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## OLR Bill Analysis

### HB 5302

#### ***AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' RECOMMENDATIONS FOR TAX ADMINISTRATION.***

#### **SUMMARY**

This bill authorizes the Department of Revenue Services (DRS) commissioner to reaudit (i.e., reexamine) insurance premiums tax returns and impose more than one deficiency assessment (i.e., reassessment) for a tax period. It subjects these reexaminations and reassessments to the same requirements that apply to examinations and assessments under existing law, including interest, penalty, notice, and statute of limitations provisions. By law, with certain exceptions, the DRS commissioner generally has three years from the tax return's due date to examine the return and make a deficiency assessment. The same limitation applies to reexaminations and reassessments under the bill.

The bill also extends, from 45 days after being initially licensed to do business in Connecticut to 90 days after this date, the due date for newly licensed nonresident- and foreign-licensed insurance companies to remit their initial five-year return to DRS. By law, these companies must pay state insurance premiums tax on the net direct premiums they received in the five preceding calendar years from policies written on property or risks located in the state (except ocean marine insurance).

EFFECTIVE DATE: Upon passage

#### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 51 Nay 0 (04/02/2024)