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

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

Section 1. Section 12-699 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019):

(a) As used in this section and section 12-699a, as amended by this act:

(1) "Partnership" has the same meaning as provided in Section 7701(a)(2) of the Internal Revenue Code, as defined in section 12-213, and regulations adopted thereunder. "Partnership" includes a limited liability company that is treated as a partnership for federal income tax purposes;

(2) "S corporation" means a corporation or a limited liability company that is treated as an S corporation for federal income tax purposes;

(3) "Affected business entity" means a partnership or an S corporation, but does not include a publicly-traded partnership, as defined in Section 7704(b) of the Internal Revenue Code, that has agreed to file an annual return pursuant to section 12-726 reporting the name, address, Social Security number or federal employer identification number and such other information required by the Commissioner of Revenue Services of each unitholder whose
distributive share of partnership income derived from or connected with sources within this state was more than five hundred dollars;

(4) "Member" means (A) a shareholder of an S corporation, (B) a partner in (i) a general partnership, (ii) a limited partnership, or (iii) a limited liability partnership, or (C) a member of a limited liability company that is treated as a partnership or an S corporation for federal income tax purposes; and

(5) "Taxable year" means the taxable year of an affected business entity for federal income tax purposes.

(b) Each affected business entity that is required to file a return under the provisions of section 12-726 shall, on or before the fifteenth day of the third month following the close of each taxable year, pay to the commissioner a tax as determined under this section.

(c) The tax due under subsection (b) of this section shall equal (1) (A) the separately and nonseparately computed items, as described in Section 702(a) of the Internal Revenue Code with respect to a partnership or Section 1366 of the Internal Revenue Code with respect to an S corporation, of the affected business entity, excluding any item treated as an itemized deduction for federal income tax purposes, plus any item described in Section 707(c) of the Internal Revenue Code with respect to a partnership, to the extent any such items under this subparagraph are derived from or connected with sources within this state, as determined under the provisions of chapter 229, (B) as increased or decreased by any modification described in section 12-701 that relates to an item of the affected business entity's income, gain, loss or deduction, to the extent derived from or connected with sources within this state, as determined under the provisions of chapter 229, (2) multiplied by six and ninety-nine-hundredths per cent. If the amount calculated under subdivision (1) of this subsection results in a net loss, such net loss may be carried forward to succeeding taxable years until fully used.

(d) If an affected business entity, the lower-tier entity, is a member
of another affected business entity, the upper-tier entity, the lower-tier entity shall, when calculating the amount under subdivision (1) of subsection (c) of this section, subtract its distributive share of income or add its distributive share of loss from the upper-tier entity to the extent that the income or loss was derived from or connected with sources within this state.

(e) A nonresident individual who is a member of an affected business entity shall not be required to file an income tax return under the provisions of chapter 229 for a taxable year if, for such taxable year, the only source of income derived from or connected with sources within this state for such member, or the member and the member's spouse if a joint federal income tax return is or shall be filed, is from one or more affected business entities and such nonresident individual member's tax under chapter 229 would be fully satisfied by the credit allowed to such individual under subparagraph (A) of subdivision (1) of subsection (g) of this section.

(f) Each affected business entity shall report to each of its members, for each taxable year, such member's direct [pro rata] share of the tax imposed under this section on such affected business entity and indirect [pro rata] share of the tax imposed on any upper-tier entity of which such affected business entity is a member.

(g) (1) (A) Each person that is subject to the tax imposed under chapter 229 and is a member of an affected business entity shall be entitled to a credit against the tax imposed under said chapter, other than the tax imposed under section 12-707. Such credit shall be in an
amount equal to such person's direct and indirect [pro rata] share of
the tax due and paid under this section by any affected business entity
of which such person is a member multiplied by ninety-three and one-
hundredths per cent. If the amount of the credit allowed pursuant to
this subdivision exceeds such person's tax liability for the tax imposed
under said chapter, the commissioner shall treat such excess as an
overpayment and, except as provided in section 12-739 or 12-742, shall
refund the amount of such excess, without interest, to such person.

(B) Each person that is subject to the tax imposed under chapter 229
as a resident or a part-year resident of this state and is a member of an
affected business entity shall also be entitled to a credit against the tax
imposed under said chapter, other than the tax imposed under section
12-707, for such person's direct and indirect [pro rata] share of taxes
paid to another state of the United States or the District of Columbia,
on income of any affected business entity of which such person is a
member that is derived therefrom, provided the taxes paid to another
state of the United States or the District of Columbia results from a tax
that the commissioner determines is substantially similar to the tax
imposed under this section. Any such credit shall be calculated in the
manner prescribed by the commissioner, which shall be consistent
with the provisions of section 12-704.

(2) Each company that is subject to the tax imposed under chapter
208 and is a member of an affected business entity shall be entitled to a
credit against the tax imposed under said chapter. Such credit shall be
in an amount equal to such company's direct and indirect [pro rata]
share of the tax paid under this section by any affected business entity
of which such company is a member multiplied by ninety-three and one-hundredths per cent. Such credit shall be applied after all other
credits are applied and shall not be subject to the limits imposed under
section 12-217zz. Any credit that is not used in the income year during
which the affected business entity incurs the tax under this section
shall be carried forward to each of the succeeding income years by the
company until such credit is fully taken against the tax under chapter
208.
(h) Upon the failure of any affected business entity to pay the tax due under this section within thirty days of the due date, the provisions of section 12-35, as amended by this act, shall apply with respect to the enforcement of this section and the collection of such tax. The warrant therein provided for shall be signed by the commissioner or an authorized agent of the commissioner. The amount of any such tax, penalty and interest shall be a lien, from the last day of the last month of the taxable year next preceding the due date of such tax until discharged by payment, against all real estate of the taxpayer within the state, and a certificate of such lien signed by the commissioner may be recorded in the office of the clerk of any town in which such real estate is situated, provided no such lien shall be effective as against any bona fide purchaser or qualified encumbrancer of any interest in any such property. When any tax with respect to which a lien has been recorded under the provisions of this section has been satisfied, the commissioner, upon request of any interested party, shall issue a certificate discharging such lien, which certificate shall be recorded in the same office in which the lien was recorded. Any action for the foreclosure of such lien shall be brought by the Attorney General in the name of the state in the superior court for the judicial district in which the property subject to such lien is situated, or, if such property is located in two or more judicial districts, in the superior court for any one such judicial district, and the court may limit the time for redemption or order the sale of such property or make such other or further decree as it judges equitable.

