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Connecticut Delays Until 2015 the Acceleration of the Due Date for Sales and Use Tax Returns and Payments

Retailers and other taxpayers scrambling to comply with a new law that accelerates the due date for the filing of Connecticut sales and use tax returns and the payment of amounts reported on those returns will have until 2015 to implement the change based upon a recent administrative pronouncement issued by the Connecticut Department of Revenue Services (“DRS”).

The 2014 legislative session of the Connecticut General Assembly witnessed the enactment of a new tax collection measure that accelerates the due date for the reporting and payment of sales and use tax by retailers. Under current law, a taxpayer is required to file and remit sales and use tax on a monthly basis by the end of the next succeeding month unless the taxpayer’s total tax liability for the twelve-month period ending on the preceding June 30th was less than \$4,000 (in which case, the tax generally is to be remitted by the taxpayer on a quarterly basis by the end of the next succeeding month after the quarter). Recently-enacted legislation, which was to become effective on October 1st, accelerates the due date for the filing and remittance of the tax to the 20th day of the month following the monthly or quarterly period. See Conn. Gen. Stat. §§ 12-414 and 12-432c, as amended by Conn. Pub. Act No. 14.155, §§14, 19.

The DRS has exercised its administrative discretion to postpone the effective date of the new legislation. In a Special Notice released earlier this month, the DRS delayed the implementation of the accelerated due date **until 2015**, with the promise to publish additional guidance with respect to the change in advance of the new implementation date. See DRS SN 2014(3), *2014 Legislative Changes to the Sales and Use Taxes, Room Occupancy Tax, Prepaid Wireless E 9-1-1 Fee and Admissions Tax* (July 30, 2014) (<http://www.ct.gov/drs/lib/drs/publications/pubssn/2014/sn2014-3.pdf>). Interestingly, the DRS notice does not specify that the implementation date is January 1, 2015, but discussions



with DRS representatives suggest that the first returns and payments that will be subject to the accelerated due date will be those due in January 2015. The DRS Special Notice fortunately will allow taxpayers additional time to transition to the earlier due date for the reporting and remittance of sales and use tax.

Questions or Assistance?

If you have any questions regarding the new remittance due date or any other tax law affecting you and your business (see our review of 2014 Connecticut tax developments at http://www.shipmangoodwin.com/files/27909_CT%20Tax%20Developments%202014.pdf, please contact any member of our State and Local Tax Practice Group (listed on page 1 of this alert).

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