



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

IP 2009(12)

25 Sigourney Street  
Hartford CT 06106-5032

INFORMATIONAL PUBLICATION

Q & A on the 2009 Connecticut Tax Amnesty Program

**Purpose:** This Informational Publication answers frequently-asked questions about the 2009 Connecticut Tax Amnesty Program (Tax Amnesty).

**Effective Date:** November 25, 2008.

**Statutory Authority:** 2008 Conn. Pub. Acts 1, §8 (Nov. 24 Spec. Sess.).

**1. What is the Connecticut Tax Amnesty Program?**

The Connecticut Tax Amnesty Program provides an opportunity for eligible individuals and businesses to pay Connecticut taxes due for eligible tax periods during the amnesty period (starting May 1, 2009 and ending June 25, 2009), to avoid penalties and criminal prosecution, and to be subject to a reduced interest rate. The program may not be used to claim refunds or credits, or to reduce existing bills.

**2. What periods are eligible for Tax Amnesty?**

Any tax period ending on or before November 30, 2008. There is no limit on how far back an applicant may go in reporting back taxes. A "tax period" is the period for which the tax is due.

**Example 1:** A calendar year income tax filer may apply for amnesty for 2007 or a prior year, but not for 2008 since the tax period for 2008 ends on December 31, 2008.

**Example 2:** A sales tax filer who is a quarterly filer may apply for amnesty up through the period ending September 30, 2008, and a monthly filer may apply for amnesty up through the period ending November 30, 2008. An annual sales tax filer, however, may not apply for amnesty for 2008 since the tax period does not end until December 31, 2008.

**3. Who is an eligible taxpayer and qualifies for Tax Amnesty?**

- **Nonfiler** A taxpayer who was required by law to file a tax return with the Department of Revenue Services (DRS) for an eligible period and who did not file the tax return with DRS for the eligible period and for whom no tax return for that eligible tax period was made by DRS on behalf of the taxpayer. If DRS posted a return for you, you would have received a bill for that return period.
- **Underreporter** A taxpayer who previously filed a tax return with DRS for an eligible tax period but did not report all the tax that was due.

**4. Who is not an eligible taxpayer and does not qualify for Tax Amnesty (an "ineligible taxpayer")?**

- A taxpayer who is currently under audit by DRS for an eligible period may not apply for Tax Amnesty for that tax type during the period under audit;
- A taxpayer who is currently under criminal investigation by DRS; or
- A taxpayer who is a party to any civil or criminal litigation that is pending on November 25, 2008 with DRS.

However, a taxpayer who is not an eligible taxpayer for a particular tax or for a particular eligible period *may* be an eligible taxpayer for other taxes or for other eligible periods.

**5. What taxes are eligible for Tax Amnesty?**

Virtually all taxes administered by Connecticut DRS are eligible. If you have a question about eligible taxes, visit the website [www.ct.gov/comeclean](http://www.ct.gov/comeclean) for a comprehensive list or contact DRS.

### Examples of eligible Connecticut taxes:

- Business Use Tax
  - Cigarette Tax
  - Corporation Business Tax
  - Gift Tax
  - Income Tax (individuals, estates, and trusts)
  - Individual Use Tax
  - Motor Vehicle Fuels Tax
  - Sales and Use Taxes
  - Withholding Tax
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### 6. What taxes are not eligible for Tax Amnesty?

Any tax or fee not administered and collected by DRS is not eligible for Tax Amnesty. Some examples of taxes and fees not administered and collected by DRS are:

- Connecticut motor carrier road tax payable by any International Fuel Tax Agreement (IFTA) licensee;
  - Local property taxes. However, the General Assembly recently enacted legislation that authorizes Connecticut municipalities to offer a tax amnesty program for property tax, assessment, fee, fine or other payment to such municipalities; see 2008 Conn. Pub. Acts 2, §5 (Nov. 24 Spec. Sess.). Contact your municipality for more information;
  - Fees imposed by the Office of the Secretary of the State, such as annual fees for corporations and reinstatement fees;
  - Payroll taxes owed to the Department of Labor; **and**
  - Taxes owed to the federal government.
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### 7. What are the benefits of participating in Tax Amnesty?

Connecticut law contains no statute of limitations on auditing or assessing nonfilers or on auditing or assessing underreporters where tax fraud is involved. Tax Amnesty provides you the opportunity to avoid criminal prosecution and penalty on eligible taxes reported and paid during the amnesty period. In addition, Tax Amnesty offers eligible taxpayers a reduced interest rate for taxes due for eligible periods, as long as those taxes are paid in full on or after May 1, 2009 and on or before June 25, 2009. Interest will be computed at .75% (.0075) per month or fraction of a month (rather than being computed at 1% (.01) per month or fraction of a month) from the date the taxes were originally due to the date of payment or June 25, 2009, whichever is earlier.