(i) If any tax is not paid when due as provided in this section, there shall be added to the amount of the tax interest at the rate of one per cent per month or fraction thereof from the date the tax became due until it is paid.

(j) (1) Any affected business entity subject to tax under this section may elect to file a combined return together with one or more other commonly-owned affected business entities subject to tax under this section. Each affected business entity making such election shall submit written notice of such election to file a combined return,
including the written consent of the other commonly-owned affected business entities to such election, to the commissioner not later than the due date, or if an extension of time to file has been requested and granted, the extended due date, of the returns due from such entities. An affected business entity shall submit such written notice and consent for each taxable year such entity makes the election under this subdivision. Each affected business entity electing to file a combined return under this subdivision shall be jointly and severally liable for the tax due under this section. For the purposes of this subdivision, "commonly-owned" means that more than eighty per cent of the voting control of an affected business entity is directly or indirectly owned by a common owner or owners, either corporate or noncorporate. Whether voting control is indirectly owned shall be determined in accordance with Section 318 of the Internal Revenue Code.

(2) Except as provided in subdivision (5) of this subsection, affected business entities that elect to file a combined return under subdivision (1) of this subsection shall net the amounts each such entity calculates under subdivision (1) of subsection (c) of this section after such amounts are separately apportioned or allocated by each affected business entity in accordance with this section.

(3) Affected business entities that elect to file a combined return under subdivision (1) of this subsection shall report to the commissioner the portion of the direct and indirect [pro rata] share of the tax paid with the combined return that is allocated to each of their members. Such report shall be filed with the combined return and the allocation reported shall be irrevocable.

(4) The election made under this subsection shall not affect the calculation of tax due under any other provision of the general statutes other than with respect to the calculation of the credits under subsection (g) of this section.

(5) Affected business entities that elect to file a combined return under subdivision (1) of this subsection shall calculate their tax due in accordance with subsection (c) of this section unless each such entity
elects under subsection (k) of this section to calculate its tax due on the
alternative basis under subsection (l) of this section. If such election is
made, the affected business entities shall net their alternative tax bases
instead of netting the amounts under subdivision (2) of this subsection.

(k) In lieu of calculating the tax due in accordance with subsection
c) of this section, any affected business entity may elect to calculate
the tax due on the alternative basis under subsection (l) of this section.
An affected business entity making such election shall submit to the
commissioner written notice of such election not later than the due
date, or if an extension of time to file has been requested and granted,
the extended due date, of the return due from such entity. An affected
business entity shall submit such written notice for each taxable year
such entity makes the election under this subsection. The election
made under this subsection shall not affect the calculation of tax due
under any other provision of the general statutes other than with
respect to the calculation of the credits under subsection (g) of this
section.

(l) (1) The tax due from an affected business entity making the
election under subsection (k) of this section shall be equal to six and
ninety-nine-hundredths per cent multiplied by the alternative tax base.
The alternative tax base shall be equal to the resident portion of
unsourced income plus modified Connecticut source income.

(2) For the purposes of this subsection:

(A) "Resident portion of unsourced income" means unsourced
income multiplied by a percentage equal to the sum of the ownership
interests in the affected business entity owned directly or indirectly by
members who are residents of this state, as defined in section 12-701;

(B) "Unsourced income" means the separately and nonseparately
computed items, as described in Section 702(a) of the Internal Revenue
Code with respect to a partnership or Section 1366 of the Internal
Revenue Code with respect to an S corporation, of the affected
business entity, excluding any item treated as an itemized deduction.
for federal income tax purposes, plus any item described in Section 707(c) of the Internal Revenue Code with respect to a partnership, regardless of the location from which such item is derived or connected, as increased or decreased by any modification described in section 12-701, that relates to an item of the affected business entity's income, gain, loss or deduction, regardless of the location from which such item is derived or connected, less (i) the amount determined under subdivision (1) of subsection (c) of this section, determined without regard to subsection (d) of this section, and (ii) (I) the separately and nonseparately computed items, as described in Section 702(a) of the Internal Revenue Code, of the affected business entity, excluding any item treated as an itemized deduction for federal income tax purposes, plus any item described in Section 707(c) of the Internal Revenue Code with respect to a partnership, to the extent any such items under this subclause are derived from or connected with sources within another state that has jurisdiction to subject the affected business entity to tax, as determined under the provisions of chapter 229, (II) as increased or decreased by any modification described in section 12-701, that relates to an item of the affected business entity's income, gain or deduction, to the extent derived from or connected with sources within another state that has jurisdiction to subject the affected business entity to tax, as determined under the provisions of chapter 229; and

(C) "Modified Connecticut source income" means the amount calculated under subdivision (1) of subsection (c) of this section multiplied by a percentage equal to the sum of the ownership interests in the affected business entity owned by members that are (i) subject to tax under chapter 229, or (ii) affected business entities to the extent such entities are directly or indirectly owned by persons subject to tax under chapter 229. A member that is an affected business entity shall be presumed to be directly or indirectly owned by persons subject to tax under chapter 229 unless the affected business entity subject to tax under this section can establish otherwise by clear and convincing evidence to the satisfaction of the commissioner.
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The provisions of sections 12-723, 12-725 and 12-728 to 12-737, inclusive, shall apply to the provisions of this section in the same manner and with the same force and effect as if the language of said sections had been incorporated in full into this section and had expressly referred to the tax under this section, except to the extent that any such provision is inconsistent with a provision of this section.

