

PA13-112

HB6447

House	3518-3521	4
Judiciary	1254-1256, 1379	4
Senate	3855-3857	3
		11

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 11
3446 - 3814**

law/djp/gbr
HOUSE OF REPRESENTATIVES

409
May 9, 2013

THE CLERK:

Bill Number 372, S.B. 114 as amended by Senate
"A" and House "A", not in concurrence.

Total number voting	135
Necessary for passage	68
Those voting Yea	135
Those voting Nay	0
Those absent and not voting	15

SPEAKER SHARKEY:

The Bill as amended passes.

Will the Clerk please Calendar 456?

THE CLERK:

Mr. Speaker, on page 28 of today's calendar,
Calendar 456, joint favorable report of the Joint
Standing Committee on Judiciary House Bill 6447, AN
ACT CONCERNING THE OCCUPATIONAL TAX OF ATTORNEY'S.

SPEAKER SHARKEY:

Distinguished Judiciary Committee Chair,
Representative Fox.

REP. FOX (146th):

Thank you, Mr. Speaker. I move for the
acceptance of the Joint Committee's favorable report
and passage of the Bill.

SPEAKER SHARKEY:

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Question before the Chamber is acceptance of the Joint Committee's favorable report and passage of the Bill.

Will you remark, sir?

REP. FOX (146th):

Thank you, Mr. Speaker. A couple of years ago we raised the occupational tax for attorney's from \$450 to \$565. What we did not do, however, was increase the threshold by which an individual who is a licensed attorney but does not make their living practicing law, who would then be exempt from paying that tax. What this Bill does is it says that any individual who's a licensed attorney, but does not earn over \$1,000 practicing law, they would be not required to pay this occupational tax and I'd urge passage of the bill.

SPEAKER SHARKEY:

Thank you, sir.

Do you car to remark further on the Bill?

Representative Rebimbas.

REP. REBIMBAS (70th):

Thank you, Mr. Speaker. And, I'd like to thank the Chairman for bringing this Bill out. It's certainly a Bill that passed out of Judiciary

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unanimously. It's a Bill that's been brought our attention by Representative Timothy LeGeyt and I would like to thank him for doing so.

Again, this is a common sense bill. You wouldn't ask an attorney to pay \$565 if they've made \$450 in that given year, so it does raise the threshold and thank you to the Chairman for bringing that out and thank you, Mr. Speaker and I ask for everyone's support.

SPEAKER SHARKEY:

Thank you, Madame.

Would you care to remark further? Would you care to remark further on the Bill?

If not, staff and guests to the well of the house, members take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will members please report the chamber immediately?

SPEAKER SHARKEY:

My apologies Mr. Clerk. All these buttons it's hard to --

Have all the members voted? Have all the members

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voted? Members please check the board to make sure your vote is properly cast. If all the members voted, the machine will be locked, the tally will be recalculated and the Clerk will take a tally.

Clerk please announce the tally.

THE CLERK:

Bill 6447.

Total number voting	135
Necessary for passage	68
Those voting Yea	135
Those voting Nay	0
Those absent and not voting	15

SPEAKER SHARKEY:

The Bill passes.

Will the Clerk please Calendar 320?

THE CLERK:

Calendar Number 320, favorable report of the Joint Standing Committee on Education, Substitute House Bill 6358, AN ACT UNLEASHING INNOVATION IN CONNECTICUT SCHOOLS.

SPEAKER SHARKEY:

Representative Fleischmann.

REP. FLEISCHMANN (18th):

Thank you, Mr. Speaker. I move acceptance of the

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2013

SALLY ZANGER: I'd just like to add that, you know, the probate court has come a long way and under Judge Knierim continues to move forward in a beautiful way and they've done a lot of good work in the consolidation and in, again, in extending the -- some of these protections, but this would be a real step backwards and it would -- it would --

REP. GERALD FOX: Well, I mean, I know we've worked a lot over the years and Judge Knierim is still here so -- and he's listening and we're all -- we're all listening and we will continue to -- to listen as we go forward, so thank you.

