

PA12-135

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environments is, you know, subject to a whole host of decisions by those parents.

REP. VILLANO: Thank you, Ben.

SECRETARY BENJAMIN BARNES: You're welcome.

REP. WIDLITZ: Any further questions?

Thank you, Mr. Secretary.

SECRETARY BENJAMIN BARNES: Thank you.

REP. WIDLITZ: Also just a reminder, would you get us a list of the bridges that are included for the -- in the bond issue?

SECRETARY BENJAMIN BARNES: Yes, I certainly will.

REP. WIDLITZ: Thank you very much.

SECRETARY BENJAMIN BARNES: Thank you.

REP. WIDLITZ: Next we have Commissioner Kevin Sullivan who has some very interesting legislation proposed for today.

COMMISSIONER KEVIN SULLIVAN: Good morning, Representative Widlitz, Representative Williams, other members of the committee. Thank you for raising a number of our bills for the hearing today. I will be as quick as I can because I know that you have public folks who want to testify here this morning.

Senate Bill 357 actually makes a number of changes that we need. The first Section 1 grows out of work we have done with the OPM office of labor relations. It addresses a very real situation in which Connecticut General Statutes 1215 acts as a bar to either the State or a state employee being able in a disciplinary proceeding, a personnel proceeding to produce the actual evidence of the tax records that may have been an issue if there had been misconduct by that employee.

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So this would create a very small additional exception to 1215 so that in fairness both the State and the employee would have the opportunity to confront the evidence during a disciplinary proceeding in the personnel process.

Section 2 with the concurrence of the members of the penalty review committee, including Mr. Fiori who is in back of me this morning, updates the dollar threshold for the penalty review committee's oversight of waivers that have been granted. You will recall that the statute allows the commissioner, and at over \$500, the penalty review committee to waive penalties that have been imposed upon taxpayers for cause. And this would update that figure to \$1500.

Sections 3 and 4 are very technical, requested by and in cooperation with the insurance department; needed to make technical changes to make the legislation of the business session last year with respect to captive insurance companies usable. And I know that the insurance commissioner has great hope that this may be a major new sector for the Connecticut economy. So we would hope that those changes would get passed.

The second agency bill is H.B. 5421. If you think of the old cartoon of the butcher with his finger on thumb of the scales as a customer was making a purchase, this is the technical equivalent of the butcher's finger on the thumb on the scales. So-called zappers are a phantomware program that is widely available. It's simply connected up with an automated cash register system and produces an impeccable record of false sales and false tax records, which is then very hard for enforcement to distinguish from the actual record. In other words, it's an automatic double bookkeeping process that is available out there.

It has no other purpose other than fraud and therefore we would ask that we create civil penalties that essentially make this illegal to own, operate, possess and use in the state of Connecticut. And here we have worked with both the Attorney General and the Department of Consumer Protection in bringing this legislation forward.

Let me just comment on a few other bills that are of interest to the department. We fully support H.B. 5425 which will update the marine transit and docking time period that triggers or does not trigger state tax liability in Connecticut.

We also support 5420. As the secretary has said, we believe that this will bring a level playing field to the business of marketing hotel rooms within the State of Connecticut. The issue, as Senator Daily was getting at, is the fact that under current law, unless you are an operator, you are not subject to the occupancy tax.

And these companies that are remarketing are not hotel operators unless you define them to be hotel operators. And by doing what is proposed in the bill they do become subject to the occupancy tax and therefore there will be a level playing field no matter who is selling that room.

We have also met with the advocates for Senate Bill 354 and would only say to you that we are available to assist you in making sure if you do this that it gets done in a way that we can actually implement.

The department also has no position on Senate Bill 356, the Neighborhood Assistance Act tax credits, but because of the confusion that arose last year I want to be absolutely clear what this proposed bill does and does not do. All that this proposed bill does is to make a

REP. WIDLITZ: Thank you, Commissioner. And I think that's very good advice from a very wise person.