Sec. 2. Subdivision (1) of subsection (b) of section 12-699a of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019):

(b) (1) Each affected business entity required to pay the tax imposed under section 12-699, as amended by this act, and whose required annual payment for the taxable year is greater than or equal to one thousand dollars shall make the required annual payment each taxable year, in four required estimated tax installments on the following due dates: (A) For the first required installment, the fifteenth day of the fourth month of the taxable year; (B) for the second required installment, the fifteenth day of the sixth month of the taxable year; (C) for the third required installment, the fifteenth day of the ninth month of the taxable year, and (D) for the fourth required installment, the fifteenth day of the first month of the next succeeding taxable year. An affected business entity may elect to pay any required installment prior to the specified due date. Except as provided in subdivision (2) of this subsection, the amount of each required installment shall be twenty-five per cent of the required annual payment.

Sec. 3. Subdivision (8) of subsection (a) of section 3-20j of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(8) "Withholding taxes" means taxes required to be deducted and withheld [by employers from the wages and salaries of employees] pursuant to sections 12-705 and 12-706 and paid [by employers] to the Commissioner of Revenue Services pursuant to section 12-707 [as a credit for income taxes payable by such employees, and includes,]
without limitation, taxes deducted and withheld pursuant to sections 12-705 and 12-706] upon receipt by the state and including penalty and interest charges on such taxes.

Sec. 4. Subdivision (2) of subsection (b) of section 12-35 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(2) Any such warrant on any intangible personal property of any person may be served by electronic mail, [or] facsimile machine or other electronic means on any third person in possession of, or obligated with respect to, receivables, bank accounts, evidences of debt, securities, salaries, wages, commissions, compensation or other intangible personal property subject to such warrant, ordering such third person to forthwith deliver such property or pay the amount due or payable to the state collection agency that has made out such warrant, provided such warrant may be issued only after the state collection agency making out such warrant has notified the person owning such property, in writing, of its intention to issue such warrant. The notice of intent shall be: (A) Given in person; (B) left at the dwelling or usual place of business of such person; or (C) sent by certified mail, return receipt requested, to such person's last-known address, not less than thirty days before the day the warrant is to be issued. Any such warrant for tax due may further include an order to such third person to continually deliver, during the one hundred eighty days immediately following the date of issuance of the warrant or until the tax is fully paid, whichever occurs earlier, all intangible personal property that is due and that becomes due to the person owing the tax. Except as otherwise provided in this subdivision, such warrant shall have the same force and effect as an execution issued pursuant to chapter 906.

Sec. 5. Subparagraph (B) of subdivision (2) of section 12-408 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to claims for credit received on or after such date):
(B) Whenever such tax, payable by the consumer (i) with respect to a charge account or credit sale, [occurring on or after July 1, 1984,] is remitted by the retailer to the commissioner and such sale as an account receivable is determined to be worthless and is actually written off as uncollectible for federal income tax purposes, or (ii) to a retailer who computes taxable income, for purposes of taxation under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, [amended,] on the cash basis method of accounting with respect to a sale, [occurring on or after July 1, 1989,] is remitted by the retailer to the commissioner and such sale as an account receivable is determined to be worthless, the amount of such tax remitted may be credited against the tax due on the sales tax return filed by the retailer for the monthly or quarterly period, whichever is applicable, next following the period in which such amount is actually so written off, but in no event shall such credit be allowed later than three years following the date such tax is remitted, unless the credit relates to a period for which a waiver is given pursuant to subsection (g) of section 12-415. The commissioner shall, by regulations adopted in accordance with the provisions of chapter 54, provide standards for proving any such claim for credit. If any payment is made by a consumer with respect to an account, such payment shall be applied first toward the sales tax, and if any account with respect to which such credit is allowed is thereafter collected by the retailer in whole or in part, the amount so collected, up to the amount of the sales tax for which the credit was claimed, shall be included in the sales tax return covering the period in which such collection occurs. The tax applicable in any such case shall be determined in accordance with the rate of sales tax in effect at the time of the original sale.

Sec. 6. Section 12-435 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

Each distributor of alcoholic beverages shall pay a tax to the state on all sales within the state of alcoholic beverages, except sales to licensed distributors, sales of alcoholic beverages [which] that, in the course of
such sales, are actually transported to some point without the state and
except [malt beverages which are] beer that is consumed on the
premises covered by a manufacturer's permit, at the rates for the
respective categories of alcoholic beverages listed below:

[(a)] (1) Beer, seven dollars and twenty cents for each barrel, three
dollars and sixty cents for each half barrel, one dollar and eighty cents
for each quarter barrel and twenty-four cents per wine gallon or
fraction thereof on quantities less than a quarter barrel;

[(b)] (2) Liquor, five dollars and forty cents per wine gallon;

[(c)] (3) Still wines containing not more than twenty-one per cent of
absolute alcohol, except as provided in [subsections (g) and (h)]
subdivisions (7) and (8) of this section, seventy-two cents per wine
gallon;

[(d)] (4) Still wines containing more than twenty-one per cent of
absolute alcohol and sparkling wines, one dollar and eighty cents per
wine gallon;

[(e)] (5) Alcohol in excess of 100 proof, five dollars and forty cents
per proof gallon;

[(f)] (6) Liquor coolers containing not more than seven per cent of
alcohol by volume, two dollars and forty-six cents per wine gallon;

[(g)] (7) Still wine containing not more than twenty-one per cent of
absolute alcohol, produced by a person who produces not more than
fifty-five thousand wine gallons of wine during the calendar year,
eighteen cents per wine gallon, provided such person presents to each
distributor of alcoholic beverages described in this section a certificate,
issued by the commissioner, stating that such person produces not
more than fifty-five thousand wine gallons of wine during the calendar
year. The commissioner is authorized to issue such certificates,
prescribe the procedures for obtaining such certificates and prescribe
their form; and
[(h)] (8) Cider containing not more than seven per cent of absolute alcohol shall be subject to the same rate as applies to beer, as provided in [subsection (a)] subdivision (1) of this section.