Representative LeGeyt.

REP. LEGEYT: Good afternoon, Representative.

Good afternoon, Chairman Fox, Chairman Coleman, other honorable members of the Judiciary Committee.

I want to thank you for raising H.B. 6447, AN ACT CONCERNING THE OCCUPATIONAL TAX ON ATTORNEYS, as well as providing me an opportunity to speak about the bill in this public hearing context.

For the last several years, attorneys in Connecticut have been subject to the attorneys' occupational tax, which is levied upon attorneys in Connecticut with some exemptions. The tax has been \$450 for quite a while until two years ago when it was raised to \$565, where it has remained to date.

One of the exemptions in the law is for attorneys whose principal occupation is something other than practicing law and who may generate fee income during the calendar year under a certain threshold. For many years that

fee income threshold has been \$450. In other words, under the present structure, an attorney who does not practice law for his or her primary occupation could generate \$450 of fee income without incurring an obligation to pay the tax.

Two years ago the tax was increased to \$565, but the threshold was unchanged at 450. In that context, an attorney who presently does not practice law for his or her primary occupation could generate \$450 of fee income without incurring an obligation to pay the tax, but if the fee income generated was, as an example, \$475, the attorney would be obligated to pay the tax of \$565.

Clearly when the tax was increased, the attendant task of raising the threshold was overlooked. This bill simply proposes to raise the threshold at which the tax would be owed to a thousand dollars. In this proposed scenario, an attorney who does not practice law for his or her primary occupation could generate \$1,000 of fee income without incurring an obligation to pay the tax.

But if the fee income generated was, as an example, a thousand and twenty-five dollars, the attorney would be obligated to pay the tax at \$565.

It seems to me to be more equitable for the threshold of fee income to be higher than the tax amount. As an aside, today's rates for legal fees might be such that with inflation over the years, a fee income threshold of \$1,000 is justified.

Thank you for the opportunity to present this testimony today.

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dr/mb/gbr JUDICIARY COMMITTEE

March 4, 2013
10:00 A.M.

REP. GERALD FOX: Thank you, Representative, and I know this is something you and I have had a chance to discuss several times.

REP. LEGEYT: And I -- and I appreciate your assistance with that, Chairman Fox.

REP. GERALD FOX: Thank you, and well, thank you for bringing this to our -- our attention.

And are there questions from members of the committee?

Okay, well, thank you.

REP. LEGEYT: Thank you very much.

REP. GERALD FOX: That concludes our members of the public -- excuse me our -- our public officials list.

Is Ralph Wilson here? Please step forward.

RALPH E. WILSON: Mr. Chairman, members of the commission, I'm here to address Senate Bill Number 987, and in doing that, I'm just going to reference House Bill 6487. These are two of the three bills that are before this body.

As to House Bill 6487, I would just say that that bill sets forth a very good procedure in terms of adjoining property under situations with trees and that bill makes sense.

This other bill that I'd like to address, the Senate Bill 987, does not make sense, and I'm going to explain to you why. My particular family situation between my -- my wife and my daughter, own two tracts of property. One is 84 acres and another that's 30 acres. One has a mile of perimeter and another has two miles of perimeter.

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STANDING
COMMITTEE
HEARINGS**

**JUDICIARY
PART 5
1379 - 1717**

2013



State of Connecticut

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MEMBER
APPROPRIATIONS COMMITTEE
BANKS COMMITTEE
EDUCATION COMMITTEE

Good morning,

Chairmen Coleman and Fox and Honorable members of the Judiciary Committee,

I want to thank you for raising HB 6447, An Act Concerning the Occupational Tax on Attorneys as well as providing me an opportunity to speak about the bill in this public hearing context.

For the last several years, attorneys in Connecticut have been subject to the Attorneys' Occupational Tax, which is levied upon attorneys in Connecticut with some exemptions. The tax had been \$450 for quite a while until two years ago, when the tax was raised to \$565, where it has remained to date.