### 8. What must I do to get Tax Amnesty?

#### Business Amnesty Applicants:

All business applicants must file an application for Tax Amnesty with DRS electronically using the **Amnesty Taxpayer Service Center** (*Amnesty TSC*). Applicants must make full payment electronically (through the *Amnesty TSC* or using the credit card payment option) at the time the application is filed. Visit the [www.ct.gov/comeclean](http://www.ct.gov/comeclean) or the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *Come Clean* logo.

#### Individual Amnesty Applicants:

All individual applicants must file an application for Tax Amnesty with DRS electronically using the *Amnesty TSC*. Because payment in full is required during the amnesty period, individual applicants are encouraged to make full payment electronically through the *TSC* or using the credit card option at the time the application is filed. However, a payment voucher will be available if the individual filer wants to mail in a payment. Interest will continue to accrue until full payment is received so the balance due may increase if payment is not made at the time of filing.

**Business and Individual Amnesty Applicants:** If payment in full is not made on or before June 25, 2009, amnesty will be denied and the taxpayer will be billed for tax, penalty, and interest (at the statutory rate of 1% from the original due date) on the total tax reported on the amnesty application. Visit the [www.ct.gov/comeclean](http://www.ct.gov/comeclean) or the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and click on the *Come Clean* logo.

Failure to complete an amnesty application and pay in full on or before June 25, 2009 will preclude your participation in Tax Amnesty.

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### 9. Will DRS provide me assistance with electronically filing and paying if it is impossible for me to do so?

Yes. If you are not able to access the Internet to file an amnesty application through the *Amnesty TSC*, you may contact DRS at the phone numbers or locations listed below for assistance.

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### 10. Are installment payment plans available for Tax Amnesty?

No. Full payment must be made on or before June 25, 2009.

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**11. Will an extension of time to apply for Tax Amnesty or to make payment be granted?**

No. Extensions of time for filing or payment will not be granted. Applications and payment in full must be made on or after May 1, 2009 and on or before June 25, 2009.

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**12. I purchased merchandise in another state, over the Internet, or from a mail-order company, and had the items shipped to Connecticut for my use here. I paid no sales tax on these items. Do I owe any Connecticut tax on these purchases, and if I do, am I eligible for Tax Amnesty on these purchases?**

When the seller of goods does not collect sales tax, you must pay the 6% Connecticut use tax on those items that are otherwise subject to Connecticut sales tax. Use tax also applies to items you purchase by phone or mail order or over the Internet from companies located outside Connecticut. (For more information about use tax, see **Informational Publication 2003(31)**, *Q&A on the Connecticut Use Tax for Businesses and Professions*, and **Informational Publication 2007(27)**, *Q & A on the Connecticut Individual Use Tax*.) If you determine that you owe tax on these items, you are eligible for Tax Amnesty on these purchases.

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**13. Currently my business is not registered with DRS, but I am liable for Connecticut taxes. What should I do?**

Tax Amnesty provides an opportunity for nonfilers voluntarily to report taxes that were due but not reported. The amnesty application on the *TSC* will guide you through the registration process to obtain a tax registration number. Once the registration process is completed, you can proceed with the amnesty application.

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**14. My business is registered with DRS and has made occasional mistakes on its tax returns with the result being that not all the taxes due to Connecticut were reported. My business is not currently under audit. Why should I be interested in Tax Amnesty?**

Tax Amnesty provides an opportunity for underreporters to pay additional tax liability resulting from underreporting without the assessment of a penalty and at a reduced interest rate. If errors are discovered in an audit, your business may be subject to penalty and will be subject to full interest on those taxes. For example, your business may have

purchased taxable goods or services from an out-of-state retailer without paying Connecticut sales tax, creating a use tax liability, or your business may have sold particular goods without collecting Connecticut sales tax because you incorrectly assumed the goods were nontaxable.

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**15. I am not a resident of Connecticut but I have Connecticut source income. While I file an income tax return with my home state, I have not filed a Connecticut income tax return. Why would I be interested in Tax Amnesty?**

Nonresidents who earned Connecticut source income, including income from the sale or rental of property located in Connecticut, income from work performed in Connecticut, or income from a business conducted in this state, are generally liable for Connecticut income tax on that income and required to file a Connecticut income tax return. In most cases, the nonresident is entitled to claim a credit against his or her home state income tax for income tax that is due and paid to Connecticut.

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**16. Must I file actual tax returns or amended tax returns with my Tax Amnesty application?**

No. **Do not** file a tax return or amended tax return for the period in which you are seeking amnesty. Your completed and filed amnesty application is considered your tax return.