Sec. 7. Section 12-790a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) As used in sections 12-790a to 12-790c, inclusive, "attorney", "certified public accountant", "commissioner", "creditor", "facilitator", "refund anticipation check", "refund anticipation loan", "return", "tax preparation services" and "tax preparer" have the same meanings as provided in section 12-790, and "commercial tax return preparation business" means a person that employs tax preparers.

(b) (1) On and after January 1, 2019, no person, except as provided in subsection (e) of this section, shall engage in the business of, solicit business as or advertise as furnishing tax preparation services or acting as a facilitator or make representations to be a tax preparer or facilitator, without a tax preparer permit or a facilitator permit, as applicable, issued by the commissioner. Each applicant for such permit and renewal of such permit shall apply by electronic means in the form and manner prescribed by the commissioner.

(2) Each individual applying for a permit shall (A) be eighteen years of age or older, (B) have obtained a high school diploma, (C) possess a preparer tax identification number issued by the Internal Revenue Service that shall be used by the tax preparer or facilitator for each return such tax preparer is required to sign and each refund anticipation loan or refund anticipation check such facilitator is required to sign, and (D) for a tax preparer, present evidence satisfactory to the commissioner that the applicant has experience, education or training in tax preparation services, which evidence shall include, on and after January 1, 2020, a certificate of completion of an annual filing season program administered by the Internal Revenue Service.

(3) The commissioner may issue a permit under this subsection to
an applicant that presents evidence satisfactory to the commissioner
that the applicant is authorized to act as a tax preparer or facilitator in
a state that has professional requirements substantially similar to the
requirements for tax preparers or facilitators in this state. The
commissioner shall provide written notice of the commissioner's
decision approving or denying an application for issuance or renewal
of a permit not later than sixty days after receipt of the application.

(4) The fee for an initial application shall be one hundred dollars. A
permit issued pursuant to this subsection shall expire after two years
and a tax preparer or facilitator seeking renewal shall submit a renewal
application and renewal fee of fifty dollars.

(5) If an individual acts as both a tax preparer and a facilitator, the
commissioner shall issue a single permit covering both activities.

(c) (1) If, at any time following the issuance or renewal of a permit
issued pursuant to subsection (b) of this section, any information
provided to the commissioner by the tax preparer or facilitator is no
longer accurate, such tax preparer or facilitator shall promptly provide
updated information to the commissioner.

(2) The issuance of a tax preparer permit or a facilitator permit shall
not be advertised as an endorsement by the commissioner of the tax
preparer's or facilitator's services.

(d) (1) On and after January 1, 2019, the commissioner may impose
on any tax preparer or facilitator that has not been issued a permit
pursuant to this section a civil penalty of one hundred dollars for each
day that the commissioner finds such tax preparer or facilitator to have
provided tax preparation services or acted as a facilitator.

(2) On and after January 1, 2019, if a tax preparer, facilitator or
commercial tax return preparation business employs an individual to
provide tax preparation services or a person to act as a facilitator that
is not exempt under subsection (e) of this section and has not been
issued a permit pursuant to this section, the commissioner may impose
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on such employing tax preparer, facilitator or business a civil penalty
of five hundred dollars per violation.

(3) On and after January 1, 2019, whenever a tax preparer ceases to
engage in the preparation of or in advising or assisting in the
preparation of personal income tax returns or a facilitator ceases to
engage in the activities of a facilitator, such tax preparer or facilitator
may apply to the commissioner for inactive permit status. A permit
that is granted inactive status shall not require renewal, except that
such permit may be reactivated before its expiration upon application
to the commissioner with a payment of the renewal fee.

(4) A tax preparer or facilitator whose permit is inactive shall
neither act as a tax preparer or facilitator nor advertise such tax
preparer's or facilitator's status as being permitted to act as a tax
preparer or facilitator.

(e) The following persons shall be exempt from the provisions of
sections 12-790a to 12-790c, inclusive:

(1) An accountant holding (A) an active license issued by the State
Board of Accountancy, or (B) a valid and active permit, license or
equivalent professional credential issued by another state or
jurisdiction of the United States;

(2) An attorney and any person engaged in providing tax
preparation services under the supervision of such attorney;

(3) An individual enrolled to practice before the Internal Revenue
Service under Circular 230;

(4) An individual employed by a local, state or federal
governmental agency while engaged in the performance of such
person's official duties;

(5) An individual serving as an employee of or assistant to a tax
preparer or a person exempted under this subsection, in the
performance of official duties for such tax preparer or exempt person;
(6) An individual employed, full-time or part-time, to act as a tax preparer solely for the business purposes of such individual's employer;

(7) A person acting as a fiduciary on behalf of an estate; and

(8) An Internal Revenue Services qualified volunteer tax preparer, including, but not limited to, a tax preparer sponsored by the Tax Counseling for the Elderly program or the Volunteer Income Tax Assistance program.

(f) The commissioner shall maintain a public registry containing the names and principal business address of each person holding a permit pursuant to this section.

(g) The commissioner shall keep confidential any personal financial information gathered pursuant to an investigation of any alleged violation of sections 12-790a to 12-790c, inclusive, unless disclosure is (1) considered necessary for the investigation or prosecution of an alleged violation of this section or any regulation or order adopted thereunder, or (2) otherwise expressly authorized under the provisions of federal or state law. For purposes of this subsection, "personal financial information" includes, but is not limited to, returns and return information, as defined under federal and state law.