COMMISSIONER KEVIN SULLIVAN: I don't know about the second part, but (inaudible).

REP. WIDLITZ: We -- actually, we are seeing bills moving through other committees that have tax consequences. And I will urge members of the committee to use great restraint when we consider those proposals. Because you're right, we need to let this budget run out its course and see where we are and evaluate it after that.

But I do have one question about the zappers.

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COMMISSIONER KEVIN SULLIVAN: Uh-huh.

REP. WIDLITZ: Is that a problem in Connecticut and how would you go about detecting that?

COMMISSIONER KEVIN SULLIVAN: Well, the question is, is it a problem? We probably don't know whether it's a problem because we have not -- these are relatively new technology. I think what would happen is in the course of an audit we might discover it.

More importantly, we often pass statutes that send -- that establish a legal standard that is allowed to then be enforced when we discover it happening. So through SIS in particular, which is our enforcement division, this would give us an additional tool to essentially shut down somebody and command that -- the removal of his equipment.

It won't be easy, but I guess the bottom line is there is no other reason to have this technology available. It has one purpose and only one purpose. And so if there is one chance in a thousand that we may discover a taxpayer avoiding their legitimate taxes by

using the technology, we would ask you to give us the tools to do that.

REP. WIDLITZ: Thank you.

Representative Williams, do you have a question?

REP. WILLIAMS: Yes. Thank you, Madam Chair.

Thank you, Commissioner for being here and for your testimony. I couldn't help but notice -- playfully notice that you say that we should do less and then you testify on behalf of, like, nine bills here, or something like that today, but I kid. A lot of those are certainly small in scope and certainly a lot smaller in nature than we did -- than we took on last year. So thank you for your testimony today.

Two questions on the zapper issue. How did this -- I've never even heard of zappers as probably most of us have never even heard of zappers. How did this come to our attention? I mean, I imagine that the users of zapper and I imagine even those who sell thus phantomware aren't out there broadcasting it to the universe.

So how did this problem come to our attention?

COMMISSIONER KEVIN SULLIVAN: Well, you can, Representative, you can certainly discover it online and know that it's being sold. The State of Georgia is the first state in the nation to actually do what we're recommending that we do here in Connecticut. There are several other states that are considering it.

So you know, in the nature of things probably is much by a case of Georgia that discovered the use. And as much as monitoring that Internet to notice what tools the crooks have out there, it has come to the attention of tax commissioners across the country, attorney

generals across the country and consumer protection agencies across the country.

REP. WILLIAMS: Do we have any way to know how much revenue the State is losing from -- we probably don't even know how many retailers are using this. Right? Do we have any sense of how much we might be losing?

COMMISSIONER KEVIN SULLIVAN: I can't quantify that. Certainly we -- I cannot quantify that.

REP. WILLIAMS: Understood. I just -- it's such a new concept to so many of us that it begs that question.

COMMISSIONER KEVIN SULLIVAN: Technology is a wonderful tool. It's also a dangerous tool at times.

REP. WILLIAMS: Right.

Lastly on the issue of room remarketers, and as you acknowledged, we had so many issues that faced this committee last year and certainly the scope of our budget deficit was huge. And it's hard -- I can't remember, but I seem to recall last year on the room remarketer's issue the department's position was not to do anything or the department took no position. Am I incorrect?

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COMMISSIONER KEVIN SULLIVAN: Last year the department took no position on this legislation, although we did work with Representative Wright in helping her and this committee have legislation that would address the issue.

REP. WILLIAMS: Was there something that changed about last year's bill? Like, what that we shape this into that made it bill the department would support?

COMMISSIONER KEVIN SULLIVAN: I think more the evolution of time. We have been weighing

still exempt as those services are if they provided directly.

But here a room is a room is a room. And at the end of the day, whether it's 15 percent less than that 20 percent differential, the remarketer is still getting the advantage of selling that product at a markdown even with paying the tax.

