



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

SN 2009(4)

25 Sigourney Street Ste 2
Hartford CT 06106-5032

SPECIAL NOTICE

Connecticut Tax Settlement Incentive Program

Purpose: In accordance with recently enacted legislation, the Connecticut Department of Revenue Services (DRS) has established the Connecticut Tax Settlement Incentive Program (Settlement Program). The purpose of this notice is to provide information regarding the terms and conditions of the program.

Statutory Authority: 2009 Conn. Pub. Acts 3, §89 (June Spec. Sess.)

1. What is the Settlement Program?

The Settlement Program, which runs from October 15, 2009, to December 15, 2009, is a limited-time program offered to taxpayers that have eligible tax liabilities. Identified taxpayers will be eligible for a waiver of both remaining civil penalties and 50% of the remaining interest they owe in connection with the eligible liability if the taxpayer makes full payment of the Settlement Offer Total Due to DRS no later than December 15, 2009.

2. Do I need to apply to DRS to participate in the Settlement Program?

No. All eligible taxpayers will be sent a Connecticut Tax Settlement Incentive Program Notification Letter (**Settlement Offer**) from DRS. Issuance of a Settlement Offer means DRS has determined you to be an eligible taxpayer for purposes of the liability detailed in the Settlement Program.

3. Is it possible that I may I receive more than one Settlement Offer from DRS?

Yes. Each tax type is treated separately by DRS for purposes of the Settlement Program and you may receive more than one Settlement Offer.

4. What tax liabilities qualify for inclusion in the Settlement Program?

To qualify for inclusion under the Settlement Program, you must have been issued a bill by DRS on or before August 31, 2009, that included interest and was still unsatisfied as of the date of the Settlement Offer.

5. What tax types are eligible for the Settlement Program?

All taxes administered by DRS are eligible for the Settlement Program except:

- Motor carrier tax; **and**
- International Fuel Tax Agreement taxes.

6. Other than the adjustments DRS is statutorily required to make to compute a Settlement Offer in connection with an eligible tax obligation, will DRS make any other adjustments to an eligible tax obligation?

No. DRS will not make any adjustments to an eligible tax liability other than those it is statutorily required to make to compute a Settlement Offer in connection with a liability.

7. May I still participate in the Settlement Program if I have multiple liabilities for the same tax type?

While not all tax liabilities qualify for inclusion in the Settlement Program, having multiple liabilities for the same tax type does not disqualify you from eligibility. Each liability is evaluated separately.

Note: If you have multiple liabilities for the same tax type, each qualifying liability associated with that tax type will be included in one Settlement Offer.

8. What steps do I take if I decide to participate in the Settlement Program?

To participate in the Settlement Program, simply return the **Settlement Program Detail** page along with a payment in the amount of the **Settlement Offer Total Due** to DRS in the envelope provided with your Settlement Offer. Note: Depending on the facts and circumstances, you may also be required to file additional paperwork with DRS. Please see question 15.

9. Will DRS accept payment plans?

No. Failure to pay the entire Settlement Offer Total Due by December 15, 2009, will render the taxpayer ineligible to participate in the Settlement Program. In addition, any payments made will be retained by the Commissioner and will be applied as prescribed by law.

10. Will DRS accept electronic payments?

No. Payments must be made in the form of a certified check, money order, or bank check made payable to the Commissioner of Revenue Services. Payments also must be accompanied by the Settlement Program Detail page to be applied to the proper account.

11. I received a Settlement Offer from DRS in October. I noticed that payment(s) I made prior to receipt of this Settlement Offer may not be reflected in my Eligible Balance. Could this impact my Settlement Offer?

Yes. If you believe a payment you have made is not reflected in the Eligible Balance on your Settlement Offer, please contact DRS. (See Question 17 for contact information.)

12. I received a Settlement Offer from DRS in October. Later, I received a bill from DRS in connection with the same liability addressed by the Settlement Offer. Does my receipt of a bill mean I am no longer eligible for the Settlement Program?

No. During the Settlement Program, DRS will continue its regular billing process. Therefore, you may receive bills from DRS. Receipt of a bill from DRS does not impact your eligibility.

13. I received a Settlement Offer from DRS in October. I decided to participate in the Settlement Program and paid the Settlement Offer Total Due to DRS in December. Am I liable for the interest that accrued between October and December?

During the Settlement Program, interest will continue to accrue at the statutorily prescribed rate. However, if you choose to participate in the Settlement Program, any interest charges that accrue on the obligations contained in a Settlement Offer will also be waived if full payment of the Settlement Offer Total Due amount is received on or before December 15, 2009.

14. If I decide to participate in the Settlement Program, am I subject to any other terms and conditions?

Yes. By agreeing to pay DRS the Settlement Offer Total Due on the Settlement Offer you received, you agree to waive any and all administrative and judicial rights of appeal available in connection with the liability that is the subject of that Settlement Offer.

15. I received a Settlement Offer in connection with a liability I appealed. Am I eligible to participate in the Settlement Program?

Yes. Receipt of a Settlement Offer means DRS determined you to be an eligible taxpayer for purposes of the liability covered by the Settlement Program. Be advised that if you decide to pay the Settlement Offer Total Due to DRS as set forth in the Settlement Offer you received, you must also file a written withdrawal with the authority to which you were appealing in connection with the liability on or before December 15, 2009.

For example: If you appealed to the DRS Appellate Division, you must file a written withdrawal of your protest with the Appellate Division.

If you appealed to the Tax Session of the Connecticut Superior Court, you must file a written Withdrawal of Action with the Tax Session of the Connecticut Superior Court in connection with that liability and you must do so on or before December 15, 2009. You must also provide a copy of the Withdrawal of Action to DRS. The same rules apply if you appealed to the Connecticut Appellate Court or the Connecticut Supreme Court.

16. After making a payment of the Settlement offer can I rescind my decision to participate in the Settlement Program?

No.

17. Who do I contact if I need more information about the Settlement Program?

For more information about the Settlement Program, visit the DRS website at www.ct.gov/drs/ctsi or call **860-541-4274** during business hours, Monday through Friday.

Effect of This Document: A Special Notice announces a new policy or practice in response to changes in state or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by DRS.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer’s withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *e-alerts* from the left navigation bar.