Sec. 8. Section 13b-121 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) As used in this section, "transportation network company" and "prearranged ride" have the same meanings as provided in section 13b-116.

(b) Each transportation network company shall pay a fee of twenty-five cents on each prearranged ride that originates in this state.

(c) On or before the last day of the month next succeeding each calendar quarter, each transportation network company shall: (1) File a return electronically for the preceding period with the Commissioner.
of Revenue Services on such forms as the commissioner may prescribe; and (2) make payment of the fees required under subsection (b) of this section by electronic funds transfer in the manner provided by chapter 228g. Any document received and maintained by the commissioner with respect to a transportation network company shall be return information, as defined in section 12-15, and shall not be subject to disclosure under the Freedom of Information Act, as defined in section 1-200.

(d) Any fees due and unpaid under this section shall be subject to the penalties and interest established in section 12-547 and the amount of such fee, penalty or interest, due and unpaid, may be collected under the provisions of section 12-35, as amended by this act, as if they were taxes due to the state.

(e) The provisions of sections 12-548, 12-550 to 12-554, inclusive, as amended by this act, and 12-555b shall apply to the provisions of this section in the same manner and with the same force and effect as if the language of said sections had been incorporated in full into this section and had expressly referred to the fee imposed under this section, except to the extent that any such provision is inconsistent with a provision of this section.

(f) Any fees received under this section shall be deposited into the General Fund. For revenue reporting purposes only, the Commissioner of Revenue Services shall include any such fees with the revenue reported under chapter [222] 225.

(g) The Commissioner of Revenue Services, in consultation with the Commissioner of Transportation, may adopt regulations in accordance with the provisions of chapter 54, to carry out the provisions of this section.

Sec. 9. Subsection (b) of section 32-9t of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage and applicable to income years commencing on or after such date):
(b) There is established an urban and industrial site reinvestment program under which taxpayers who make investments in eligible urban reinvestment projects or eligible industrial site investment projects may be allowed a credit against the tax imposed under [chapters 207 to 212a, inclusive,] chapter 207, 208, 208a, 209, 210, 211 or 212 or section 38a-743, or a combination of [said] such taxes, in an amount equal to the percentage of their approved investment determined in accordance with subsection (i) of this section.

Sec. 10. Section 12-3a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) There is created a Penalty Review Committee, which shall consist of the State Comptroller or an employee of the office of the State Comptroller designated by said Comptroller, the Secretary of the Office of Policy and Management or an employee of the Office of Policy and Management designated by said secretary and the Commissioner of Revenue Services or an employee of the Department of Revenue Services designated by said commissioner. Said committee shall meet monthly or as often as necessary to approve any waiver of penalty in excess of [one] five thousand dollars, which the Commissioner of Revenue Services is authorized to waive in accordance with this title, or which the Commissioner of Consumer Protection is authorized to waive in accordance with chapter 226. A majority vote of the committee shall be required for approval of such waiver.

(b) An itemized statement of all waivers approved under this section shall be available to the public for inspection by any person.

(c) The Penalty Review Committee created pursuant to subsection (a) of this section shall adopt regulations in accordance with chapter 54, establishing guidelines for the waiver of any penalty in [excess of one thousand dollars] accordance with this section.

(d) Any person aggrieved by the action of the Penalty Review Committee may, [within one month] not later than thirty days after
notice of such action is delivered or mailed to such person, appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the members of said committee to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable. If the appeal is without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 11. Section 12-30 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

If the Commissioner of Revenue Services determines that any statute or regulation [he] the commissioner is charged with enforcing is being adversely affected, [he] the commissioner may impose a penalty of fifty dollars in case of a failure to file any return or report [which] that is required by law or regulation to be filed with the commissioner on or before the date prescribed therefor, which failure is determined with regard to any extension of time for filing. The commissioner may, upon application, if it is proven to [his] the commissioner's satisfaction that such failure is due to reasonable cause and is not due to negligence or intentional disregard of any provision of law or regulation, waive all or any part of such penalty. No taxpayer shall be subject to such penalty in relation to any tax period for which [he] such taxpayer is subject to a penalty for late payment of a tax or to an additional amount being added to the tax imposed based on a failure to file. If the commissioner does not, upon application, waive all
or any part of such penalty, any person aggrieved by such action of the commissioner may, not later than thirty days after notice of such action is mailed or delivered to such person, appeal therefrom to the superior court for the judicial district of Hartford. The appeal shall be accompanied by a citation to the commissioner to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable. If the appeal is without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 12. Section 12-208 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Any company subject to any tax or charge under this chapter that is aggrieved by the action of the commissioner or his authorized agent in fixing the amount of any tax, penalty, interest or charge provided for by this chapter may apply to the commissioner, in writing, not later than sixty days after the notice of such action is delivered or mailed to the company, for a hearing and a correction of the amount of such tax, penalty, interest or charge, so fixed, setting forth the reasons why such hearing should be granted and the amount in which such tax, penalty, interest or charge should be reduced. The commissioner shall promptly consider each such application and may grant or deny the hearing requested. If the hearing is denied, the applicant shall be notified forthwith. If it is granted, the commissioner shall notify the applicant of the time and
place fixed for such hearing. After such hearing the commissioner may
make such order in the premises as appears to him just and lawful and
shall furnish a copy of such order to the applicant. The commissioner
may, by notice in writing, at any time within three years after the date
when any return of any such person has been due, order a hearing on
his own initiative and require such person or any other individual
whom [he] the commissioner believes to be in possession of relevant
information concerning such person to appear before [him or his] the
commissioner or the commissioner's authorized agent with any
specified books of account, papers or other documents, for
examination under oath.

