



General Assembly

February Session, 2024

Raised Bill No. 5302

LCO No. 1845



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

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

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

1 Section 1. Section 12-204 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The commissioner shall, not later than three years after the due
4 date for the filing of a return or not later than three years after the date
5 of receipt of such return by the commissioner, whichever period expires
6 later, examine [it] or reexamine such return and, in case any error is
7 disclosed by such examination or reexamination, shall, not later than
8 thirty days after such disclosure, notify the taxpayer of such error.

9 (1) When it appears that any part of the deficiency for which a
10 deficiency assessment or reassessment is made is due to negligence or
11 intentional disregard of the provisions of this chapter or regulations
12 promulgated thereunder, there shall be imposed a penalty equal to ten
13 per cent of the amount of such deficiency assessment or reassessment,
14 or fifty dollars, whichever is greater.

15 (2) When it appears that any part of the deficiency for which a
16 deficiency assessment or reassessment is made is due to fraud or intent
17 to evade the provisions of this chapter or regulations promulgated
18 thereunder, there shall be imposed a penalty equal to twenty-five per
19 cent of the amount of such deficiency assessment or reassessment. No
20 taxpayer shall be subject to more than one penalty under this section in
21 relation to the same tax period.

22 (3) Not later than thirty days after the mailing of such notice, the
23 taxpayer shall pay to the commissioner, in cash or by check, draft or
24 money order drawn to the order of the Commissioner of Revenue
25 Services, any additional amount of tax shown to be due by the
26 examination or reexamination, or shall be paid by the State Treasurer,
27 upon order of the Comptroller, any amount shown to be due it by such
28 examination or reexamination. The failure of the taxpayer to receive any
29 notice required by this section shall not relieve the taxpayer of the
30 obligation to pay the tax or any interest or penalties thereon.

31 (4) If, before the expiration of the time prescribed by this section for
32 the examination or reexamination of the return or the assessment or
33 reassessment of the tax, both the commissioner and the taxpayer consent
34 in writing to such examination, [or] reexamination, assessment or
35 reassessment after such time, the return may be examined or
36 reexamined and the tax may be assessed or reassessed at any time prior
37 to the expiration of the period agreed upon. The period so agreed upon
38 may be extended by subsequent agreements in writing made before the
39 expiration of the period agreed upon. The commissioner may also in
40 such a case extend the period during which a claim for refund may be
41 made by such taxpayer.

42 (b) To any taxes [which] that are assessed or reassessed under this
43 section, there shall be added interest at the rate of one per cent per
44 month or fraction thereof from the date when the original tax became
45 due and payable. The amount of any tax, penalty or interest due and
46 unpaid under the provisions of this chapter may be collected under the
47 provisions of section 12-35. The warrant therein provided for shall be

48 signed by the commissioner or [his] the commissioner's authorized
49 agent. The amount of any such tax, penalty or interest shall be a lien on
50 the real estate of the taxpayer from the thirty-first day of December next
51 preceding the due date of such tax until such tax is paid. The
52 commissioner may, at any time after such December thirty-first, record
53 such lien in the records of any town in which the real estate of such
54 company is situated, but no such lien shall be enforceable against a bona
55 fide purchaser or qualified encumbrancer of such real estate. When any
56 tax with respect to which a lien has been recorded under the provisions
57 of this section has been satisfied, the commissioner upon request of any
58 interested party, shall issue a certificate discharging such lien, which
59 certificate shall be recorded in the same office in which the lien was
60 recorded. Any action for the foreclosure of such lien shall be brought by
61 the Attorney General in the name of the state in the superior court for
62 the judicial district in which the property subject to such lien is situated,
63 or, if such property is located in two or more judicial districts, in the
64 superior court for any one such judicial district, and the court may limit
65 the time for redemption or order the sale of such property or make such
66 other or further decree as it judges equitable.

67 Sec. 2. Subsection (a) of section 12-210 of the general statutes is
68 repealed and the following is substituted in lieu thereof (*Effective from*
69 *passage*):

70 (a) Each newly licensed insurance company incorporated by or
71 organized under the laws of any other state or foreign government shall
72 pay to the Commissioner of Revenue Services, [within forty-five] not
73 later than ninety days [of] after the effective date of such company's
74 initial license to transact business in this state, a tax on the net direct
75 premiums received by such company in the next five preceding
76 calendar years from policies written on property or risks located or
77 resident in this state, except ocean marine insurance, at the rate in effect
78 for each such calendar year.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	12-204
Sec. 2	<i>from passage</i>	12-210(a)

FIN *Joint Favorable*