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Unreimbursed surcharge; worthless accounts receivable. 12-666-1

Credit for Worthless Accounts Receivable for the Tourism Account Surcharge**Sec. 12-666-1. Unreimbursed surcharge; worthless accounts receivable**

(a) **What amount of credit may I claim?** If you remitted the surcharge imposed by section 12-665 of the Connecticut General Statutes and the lessee did not reimburse you for it, the amount of credit you may claim is the amount of the surcharge that is uncollectible. When the surcharge (or both the surcharge and the retail sale that the surcharge relates to) is partly uncollectible, determine the amount of credit you may claim by multiplying the amount of the surcharge you remitted by the percentage of the rental price plus surcharge that is uncollectible. No credit is allowed for expenses you incur in trying to collect any unreimbursed surcharge or for that part of a recovered debt that you pay to a third party as compensation for services rendered in collecting the account.

(b) **What records must I have to support my claim for credit?** To support your claim for credit for an uncollectible surcharge, keep adequate and complete records that show:

- (1) the date of the original sale;
- (2) the name and address of the person who rented or leased the motor vehicle;
- (3) the amount that the lessee contracted to pay;
- (4) the amount of the surcharge you paid to this state; and
- (5) evidence that the account has been actually written off as uncollectible in part or in whole for federal income tax purposes. Acceptable forms of evidence include your:

(A) sales and use taxes return for the period in which the account receivable was deemed uncollectible for federal income tax purposes;

(B) federal income tax return for the period in which the account receivable was deemed uncollectible;

(C) working papers supporting the amounts claimed as uncollectible on the federal income tax return; and

(D) tourism account surcharge return for the period in which the account receivable was deemed uncollectible for federal income tax purposes.

(Adopted effective May 3, 2001)