sellers for such listings or
56 advertisements, (D) refers, via telephone, Internet web site link or
57 other means, a potential customer to a seller or an affiliated person of a
58 seller, as described in subparagraph (C) of subdivision (15) of
59 subsection (a) of section 12-407, and (E) does not collect payments from
60 the customer for the seller. For purposes of this subdivision, "shipping
61 terms" does not mean a seller's mere mention of general shipping costs
62 in the seller's own listing or advertisement.

63 (b) Each referrer shall, to the extent not prohibited by the
64 Constitution of the United States:

65 (1) Post a conspicuous notice on or in such referrer's medium that
66 informs consumers (A) that sales or use tax is due from Connecticut
67 purchasers on certain purchases, (B) that the seller might not collect
68 and remit sales tax on a purchase, (C) that Connecticut requires
69 Connecticut purchasers to file a use tax return if sales tax is not
70 imposed at the time of the sale by the seller, (D) of the instructions for
71 obtaining additional information from the Department of Revenue
72 Services regarding the remittance of sales and use taxes on purchases
73 made by Connecticut purchasers, and (E) that such notice is being
74 provided pursuant to this section;

75 (2) Provide, not later than ~~July 1, 2019~~ January 1, 2020, a quarterly
76 notice to each seller to whom such referrer transferred during the

77 previous calendar year a potential purchaser located in this state that
 78 contains (A) a statement that Connecticut imposes a sales or use tax on
 79 sales made to Connecticut purchasers, (B) a statement that a seller
 80 making sales to Connecticut purchasers must collect and remit sales
 81 and use taxes to the Department of Revenue Services, and (C)
 82 instructions for obtaining additional information regarding the
 83 Connecticut sales and use taxes from said department.

84 (c) Not later than January 31, [2020] 2021, and annually thereafter,
 85 each referrer shall submit a report electronically, in a form and manner
 86 prescribed by the Commissioner of Revenue Services, to the
 87 commissioner that contains (1) the name and address of each seller
 88 who received a notice pursuant to subsection (b) of this section in the
 89 calendar year immediately preceding, and (2) the name and address of
 90 each seller for which the referrer knows that such seller (A) listed or
 91 advertised such seller's tangible personal property on or in such
 92 referrer's medium, and (B) collected and remitted Connecticut sales
 93 and use taxes."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	New section
Sec. 502	<i>from passage</i>	12-408f