(b) Any company subject to any tax or charge under this chapter
that is aggrieved because of any order, decision, determination or
disallowance of the Commissioner of Revenue Services made under
this chapter may, [within one month] not later than thirty days after
service of notice of such order, decision, determination or
disallowance, take an appeal therefrom to the superior court for the
judicial district of New Britain, which appeal shall be accompanied by
a citation to the Commissioner of Revenue Services to appear before
said court. Such citation shall be signed by the same authority, and
such appeal shall be returnable at the same time and served and
returned in the same manner, as is required in case of a summons in a
civil action. The authority issuing the citation shall take from the
appellant a bond or recognizance to the state of Connecticut, with
surety, to prosecute the appeal to effect and to comply with the orders
and decrees of the court in the premises. Such appeals shall be
preferred cases, to be heard, unless cause appears to the contrary, at
the first session, by the court or by a committee appointed by the court.
Said court may grant such relief as may be equitable and, if such tax or
charge has been paid prior to the granting of such relief, may order the
[State] Treasurer to pay the amount of such relief, with interest at the
rate of two-thirds of one per cent per month or fraction thereof, to such
aggrieved person. If the appeal has been taken without probable cause,
the court may tax double or triple costs, as the case demands; and,
upon all such appeals which are denied, costs may be taxed against the
appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 13. Section 12-237 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any taxpayer aggrieved because of any order, decision, determination or disallowance of the Commissioner of Revenue Services under the provisions of this part may, [within one month] not later than thirty days after service upon the taxpayer of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable and, if such tax has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of eight per cent per annum, to the aggrieved taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 14. Subsection (b) of section 12-263v of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(b) Any taxpayer subject to any tax or fee under section 12-263q or
12-263r that is aggrieved because of any order, decision, determination or disallowance of the commissioner made under sections 12-263q to 12-263u, inclusive, or subsection (a) of this section may, not later than [one month] thirty days after service of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which appeal shall be accompanied by a citation to the commissioner to appear before said court. Such citation shall be signed by the same authority and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety, to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by the court. Said court may grant such relief as may be equitable and, if such tax or charge has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof, to such taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands and, upon all such appeals that are denied, costs may be taxed against such taxpayer at the discretion of the court but no costs shall be taxed against the state.

Sec. 15. Section 12-268l of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any taxpayer aggrieved because of any order, decision, determination or disallowance of the Commissioner of Revenue Services made under the provisions of chapter 210, 211 or 212 or this chapter may, [within one month] not later than thirty days after service upon the taxpayer of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a
citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable and, if such tax has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof to the aggrieved taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 16. Section 12-312 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any person aggrieved because of any decision, order, determination or disallowance of the commissioner under the provisions of this chapter may, [within one month] not later than thirty days after service upon such person of notice of such decision, order, determination or disallowance, appeal therefrom to the superior court for the judicial district of New Britain, which appeal shall be accompanied by a citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be
heard, unless cause appears to the contrary, at the first session, by the
court or by a committee appointed by it. Said court may grant such
relief as may be equitable and, if such tax has been paid prior to the
granting of such relief, may order the Treasurer to pay the amount of
such relief, with interest at the rate of two-thirds of one per cent per
month or fraction thereof, to the aggrieved taxpayer. If the appeal has
been taken without probable cause, the court may tax double or triple
costs, as the case demands; and, upon all such appeals which are
denied, costs may be taxed against the appellant at the discretion of the
court, but no costs shall be taxed against the state.

Sec. 17. Section 12-330m of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

Any person aggrieved because of any decision, order, determination
or disallowance of the commissioner under the provisions of this
chapter may, [within one month] not later than thirty days after service
upon such person of notice of such decision, order, determination or
disallowance, appeal therefrom to the superior court for the judicial
district of New Britain, which appeal shall be accompanied by a
citation to the commissioner to appear before said court. Such citation
shall be signed by the same authority, and such appeal shall be
returnable at the same time and served and returned in the same
manner, as is required in case of a summons in a civil action. The
authority issuing the citation shall take from the appellant a bond or
recognizance to the state of Connecticut, with surety to prosecute the
appeal to effect and to comply with the orders and decrees of the court
in the premises. Such appeals shall be preferred cases, to be heard,
unless cause appears to the contrary, at the first session, by the court or
by a committee appointed by it. Said court may grant such relief as
may be equitable and, if such tax has been paid prior to the granting of
such relief, may order the Treasurer to pay the amount of such relief,
with interest at the rate of six per cent per annum, to the aggrieved
taxpayer. If the appeal has been taken without probable cause, the
court may tax double or triple costs, as the case demands; and, upon
all such appeals which are denied, costs may be taxed against the
appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 18. Section 12-422 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any taxpayer aggrieved because of any order, decision, determination or disallowance of the Commissioner of Revenue Services under section 12-418, 12-421 or 12-425 may, [within one month] not later than thirty days after service upon the taxpayer of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable and, if such tax has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof, to the aggrieved taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which are denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 19. Section 12-448 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any taxpayer aggrieved because of any decision, order, determination or disallowance of the Commissioner of Revenue
Services under the provisions of this chapter may, [within one month] not later than thirty days after service upon such taxpayer of notice of such decision, order, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which appeal shall be accompanied by a citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by the court. Said court may grant such relief as may be equitable, and, if such tax has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof, to the aggrieved taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which are denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 20. Section 12-463 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any distributor aggrieved because of any order, decision, determination or disallowance of the commissioner made under this chapter may, [within one month] not later than thirty days after service of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same
manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety, to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable and, if such tax has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof to the aggrieved distributor. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 21. Section 12-489 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Any motor carrier aggrieved by any act of the commissioner or [his] the commissioner's authorized agent under this chapter may apply to the commissioner, in writing, [within] not later than sixty days after notification of any such act of the commissioner is delivered or mailed to [it] the motor carrier, for a hearing and a correction of the amount of any tax, penalty or interest, setting forth reasons why such hearing should be granted and the amount by which such tax, penalty or interest should be reduced. The commissioner shall promptly consider each such application and may grant or deny the hearing requested. If the hearing is denied, the applicant shall be notified forthwith. If it is granted, the commissioner shall notify the applicant of the time and place fixed for such hearing. After such hearing the commissioner may make such order in the premises as appears to [him] the commissioner just and lawful and shall furnish a copy of such order to the applicant. The commissioner may, by notice in writing, at any time within three years after the date when any return of any taxpayer has been due, order a hearing on [his] the
commissioner's own initiative and require the taxpayer or any individual whom [he] the commissioner believes to be in possession of relevant information concerning the taxpayer to appear before [him or his] the commissioner or the commissioner's authorized agent with any specified books of account, papers or other documents, for examination under oath.