REP. WILLIAMS: Great. Thank you very much for your testimony and maybe most importantly, for your comments at the end about thinking small.

Thank you.

REP. WIDLITZ: Thank you.

Representative Gibbons followed by Representative Butler.

REP. GIBBONS: Thank you, Madam Chairman.

Good afternoon, Commissioner. It's a pleasure to see you here.

COMMISSIONER KEVIN SULLIVAN: Good to see you.

REP. GIBBONS: I want to thank you again for seeing me a couple of weeks ago. And all I can say, if I am tinkering I am not asking to have the whole tax plan reopened and I will get back to you and to the chairman. The door isn't slammed shut yet and thank you for all your testimony here today.

I think we're all interested in how these zappers work and it's best that Connecticut be proactive and shut the door on those before they even get started.

As for some of the other bills, they seem rather small in consequence except for those people that they immediately affect and I think the committee will be looking at them. And we'd be happy to look at them in favor of

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**TESTIMONY OF KEVIN B. SULLIVAN
COMMISSIONER
DEPARTMENT OF REVENUE SERVICES
FINANCE REVENUE & BONDING COMMITTEE
March 12, 2012**

Good morning Senator Daily, Representative Widlitz, Senator Roraback, Representative Williams and members of the Committee

Thank you for raising our agency bills which are part of the hearing today:

- SB 357 would make several minor but much needed changes
 - **Sec. 1** was developed in consultation with OPM's Office of Labor Relations. It addresses very real situations where the tax record non-disclosure requirements of CGS 12-15 bar both the state and state employees from necessary evidence in disciplinary proceedings. For example, a DRS employee might face discipline for browsing taxpayer information. Under current law, neither the state nor the employee would be able to disclose or seek to have disclosed into evidence the identity of the actual taxpayer records involved. The proposed change allows this information into evidence in these state employee matters but otherwise subject to the non-disclosure requirements of CGS 12-15
 - **Sec. 2** updates the dollar threshold for when action on taxpayer requests for penalty waivers approved by the Commissioner must be reviewed and approved by the Penalty Review Committee. The committee consists of the DRS Commissioner, the State Comptroller or a designee, and the Secretary of OPM or a designee. Waiver requests below the threshold are reviewed by DRS staff and the Commissioner. The current members of the Penalty Review Committee support this change.
 - **Secs. 3 & 4** makes needed technical corrections in the captive insurance company legislation passed during last year's special jobs session. This proposal was developed in consultation with the Insurance Department and is needed so that the state can move forward with planned efforts in this economic sector.
- HB 5421 would outlaw the sale, installation, possession or use of automated sales suppression devices popularly known as "zappers." This technology is available and used for only one purpose – creating fraudulent retail sales transaction records in order to understate sales tax liability. This "phantom-ware" is easily installed in electronic cash register systems so that unscrupulous merchants can automatically forge sales transaction records in order to under-report and under-pay sales tax otherwise due on the actual value of each of the transactions. This proposal has been developed in consultation with the Attorney General and the Department of Consumer Protection

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In addition to these agency proposals, the Department has an interest in several other bills being heard today. We fully support HB 5425 updating the marine transit and

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THE CLERK:

On page 45, Calendar 436, Substitute for House
Bill Number 5421, AN ACT CONCERNING ZAPPERS, a
favorable report by the Committee on Judiciary.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Madam Speaker, good afternoon to you.

DEPUTY SPEAKER ORANGE:

Good afternoon, madam.

REP. WIDLITZ (98th):

Madam Speaker, I move acceptance of the joint
committees' favorable report and passage of the bill.

DEPUTY SPEAKER ORANGE:

The question is acceptance of the joint
committees' favorable report and passage of the bill.

Will you remark?

Representative Widlitz.

REP. WIDLITZ (98th):

Yes. Thank you, Madam Speaker.