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**17. How do I find out how much I owe?**

Before beginning the *Amnesty TSC* application process you must know the tax type, tax period, and tax that you owe for that period. We strongly recommend that you complete a Connecticut tax return or an amended return for each period as a “worksheet” to aid you in completing your amnesty application. By completing a return (or returns), you increase the accuracy of your tax calculation and ensure that you take advantage of any available credits, as well as having a copy of a return in your records available to you for other purposes. Do not file a tax return or amended tax return with your amnesty application.

The electronic *Amnesty TSC* application will automatically calculate interest owed based upon the tax type, tax period, and tax amount you enter in the amnesty application.

**18. Could I be eligible for Tax Amnesty for one Connecticut tax and not eligible for Tax Amnesty for another Connecticut tax?**

Yes. If you are not eligible for Tax Amnesty for a particular Connecticut tax or for a particular tax period, you may still apply for Tax Amnesty for another eligible tax or for another eligible tax period.

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**19. If I have an existing bill for an eligible tax type and eligible period, may I report additional tax for that tax type and period?**

Yes, but only for additional tax that is not related to that bill.

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**20. I have protested a DRS assessment that is now under appeal. May I file for Tax Amnesty?**

No, not for the tax during the period at issue in the appeal. Cases in the DRS appellate process are not eligible for Tax Amnesty.

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**21. Will I be more likely to be audited in the future if I apply for Tax Amnesty?**

No. You are no more likely to be audited in the future by applying for Tax Amnesty than a taxpayer who properly reported tax.

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**22. If Tax Amnesty is granted for an eligible period and an audit later reveals that additional tax was due for that period, will Tax Amnesty be revoked?**

No. Tax Amnesty will not be revoked for the self-assessed portion for which amnesty was granted, although the additional tax due from the audit assessment is subject to penalty and interest. However, any person who wilfully delivers or discloses to DRS any application, list, return, account, statement, or other document known by such person to be fraudulent or false in any material matter may, in addition to any other penalty provided by law, be fined not more than \$5,000 or imprisoned not more than five years nor less than one year, or both.

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**23. Are Tax Amnesty applications confidential?**

Yes. Like tax returns, Tax Amnesty applications are confidential.

**24. How can I be sure I am not incriminating myself by sending in an application if it turns out I am ineligible for Tax Amnesty?**

DRS will not use Tax Amnesty applications as evidence in any criminal investigation or prosecution unless you knowingly file a false amnesty application.

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**25. How will I know if my application for Tax Amnesty has been granted or denied?**

DRS will only send you a letter notifying you if your application has been denied. DRS will not send you a notification if your application has been granted.

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**26. If I am denied Tax Amnesty, will my payment be refunded?**

No. DRS will apply the payment received to any outstanding liability that you have and will not refund the payment.

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**27. How do I get more information about Tax Amnesty?**

If you need more information about Tax Amnesty, see [www.ct.gov/comeclean](http://www.ct.gov/comeclean) or call **1-860-297-5962** (from anywhere) or **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) 24 hours a day. By selecting **Option 7** on your touch-tone phone, you can listen to recorded Connecticut Tax Amnesty information or choose from several options. You may also speak with a representative during business hours, Monday through Friday, by selecting **Option 6** on your touch-tone phone. **TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

Assistance is also available during business hours, Monday through Friday, by visiting any of the DRS offices at the following locations:

<b>Hartford</b>	<b>Bridgeport</b>
25 Sigourney Street Ste 2	10 Middle Street
860-297-5962	203-336-7890
<b>Hamden</b>	<b>Norwich</b>
3074 Whitney Avenue	2 Cliff Street
203-287-8243	860-889-2669
<b>Waterbury</b>	
55 West Main Street	
203-805-6789	

**Effect of This Document:** An Informational Publication is a document that addresses issues frequently raised by taxpayers. It is less technical in nature than a Policy Statement, but may be referred to by individual taxpayers for guidance.

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**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

Select **Option 6** to speak to a representative.

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

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**Forms and Publications:** Forms and publications are available anytime by:

- **Internet:** Visit the DRS website at **www.ct.gov/DRS** to download and print Connecticut tax forms; **or**
  - **Telephone:** Call **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) and select **Option 2** or call **860-297-4753** (from anywhere).
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IP 2009(12)  
Amnesty  
Issued: 02/27/2009

**Paperless Filing/Payment Methods (fast, easy, free, and confidential):**

Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** to file a variety of tax returns and extensions, as well as to pay taxes or bills over the Internet. Visit the DRS website at **www.ct.gov/DRS** and select an option from the list on the *TSC* image.

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