(b) Any motor carrier aggrieved because of any order, decision, determination or disallowance of the commissioner made under this chapter may, [within one month] not later than thirty days after service of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to the Commissioner of Revenue Services to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety, to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. Said court may grant such relief as may be equitable and, if any tax or fee has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof to the aggrieved motor carrier. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands; and, upon all such appeals which are denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 22. Section 12-554 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any taxpayer aggrieved because of any order, decision,
determination or disallowance of the Commissioner of Revenue
Services under the provisions of this chapter may, [within one month]
not later than thirty days after service upon the taxpayer of notice of
such order, decision, determination or disallowance, take an appeal
therefrom to the superior court for the judicial district of New Britain,
which shall be accompanied by a citation to the Commissioner of
Revenue Services to appear before said court. Such citation shall be
signed by the same authority, and such appeal shall be returnable at
the same time and served and returned in the same manner, as is
required in case of summons in a civil action. The authority issuing the
citation shall take from the appellant a bond or recognizance to the
state of Connecticut, with surety to prosecute the appeal to effect and
to comply with the orders and decrees of the court in the premises.
Such appeals shall be preferred cases to be heard, unless cause appears
to the contrary, at the first session by the court or by a committee
appointed by it. Said court may grant such relief as may be equitable
and, if such tax has been paid prior to the granting of such relief, may
order the Treasurer to pay the amount of such relief, with interest at
the rate of two-thirds of one per cent per month or fraction thereof, to
the aggrieved taxpayer. If the appeal has been taken without probable
cause, the court may tax double or triple costs, as the case demands;
and, upon all such appeals which may be denied, costs may be taxed
against the appellant at the discretion of the court, but no costs shall be
taxed against the state.

Sec. 23. Subsection (d) of section 12-586f of the general statutes is
repealed and the following is substituted in lieu thereof (Effective from
passage):

(d) If the tribe is aggrieved due to any assessment levied pursuant to
such compact and this section or by any failure to adjust an excess
assessment in accordance with the provisions of the compact and this
section, it may, [within one month from] not later than thirty days after
the time provided for the payment of such assessment, appeal
therefrom in accordance with the terms of the compact, to the superior
court for the judicial district of Hartford, which appeal shall be
accompanied by a citation to the Commissioner of Consumer Protection to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. Proceedings in such matter shall be conducted in the same manner as provided for in section 38a-52.

Sec. 24. Subsection (d) of section 12-586g of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(d) If the tribe is aggrieved due to any assessment levied pursuant to such compact and this section or by any failure to adjust an excess assessment in accordance with the provisions of the compact and this section, it may, [within one month from] not later than thirty days after the time provided for the payment of such assessment, appeal therefrom in accordance with the terms of the compact, to the superior court for the judicial district of New Britain, which appeal shall be accompanied by a citation to the Commissioner of Consumer Protection to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. Proceedings in such matter shall be conducted in the same manner as provided for in section 38a-52.

Sec. 25. Section 12-597 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any taxpayer aggrieved because of any order, decision, determination or disallowance of the Commissioner of Revenue Services made in relation to the tax imposed under section 12-587 may, [within one month] not later than thirty days after service upon the taxpayer of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which shall be accompanied by a citation to said commissioner to appear before said court. Such citation shall be signed by the same authority and such appeal shall be
returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut with surety to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by it. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands and upon all such appeals which may be denied, costs may be taxed against the appellant at the discretion of the court, but no costs shall be taxed against the state.

Sec. 26. Section 12-638i of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Any taxpayer, aggrieved by the action of the commissioner or [his] the commissioner's authorized agent in fixing the amount of any tax, penalty or interest provided for by this chapter may apply to the commissioner, in writing, [within] not later than sixty days after notice of such action is delivered or mailed to [him] the taxpayer, for a hearing and a correction of the amount of the tax, penalty or interest so fixed, setting forth the reasons why such hearing should be granted and the amount of the tax, penalty or interest should be reduced. The commissioner shall promptly consider each such application and may grant or deny the hearing requested. If the hearing is denied, the applicant shall be notified thereof forthwith. If it is granted, the commissioner shall notify the applicant of the time and place fixed for such hearing. After such hearing the commissioner may make such order in the premises as appears to [him] the commissioner just and lawful and shall furnish a copy of such order to the applicant. The commissioner may, by notice in writing, at any time within three years after the date when any return of any taxpayer has been due, order a hearing on [his] the commissioner's own initiative and require the taxpayer or any other individual whom [he] the commissioner believes to be in possession of relevant information concerning the taxpayer to
appear before [him or his] the commissioner or the commissioner's
authorized agent with any specified books of account, papers or other
documents, for examination under oath.