Madam Speaker, this bill makes it illegal to sell
purchase, install, or transfers sales suppression
devices, which are known as the zappers and other

similar Phantom-Ware used to eliminate or zap the point-of-sale transaction randomly, and it creates a shadow record of the sale, thereby making it difficult to detect understated records of sales and, therefore, sales tax liability. Zapper technology and other Phantom-Ware is easily installed in electronic cash registers with the sole purpose of foregoing sales transactions records in order to underreport and underpay sales tax otherwise due on the actual value of that transaction.

I move adoption, Madam Speaker.

DEPUTY SPEAKER ORANGE:

I believe you already moved passage so -- will you care to remark further on the bill? Representative Sean Williams.

REP. WILLIAMS (68th):

Well, here we are, again. Thank you, Madam Speaker.

I rise in support of this bill. Like probably so many of you, I had no idea what zappers were before the start of the session and I think Representative Widlitz and the Department of Revenue Services for bringing this to our attention. I think that this is an appropriate role for government to make sure that

organizations and businesses are not avoiding their tax liability and, therefore, putting in additional tax burden on those law-abiding citizens who are actually filing and paying their sales taxes.

I think that this is something that has the potential, if not addressed, to continue to cause a problem down the road, and I think this is a very appropriate bill for us the passing today, and I would urge support.

Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further?

Representative Candelaria -- Candelora. Okay.

You have the floor, sir.

REP. CANDELORA (86th):

Thank you, Madam Speaker.

I, also, rise in support of the bill. And philosophically, though, I guess what I want to point out to the Chamber is what the seeks to address is individuals that are trying to avoid a tax liability that they need to pay. And I think, certainly, we want to make sure everybody is paying what they duly owe the state, but I think on the other hand, as we

continue to tax individuals, it reaches a point where people can no longer afford to pay the taxes and they start taking approaches, such as this, like using suppression software, in order to avoid the liability because they don't have the ability to make payroll anymore because they have to pay the mounting sales taxes and income taxes that we hoist upon our working middle class in the State of Connecticut.

So while the intention on this bill, I think, is appropriate. I think going forward we're really going to have to be diligent of this issue because, again, as people are paying more and more, they're going to try to seek to avoid paying those, and it may behoove us to sort of take a look at the overall structure and pull back the pressure on the middle class.

Thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further on the bill?

Will you care to remark further on the bill?

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, Madam Speaker.

If I may, a question or two to the proponent?

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DEPUTY SPEAKER ORANGE:

Please proceed.

REP. HETHERINGTON (125th):

Thank you.

Through you, Madam Speaker, how does the -- the alteration or the suppression of the records impact the collection of the sales tax; that is, is there an audit done that would involve the record of sales? Is there an audit routine that were it not for the suppression devices, uncover records of transactions?

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Yes, through you, Madam Speaker. Use of this device would be picked up in an audit done by the Department of Revenue Services. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you.

Are those audits routine, or are they triggered by some apparent discrepancies? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, I think that would be up to the Department. If they have reasons to suspect that this suppression software were being used, then certainly they would initiate an audit, but more than likely would be through a general audit. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

I see. And if an audit is conducted -- now, the zapper, as I understand it, suppresses the record of the sale so that when the auditor goes to examine the records, can he or she tell that a zapper has suppressed certain records? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, depending upon the sophistication of the software, sometimes the Department can. But I'm that whoever is manufacturing this software will try to make it as invisible as possible, but certainly, the Department will try to detect it in an audit. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

Thank you, Madam Speaker.

