



Update on the 2001 Connecticut General Assembly

At the time this publication went to print, no laws affecting Connecticut taxes had been enacted by the Connecticut General Assembly. If any laws affecting Connecticut taxes are enacted, information about these laws will be available on the DRS Web site at: www.drs.state.ct.us

For more information on the status of proposed legislation, go to the Connecticut General Assembly Web site at: www.cga.state.ct.us

Previously Enacted Legislative Changes Effective July 1, 2001:

The following legislative changes to Connecticut tax law were enacted in prior legislative sessions and take effect July 1, 2001:

Purchases and sales of the following goods and services made on or after July 1, 2001, are **exempt** from Connecticut sales and use taxes:

- Closed circuit TV equipment for the visually impaired, canes, and support hose designed to aid in blood circulation purchased by those with medical needs for such hose;
- Caskets used for burial;
- Smoking cessation products, including specially formulated gum, inhalants, or similar products designed to aid in smoking cessation;
- Sales to telecommunications or community antenna television companies of equipment for telecommunications, high-speed data transmission, or broadband Internet service; and
- Internet access services. (NOTE: All other computer and data processing services will be taxable at 1% from July 1, 2001, until July 1, 2002.)

REMINDER: The tax on paving, painting or staining, wallpapering, roofing, siding, and exterior sheet metal work to other than industrial, commercial or income-producing real property under Conn. Gen. Stat. §12-407(2)(i)(BB) has been phased out. On and after July 1, 2001, the services are exempt from tax.

One-Week Sales and Use Tax Exclusion in August

DRS would like to remind Connecticut taxpayers of the annual one-week sales and use tax exclusion in August for clothing and footwear under \$300.

Sales and use taxes do not apply to purchases and sales of clothing and footwear costing less than \$300 during the one-week period that begins on the third Sunday in August and ends the following Saturday (the "exclusion week").

2001 Sales and Use Tax "Exclusion Week"

**Sunday, August 19
through
Saturday, August 25**

For more information on the exclusion week, please see **Special Notice 2000(8), One-Week Sales and Use Tax Exclusion in August for Clothing and Footwear Under \$300.** T_T

Employer's Tax Guide and Withholding Requirements for 2001

Informational Publication 2000(11), Connecticut Circular CT, Employer's Tax Guide, remains in effect. As such, employers should continue to use the withholding tables from **IP 2000(29), Connecticut Income Tax Withholding Tables, Effective January 1, 2001,** and the instructions, forms, and publication included in **IP 2000(11).**

These withholding tables are effective for wages paid on or after January 1, 2001, and will remain in effect until new tables are issued. T_T



NEW FILING OPTIONS

(For filing Connecticut withholding, sales and use, and room occupancy forms and returns)



File by:
Telephone:
860-947-1988

or



Web/Internet:
www.drs.state.ct.us

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The **Mission of the Connecticut Department of Revenue Services** is to administer the tax laws of the State of Connecticut and collect the tax revenues in the most cost effective manner; achieve the highest level of voluntary compliance through accurate, efficient and courteous customer services; and perform in a manner which instills public confidence in the integrity and fairness of the State's tax programs.

Recently Issued DRS Publications

DRS recently issued the publications listed below. See the "Forms, Publications or Personal Assistance" section below for ways to obtain these and other DRS forms and publications.

Announcements

AN 2001(1), List of Registered Natural Gas Suppliers

AN 2001(2), Annual List of Distributors for Motor Vehicle Fuels Tax Purposes

AN 2001(3), Obtaining Connecticut Publications in Booklet Form

AN 2001(4), Taxability of Social Security Benefits for Connecticut Income Tax Purposes

Informational Publications

IP 2001(2.1), Topical Index to Rulings and Administrative Pronouncements Covering Income Tax

IP 2001(3.1), Topical Index to Rulings and Administrative Pronouncements Covering Corporation Business Tax

IP 2001(4.1), Numerical Index to Rulings and Administrative Pronouncements as

Affected, If At All, By Later-Issued Rulings and Pronouncements

IP 2001(5.1), Topical Index to Rulings and Administrative Pronouncements Covering Sales and Use Taxes

IP 2001(6.1), Topical Index to Rulings and Administrative Pronouncements Covering Miscellaneous Taxes and Administrative Topics

IP 2001(7), Q & A on the Connecticut Direct Payment Permit Program

IP 2001(8), Connecticut Managed Compliance Program

IP 2001(9), Q & A The Connecticut Alternative Minimum Tax

IP 2001(10), Procedures for Making Offers of Compromise

IP 2001(11), Fisherman's Guide to Sales and Use Taxes and Estimated Income Tax

IP 2001(12), Personal Taxes

IP 2001(13), "Pay When Paid" Method for Materialmen

IP 2000(26), Getting Started in Business

IP 2000(27), Procedures to Request Disclosure of Tax Returns and Tax Return Information

Policy Statements

PS 2001(2), Room Occupancy Tax and Sales and Use Tax on Campground and Cottage Rentals

PS 2001(3), Your Rights as a Connecticut Taxpayer

PS 2001(4), Sales of Motor Vehicles to Nonresident Military Personnel and Joint Sales of Motor Vehicles to Nonresident

Special Notices

SN 2001(1), Escrow Accounts Required to be Established by Nonparticipating Manufacturers

Forms, Publications, or Personal Assistance

- Visit the DRS Web site: www.drs.state.ct.us
- Call CONN-TAX at **1-800-382-9463** (toll-free from within Connecticut) or **1-860-297-5962** (from anywhere). TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day, seven days a week by calling 860-297-4911.

Forms and publications may be obtained 24 hours a day, seven days a week, by using any of the following resources.

Internet: Preview and download forms from the DRS Web site at www.drs.state.ct.us

DRS TaxFax: Call **860-297-5698** from the handset attached to your fax machine.

E-mail: E-mail your request for forms to: cforms.drs@po.state.ct.us

Telephone: From a touch-tone phone 24 hours a day call **1-800-382-9463** (toll-free from within Connecticut) and select **Option 2**, or **860-297-4753** (from anywhere).

For free assistance, visit our offices from 8:00 a.m. to 5:00 p.m. (Monday through Friday). For pre-recorded directions to DRS offices, call CONN-TAX. If you require special accommodations, please advise DRS.

DRS OFFICES

BRIDGEPORT 10 Middle St. 203-579-6251	HARTFORD 25 Sigourney St. 860-297-5962	NORWICH 2 Cliff St. 860-889-2669
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CONNECTICUT TAX TOPICS is a quarterly newsletter about sales and use taxes and other state taxes of interest to businesses. This newsletter is designed to provide general information for taxpayers and tax practitioners. It is not designed to explain in depth a current Department policy or practice affecting the liability of taxpayers. Nothing in this publication supersedes, alters or otherwise changes provisions of Connecticut General Statutes, regulations, Department rulings or tax information publications.

Understanding Connecticut Taxes Clearly

DRS is pleased to offer *Understanding Connecticut Taxes Clearly*, a free program designed to provide a broad overview of Connecticut tax requirements for new and existing small businesses.

Space is still available. Call now to register.

Programs are held from 6:30 p.m. to 9:00 p.m. Call Melvin Jones at 860-297-4935 to register.

FALL 2001

NEW HAVEN	September 6
WINSTED	September 13
WATERFORD	September 20
ENFIELD	October 4
FARMINGTON	October 11
DANIELSON	October 18
DANBURY	October 25
MIDDLETOWN	November 1
NORWICH	November 8
NORWALK	November 15
WATERBURY	December 6
MANCHESTER	December 13

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