(b) Any taxpayer aggrieved because of any order, decision,
determination or disallowance of the Commissioner of Revenue
Services under the provisions of this chapter may, [within one month]
not later than thirty days after service upon the taxpayer of notice of
such order, decision, determination or disallowance, take an appeal
therefrom to the superior court for the judicial district of New Britain,
which shall be accompanied by a citation to the Commissioner of
Revenue Services to appear before said court. Such citation shall be
signed by the same authority and such appeal shall be returnable at
the same time and served and returned in the same manner, as is
required in case of summons in a civil action. The authority issuing the
citation shall take from the appellant a bond or recognizance to the
state of Connecticut with surety to prosecute the appeal to effect and to
comply with the orders and decrees of the court in the premises. Such
appeals shall be preferred cases to be heard, unless cause appears to
the contrary, at the first session by the court or by a committee
appointed by it. Said court may grant such relief as may be equitable
and, if such tax has been paid prior to the granting of such relief, may
order the Treasurer to pay the amount of such relief, with interest at
the rate of two-thirds of one per cent per month or fraction thereof, to
the aggrieved taxpayer. If the appeal has been taken without probable
cause, the court may tax double or triple costs, as the case demands
and, upon all such appeals which may be denied, costs may be taxed
against the appellant at the discretion of the court, but no costs shall be
taxed against the state.

Sec. 27. Section 12-730 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

Notwithstanding the provisions of chapter 54 to the contrary, any
taxpayer aggrieved because of any determination or disallowance by
the commissioner under section 12-729, 12-729a or 12-732 may, [within
one month] not later than thirty days after notice of the commissioner's
determination or disallowance is mailed to the taxpayer, take an
appeal therefrom to the superior court for the judicial district of New
Britain, which shall be accompanied by a citation to the commissioner
to appear before said court. Such citation shall be signed by the same
authority, and such appeal shall be returnable at the same time and
served and returned in the same manner, as is required in case of a
summons in a civil action. The authority issuing the citation shall take
from the appellant a bond or recognizance to the state of Connecticut,
with surety to prosecute the appeal to effect and to comply with the
orders and decrees of the court in the premises. Such appeals shall be
preferred cases, to be heard unless cause appears to the contrary, at the
first session by the court or by a committee appointed by it. Said court
may grant such relief as may be equitable and, if such tax has been
paid prior to the granting of such relief, may order the Treasurer to
pay the amount of such relief, with interest at the rate of two-thirds of
one per cent per month or fraction thereof, to the aggrieved taxpayer.
If the appeal has been taken without probable cause, the court may
charge double or triple costs, as the case demands, and upon all such
appeals which may be denied, costs may be taxed against the appellant
at the discretion of the court but no costs shall be taxed against the
state.

Sec. 28. Section 12-39h of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

Notwithstanding any instructions by the payor to the contrary, any
partial payment against any tax outstanding shall be applied by the
Commissioner of Revenue Services first to any penalties unless a
waiver of penalty has been requested and approved in accordance
with the general statutes, and (1) for periods ending on or after July 1,
2018, and prior to December 31, 2019, any amount in excess of such
penalty shall be applied first to such tax and then to the interest on
such tax, and (2) for periods ending on and after December 31, 2019,
any amount in excess of such penalty shall be applied first to interest
on such tax and then to the tax.
Sec. 29. Subsection (b) of section 12-687 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(b) Where any tax payment is required to be made by electronic funds transfer, such payment shall be treated as a tax payment not made in a timely manner if the electronic funds transfer for the amount of the tax payment is not initiated on or before the due date thereof.

[Any] (1) For periods ending prior to December 31, 2019, any tax payment treated under this subsection as a tax payment not made in a timely manner shall be subject to interest in accordance with the applicable provisions of the general statutes, and a penalty that shall be equal to two per cent of the tax payment required to be made by electronic funds transfer, if such failure to pay by electronic funds transfer is for not more than five days, five per cent of the tax payment required to be made by electronic funds transfer, if such failure to pay by electronic funds transfer is for more than five days but not more than fifteen days, and ten per cent of the tax payment required to be made by electronic funds transfer, if such failure to pay by electronic funds transfer is for more than fifteen days; and (2) for periods ending on and after December 31, 2019, any tax payment treated under this subsection as a tax payment not made in a timely manner shall be subject to interest and penalty in accordance with the applicable provisions of the general statutes.

Sec. 30. (NEW) (Effective July 1, 2019, and applicable to refund claims received on or after July 1, 2019) Notwithstanding any other provision of law, no refund shall be made to a person of tax collected from a customer of such person until the person has established to the satisfaction of the Commissioner of Revenue Services that the amount of tax for which the refund is being claimed has been or will be repaid to the customer.

Sec. 31. Subdivision (2) of subsection (e) of section 12-391 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):
(2) (A) For a nonresident estate, the state shall have the power to levy the estate tax upon all real property situated in this state and tangible personal property having an actual situs in this state.

(B) For real property and tangible personal property owned by a pass-through entity, the entity shall be disregarded for estate tax purposes and such property shall be treated as personally owned by the decedent if (i) the entity does not actively carry on a business for the purpose of profit and gain, (ii) the ownership of the property by the entity was not for a valid business purpose, or (iii) the property was acquired by other than a bona fide sale for full and adequate consideration and the decedent retained a power with respect to or interest in the property that would bring the real property situated in this state or the tangible personal property having an actual situs in the state within the decedent's federal gross estate. For purposes of this subparagraph, "pass-through entity" means a partnership or an S corporation, as those terms are defined in section 12-699, as amended by this act, or a single member limited liability company that is disregarded for federal income tax purposes.

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

Sec. 32. Sections 12-33 and 12-390a to 12-390e, inclusive, of the general statutes are repealed. (Effective from passage)

<p>| This act shall take effect as follows and shall amend the following sections: |
|---------------------|----------------------------------|------------------|
| Section 1           | July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019 | 12-699           |
| Sec. 2              | July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019 | 12-699a(b)(1)    |
| Sec. 3              | from passage                     | 3-20j(a)(8)      |
| Sec. 4              | October 1, 2019                  | 12-35(b)(2)      |</p>
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