One of the exemptions in the law is for attorneys whose principal occupation is something other than practicing law and who may generate fee income during the calendar year under a certain threshold. For many years, that fee income threshold has been \$450. In other words, under the present structure, an attorney who does not practice law for his or her primary occupation could generate \$450 of fee income without incurring an obligation to pay the tax.

Two years ago, the tax was increased to \$565, but the threshold was unchanged at \$450. In that context, an attorney who presently does not practice law for his or her primary occupation could generate \$450 of fee income without incurring an obligation to pay the tax, but if the fee income generated was, as an example, \$475, the attorney would be obligated to pay the tax of \$565.

Clearly, when the tax was increased, the attendant task of raising the threshold was overlooked. This bill simply proposes to raise the threshold at which the tax would be owed to \$1000. In this proposed scenario, an attorney who does not practice law for his or her primary occupation could generate \$1000 of fee income without incurring an obligation to pay the tax, but if the fee income generated was, as an example, \$1025, the attorney would be obligated to pay the tax of \$565.

It seems to me to be more equitable for the threshold of fee income to be higher than the tax amount. As an aside, today's rates for legal fees might be such that, with inflation over the years, a fee income threshold of \$1000 is justified.

Thank you for the opportunity to present this testimony today.

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THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Madam President.

Madam President, I move all items on Senate Agenda Number 2, dated Thursday, May 30, 2013, to be acted upon as indicated and that the Agenda be incorporated by reference in the Senate Journal and the Senate Transcript.

THE CHAIR:

Seeing no objections, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, before moving to a vote on our first Consent Calendar, I have a couple of additional items to add to that Consent Calendar.

First, Madam President, on Calendar Page 23, Calendar 589, House Bill Number 6447.

Madam President, would move to place that item on the Consent Calendar.

THE CHAIR:

So ordered.

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

And also, Madam President, Calendar -- Calendar Page 29, Calendar 622, House Bill Number 5278.

Would move to place that item also on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, now would ask the Clerk to call the items on the first Consent Calendar, so that we might proceed to a vote on that Consent Calendar.

Thank you, Madam President.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 5, Calendar 278, Senate Bill 709; Calendar 333, House Bill 5759; Calendar 334, House Bill 6396; Calendar 340, House Bill 6211.

On Page 8, Calendar 357, House Bill 6349 and Calendar 398, Senate Bill 1065.

On Page 11, Calendar 457, House Bill 5564 and Calendar 462, House Bill 5908.

On Page 15, Calendar 516, House Bill 5500; Calendar 521, House Bill 6407.

On Page 19, Calendar 558, House Bill 6340.

Page 21, Calendar 574, House Bill 6534; Calendar 575, House Bill 6562; and Calendar 577, House Bill 6652.

Page 23, Calendar 587, House Bill 6465; Calendar 589, House Bill 6447.

On Page 24, Calendar 599, House Bill 6458.

Page 25, Calendar 602, House Bill 5614.

And on Page 29, Calendar 622, House Bill 5278;
Calendar 625, House Bill 6624.

Page 39, Calendar 223, Senate Bill 954 and Calendar
227, Senate Bill 819.

And on Page 46, Calendar 100, Senate Bill 273 and
Calendar 137, Senate Bill 837.

THE CHAIR:

Mr. Clerk, please call for a roll call vote and the
machine will be open on the first Consent Calendar.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Members to the Chamber. Immediate roll call has been
ordered in the Senate on today's first Consent
Calendar.

THE CHAIR:

All members have voted, all members have voted.

The machine will be closed.

Mr. Clerk will you please call the tally.

THE CLERK:

On today's first Consent Calendar:

Total Number Voting	34
Necessary for Adoption	18
Those voting Yea	34
Those voting Nay	0
Those absent and not voting	2

THE CHAIR:

Consent Calendar passes.

The Senate will stand at ease.

(Chamber at ease.)