

Finance, Revenue and Bonding Committee JOINT FAVORABLE REPORT

Bill No.: SB-1077

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

Title: TAX AND RELATED STATUTES.

Vote Date: 4/22/2021

Vote Action: Joint Favorable

PH Date: 3/24/2021

File No.:

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SPONSORS OF BILL:

Finance, Revenue and Bonding Committee

REASONS FOR BILL:

The purpose of this bill is to implement recommendations to the Tax Administration along with related statutes by the Department of Revenue Services. There is no fiscal impact from the bill, the changes are clarifications, technical and/or procedural in nature.

RESPONSE FROM ADMINISTRATION/AGENCY:

Mark Boughton, State of Connecticut, Commissioner of Revenue Services – Support

Mr. Boughton testified that while compiling and evaluating possible legislative proposals last fall, the DRS made a conscious decision to limit its submission to minor, technical, and clarifying changes. He stated that their decision is reflected in Raised Bill No. 1077, which includes technical revisions to the estate tax and the property tax credit among its proposals. Out of respect for everyone's time, however, he won't go through Raised Bill No 1077 section by section. He welcomes any questions anyone may have about the provisions of the bill.

NATURE AND SOURCES OF SUPPORT:

Eric Gjede, VP of Government Affairs for the Connecticut Business & Industry Association (CBIA)

Mr. Gjede testified that CBIA does not oppose SB 1077, just simply wishes to point out one potentially unintended consequence in section 7. He stated that Section 7 provides that once an audit has been concluded by the Department of Revenue Services, the taxpayer may no longer file any additional claim for a refund, even if there is time remaining in the typical three-year statute of limitations period. He stated that it is not always possible for a taxpayer to assess whether there are refund opportunities while an audit is in progress and it is also possible for there to be situations where the state initiates an audit and then closes it very quickly, eliminating any opportunity for the taxpayer to file for a refund.

NATURE AND SOURCES OF OPPOSITION:

None given

Reported by: Dawn Silveira

Date: 4/28/21