Is there any other way that the presence of the zapper would be detected other than the fortuitous discovery on an audit? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, I think it's unlikely that a vendor would come forward and say, by the way, we have suppression software. So I think it's likely to be detected through an audit or, perhaps, a complaint from a customer or another person in the same business who may suspect this is going on. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

Through you, Madam Speaker, is it with sophisticated advice, can you -- can you recover the lost transactions that have been suppressed by the zapper? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, yes.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

And the Revenue Services is capable of doing that? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Madam Speaker. In most cases, yes.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

How widespread is this problem? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Well, as mentioned in the fiscal note, it's very hard to tell how prevalent this is because people certainly wouldn't identify the fact that they are using them, so we don't really have a handle on exactly how many of these are out there. Through you, Madam Speaker -- hopefully, not too many.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

Do we have any idea, through you, Madam Speaker, of the -- who the vendors are? Are they from within Connecticut, or is this a -- is the software available from a foreign source? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

I don't think we have that information. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

Through you, Madam Speaker, has this been a long standing problem or just in the last year or two?

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, it's come to our attention that it's a growing problem nationwide.

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Hetherington.

REP. HETHERINGTON (125th):

Well, I thank the lady for her responses.

It's certainly hard to argue with a proposal to incorporate the ability to detect tax evasion. I -- one wonders how widespread the problem is, and since we don't have any idea what kind of revenues this is costing us, I would wonder about the significance of it, but perhaps, it is significant. I guess it has that potential so I will listen to further discussion. I think the lady, and I thank you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further? Will you care
to remark further?

Representative O'Neill.

REP. O'NEILL (69th):

Yes, thank you, Madam Speaker.

Actually, following along with some questions of
the previous speaker, was -- if I may a question or to
the Chair of the Finance, Revenue, and Bonding
Committee?

DEPUTY SPEAKER ORANGE:

Please proceed.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

Was there testimony regarding whether this type
of legislation has been enacted in other states?
Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, this is existing in
about 12 other states currently. Through you.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

And was there any discussion or testimony regarding the experience they had once this type of legislation was put on the books? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, we do not receive that type of information in the public hearing, but through contact with the Department of Revenue Services, there has been some experience in reporting difficulties with this type of software in other states. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

I guess where I was aiming at is, when this legislation was passed, did the other states experience an uptick in sales once it became illegal to install this kind of software on the cash registers -- I'm sorry not an uptick in sales but at uptick in

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tax revenues once this type of legislation was passed?

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Madam Speaker.

I don't we have the data from that at the current time. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

And one of questions that was raised which was whether or not this can be detected by way of an audit or, perhaps, someone, a competitor or a customer or perhaps even a disgruntled former partner, might decide to reveal the information about the existence of this software. Is this software something that if the Department of Revenue Services were to somehow be able to run a scan on someone's computer, is that a way that of by which they could detect whether the software is present? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Patricia Widlitz.

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REP. WIDLITZ (98th):

Thank you, Madam Speaker.

I really don't have the answer to the question at this time. I'd to check with the Department. Through you.

DEPUTY SPEAKER ORANGE:

Representative Arthur O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

And with respect to -- have we -- do we have any evidence that this is actually being used or done here in Connecticut? Do we actually have any cases where they actually have found this type of software or device being utilized in the state of Connecticut? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, no, we don't have a specific case. This is more of a -- a proactive piece of legislation to prevent this from happening and to be proactive on this issue. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

Because I was -- I guess I was kind of hoping that this was not -- that there was actually specific evidence that we're passing this law to try to deal with the situation. If someone were using this kind of equipment today, would they be in violation of any laws that exists on the books with respect to some type of tax evasion? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, if they are -- if they're found to be avoiding paying taxes that are due, certainly that would be under current law. We do not have a current law prohibiting the use of zappers, that's why we're bringing this legislation forward.

Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

Because the reason why I'm asking the question is that the objective of having a zapper is to reduce the amount of sales taxable items that are going to be reported and recorded in the system, and thereby, reduce the amount of sales tax collected or at least the amount of sales tax remitted to the State of Connecticut. And I guess that really conjures up the question in my mind, is what these people are doing is that they are not collecting the sales tax at all or that they are making it appear to the customer they are collecting the sales tax and not remitting to the state of Connecticut? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Madam Speaker, depending upon the configuration of the software, it could be both.

Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

I guess I don't understand the answer. If -- if -- let's say somebody is selling widgets and the software on every tenth widget indicates that or just

sort of skips it over so that there is no record of it for inventory purposes of that widget having been sold and the sales tax is not collected at the point-of-sale, that's one thing. If you're selling widgets and every tenth widget shows the sales tax is being collected as far as the consumer is concerned. If a widget is a dollar and they have to pay a dollar and seven cents in taxes were 1.0635 that they had the \$1.0635 to the vendor, but the vendor pockets that money on that tenth widget instead of remitting it to the Department of Revenue Services. I guess those are -- if he doesn't collect the money, he can't pocket it, so he can't do both. He can do one or the other. And I'm just trying to figure out which way this software works? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Thank you, Madam Speaker.

I guess I should clarify my previous answer. When I said "both," I meant either one of those scenarios you are presented, or they could be charging -- they could be reflecting a lower price than was actually charged and making the difference in the

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sales tax remittance, which would then show up on the
-- in the audit. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker.

Okay. And do we actually -- I mean we -- I think
there was an earlier question of -- of whether we --
we know whether this is -- or how -- where this
software comes from is -- is -- was there any evidence
in the testimony that this is something you can
actually walk into a store and buy? We use to have
people that would sell radar detectors. You could
walk into various kinds of stores and buy radar
detectors and there was a big issue because for a long
time it was illegal to have a rare detector. Is this
the kind of software that you could walk into or go
online and purchase this type of software, or is this
something that has to be kind of handmade by some sort
of -- sort of subversive-type character, who is just
doing this as an entirely illicit activity? Through
you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

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REP. WIDLITZ (98th):

Through you, Madam Speaker, it is certainly not an item that you would walk in and purchase over the counter. There may be -- I'm really not familiar with how you would access this type of software, but it could be on the Internet, it could be -- but certainly is not something that would easily be purchased over the counter in a store in Connecticut. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. WIDLITZ (98th):

Thank you, Madam Speaker.

Is there any -- was there any testimony or evidence offered that there is a legitimate purpose for this type of software, and that it somehow helps keep track of things or that it has any legitimate purpose? A lot of times we're told that something can be used for an illicit purpose, but it has many legitimate purposes? Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Madam Speaker, we found no legitimate purpose for this particular type of software. This is simply to avoid remitting taxes to the State of Connecticut. Through you, Madam Speaker.

DEPUTY SPEAKER ORANGE:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker, and I think the lady for her answers.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further on the bill before us? Will you care to remark further on the bill before us?

If not, staff and guests please come to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is taking a vote by roll call. Members to the chamber. The House is taking a roll call vote. Members to the chamber please.

DEPUTY SPEAKER ORANGE:

Have all members voted? Have all members voted?

Have all members voted?

Please check the board to determine if your vote has been properly cast. If all members have voted, the machine will be locked, and the Clerk will take a tally.

And will the Clerk please announce the tally.

THE CLERK:

House Bill 5421.

Total number voting	147
Necessary for passage	74
Those voting Yea	147
Those voting Nay	0
Those absent and not voting	4

DEPUTY SPEAKER ORANGE:

The bill passes.

Are there any announcements or points of personal privilege? Any announcements or points of personal privilege?

Representative Betty Boukus, my mentor, you have the floor, madam.

REP. BOUKUS (22nd):

Thank you, Madam Speaker.

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2012**

**VOL. 55
PART 14
4223 - 4505**

rgd/tmj/gdm/gbr
SENATE

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May 9, 2012

Some additional items to place on the consent calendar. Madam President, calendar page 17, Calendar 477, House Bill 5421, Madam President, would move to place that item on the consent calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, calendar page 24, Calendar 518, House Bill 5298, move to place that item on the consent calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

And Madam President, also calendar page 24, Calendar 523, House Bill 5504, move to place this item on the consent calendar.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

If we might stand at ease for just a moment to verify an additional item.

THE CHAIR:

We will stand at ease.

(Chamber at ease.)

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(HB 5283)

On page 3, Calendar 240, House Bill 3283; page 3, Calendar 299, House Bill 5437; page 5, Calendar 349, Senate Bill 374; page 6, Calendar 375, House Bill 5440; page 6, 362, House Bill 5011.

On page 7, Calendar 376, House Bill 5279; on page 7, 387, House Bill 5290; on page 8, 394, House Bill 5032; on page 8, 396, House Bill 5230.

Also on page 8, Calendar 398, House Bill 5241; on page 8, Calendar 393, House Bill 5307; on page 9, Calendar 403, House Bill 5087; on page 9, Calendar 406, House Bill 5276; on page 9, 407, House Bill 5484; on page 11, Calendar 424, House Bill 5495; on page 12, Calendar 435, House Bill 5232; on page 13, Calendar 5 -- excuse me Calendar 450, House Bill 5447; on page 14, Calendar 455, House Bill 3 -- I'm sorry -- House Bill 5353.

On page 14, Calendar 453, House Bill 5543; on page 14, Calendar 459, House Bill 5271; on page 15, Calendar 464, House Bill 5344; on page 15, Calendar 465, House Bill 5034; on page 16, Calendar 469, House Bill 5038; on page 17, Calendar 475, House Bill 5550; on page 17, Calendar 474, House Bill 5233; on page 17, Calendar 477, House Bill 5421.

Page 18, 480, House Bill 5258; on page 18, Calendar 479, House Bill 5500; page 18, Calendar 482, House Bill 5106; on page 18, Calendar 483, House Bill 5355; on page 19, Calendar 489, House Bill 5248; on page 19, Calendar 488, House Bill 5321; on page 20, Calendar 496, House Bill 5412.

On page 21, Calendar 504, House Bill 5319; page 21, Calendar 505, House Bill 5328; on page 22, Calendar 508, House Bill 5365; on page 22, Calendar 510, House Bill 5170; on page 23, Calendar 514, House Bill 5540; on page 23, Calendar 517, House Bill 5521.

Page 24, Calendar 521, House Bill 5343; page 24, Calendar 518, House Bill 5298; page 24, Calendar 523, House Bill 5504; page 29, Calendar 355, Senate Bill 418; on page 13, Calendar 444, 5037; and Calendar 507, House Bill 5467.

THE CHAIR:

Senator -- Senator Suzio.

SENATOR SUZIO:



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TIMOTHY B. KEHOE
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Bills placed on the Consent Calendar on May 9, 2012

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Bills from Senate Agenda Number 3 from the May 9th Senate Session that were placed on the Consent Calendar

HB5304
HB 5342

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Good evening, Madam President.

I just want to clarify. I thought I heard the Clerk call House Bill 5034? Is that on the consent calendar?

THE CHAIR:

Do you know what page that is, sir?

SENATOR SUZIO:

No I -- he was reading so fast, Madam, I couldn't get it.

THE CHAIR:

It's -- yes it's 53 -- I don't know.

SENATOR SUZIO:

5034.

THE CHAIR:

5034, yes sir.

SENATOR SUZIO:

I object to that being put on the consent calendar, Madam President.

THE CHAIR:

Okay, that will be removed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Yes, just seeing that -- ask to remove that item from the consent calendar.

THE CHAIR:

So ordered.

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At this time we'll call a roll call vote on the consent calendar.

Mr. Clerk.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

Senator Coleman, we need your vote, sir.

Senator Kissel, Senator Kissel. Senator Kissel, will you vote on the consent calendar please?

All members have voted?

If all members have voted, the machine will be closed.

Mr. Clerk, will you call the amendment -- I meant the tally.

THE CLERK:

On today's consent calendar.

Total Number Voting	36
Necessary for Adoption	19
Those Voting Yea	36
Those Voting Nay	0
Those Absent and Not Voting	0

THE CHAIR:

The consent calendar has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I believe the Clerk is in possession of Senate Agenda Number 6 for today's session.