

PA13-8

SB1032

House	2015-2018	4
Labor	1091-1092, 1150-1151	4
Senate	798-799, 890-895	8
		16

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 6
1695 – 2023**

On page 28, 390, favorable report of Joint
Standing Committee on Labor and Public Employees, AN
ACT CONCERNING WITHHOLDING OF INCOME TAX.

SB1032

SPEAKER SHARKEY:

Representative Tercyak.

REP. TERCYAK (26th):

Thank you very much, Mr. Speaker.

I move for acceptance of the Joint Committee's
favorable report and passage of the bill.

SPEAKER SHARKEY:

The question is on acceptance of the Joint
Committee's favorable report and passage of the bill.

Will you remark, sir?

REP. TERCYAK (26th):

Yes, sir, Mr. Speaker.

I would like to thank you very much for your call
for bipartisanship and this bill is certainly one of
the occasions where we show success there. We've got
-- we've found that Connecticut employers frequently
encounter a technical snag where if they withhold
income tax for an employee who lives or works in
another state while they're based in Connecticut they
will violate Connecticut law if we don't a reciprocal
agreement with that state. If they don't withhold the

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income tax for those employees they are subject to other sanctions.

This will solve that because now if an employer is required under the law of another state to withhold the income tax then the employer can do it and no problem we'll -- we'll -- we will no longer have to have the expense and time of trying to reach a reciprocal agreement. Our employers will be allowed to do the right thing without interference from the state.

Thank you very much, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark? Will you remark further on the bill that's before us?

Representative Smith of the 108th.

REP. SMITH (108th):

Good afternoon, Mr. Speaker.

Thank you.

SPEAKER SHARKEY:

Good afternoon, sir.

REP. SMITH (108th):

You know, I would like to speak in favor of this bill. You know, many times I -- I speak on the floor

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and I'm always somewhat concerned about our employers out there and the -- the business climate that Connecticut is facing. This is actually one of the bills that will help our -- our businesses -- help our employers, so I'm asking my colleagues to stand with me today and support this bill. This is a good bill. This is good for business and I hope we pass it.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark? Will you remark further on the bill that's before us?

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

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll.

Will members please return to the Chamber immediately?

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted?

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Members please check the board and make sure your votes are properly cast.

If all the members have voted, the machine will be locked and the Clerk will take a tally.

Will the Clerk please announce the tally?

THE CLERK:

Bill Number 1032	
Total Number Voting	144
Necessary for Passage	73
Those voting Yea	144
Those voting Nay	0
Absent and not voting	6

SPEAKER SHARKEY:

The bill is passed.

Will the Clerk please call Calendar Number 403?

THE CLERK:

Yes, Mr. Speaker.

On page 29 of today's calendar, 403, favorable report of the Joint Standing Committee on Finance, Revenue and Bonding, AN ACT CONCERNING A RENEWAL PERIOD FOR CERTAIN TEMPORARY NOTES.

SPEAKER SHARKEY:

HB 6602

**JOINT
STANDING
COMMITTEE
HEARINGS**

**LABOR AND
PUBLIC EMPLOYEES
PART 4
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2013

COMMITTEE

ROBERT CLARK: Thank you.

REP. TERCYAK: Anybody else?

Okay. Thank you very much.

ROBERT CLARK: Thank you. Appreciate it.

REP. TERCYAK: Not seeing any other public officials signed up to testify. We'll move on to the public. And first will be Bonnie Stewart. Followed by Eric Gjede. Followed by Laura Cummings, then Sue Garten.

Please turn on your microphone. Say your name and jump right into it.

BONNIE STEWART: Good afternoon. My name is Bonnie Stewart and I'm the Vice President of the Government Affairs for the Connecticut Business and -- Business and Industry Association. I'd like to thank you for raising Senate Bill 1032 which amends the state labor laws to allow employers to withhold income taxes for other states that require it, such as New York and Massachusetts.

We recently found out that there is a prohibition based on an Attorney General's opinion that employers now in Connecticut can't withhold for New York and Massachusetts even though we're required to. So there's a conflict between the two laws right now. And this measure would address that. And we appreciate your raising this today. And urge your adoption of this measure.

REP. TERCYAK: Would you like to say anything about how wise we are to bring this bill

up?

BONNIE STEWART: Well this will be a first. I've been testifying before this Committee for 25 years. And I think this is actually the first time I've supported a measure here. But I will tell you --

REP. TERCYAK: We think so too.

BONNIE STEWART: -- I will tell you that raising this was wise. Supporting it and actually getting it through the entire legislative process would just be an incredibly wise -- wise act on your part and the rest of the Committee members. In all seriousness, it really benefits both employers in Connecticut and employees, and we would greatly appreciate your moving this measure.

One thing I didn't ask that I would love to see, is this affective upon passage. I did not raise that with the Committee when I spoke with you earlier about that. But that only makes sense. And therefore, if you approve it out of the Committee, if you could add that language to it, I would greatly appreciate it.

REP. TERCYAK: Thank you very much. That upon passage you think would work we'll look into that.

BONNIE STEWART: Thank you.

REP. TERCYAK: Okay.

Anybody else have any questions?

No. Great.

Public
Pg 1. Line 20



Testimony of Bonnie Stewart ^①
Vice President of Government Affairs, CBIA
Before the
Labor and Public Employees Committee
Hartford, CT
March 5, 2013

Testifying in Support of SB 1032 An Act Concerning Withholding of Income Tax

Good Afternoon Senator Osten, Representative Tercyak, and members of the Labor and Public Employees Committee. My name is Bonnie Stewart and I am Vice President of Government Affairs at the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 employers throughout the state of Connecticut ranging from one-person businesses to large corporations. The majority of our members have fewer than 50 employees.

CBIA supports SB 1032 which amends C.G.S. Section 31-71e to allow employers to withhold income tax for another state, where required to do so by another state's laws.

Recently it was brought to our attention that Connecticut employers are facing a conflict between Connecticut and New York and Massachusetts laws. The issue is that based upon a 1959 Attorney General's opinion, the Connecticut Labor Department has interpreted C.G.S. Section 31-71e as prohibiting Connecticut employers from withholding state income tax for other states unless Connecticut has a reciprocal agreement with that state. Connecticut does not have a reciprocal agreement with either Massachusetts or New York. However, both New York and Massachusetts tax laws require Connecticut employers to withhold income tax for (1) New York or Massachusetts residents working in CT, and (2) Connecticut residents that perform services in New York or Massachusetts.

Therefore, Connecticut employers are caught between these conflicting laws:

1. If a company doesn't withhold New York/Massachusetts taxes they face New York/Massachusetts interest and penalties, or
2. If they do withhold New York/Massachusetts taxes they face Connecticut fines and criminal prosecution.

This applies to a very broad group of CT employers

Permitting Connecticut employers to withhold income taxes for other states has NO impact on Connecticut revenues or the tax liabilities of the employees New York and

Massachusetts residents working in Connecticut are already required to report the income to their home states. Connecticut income tax is currently being withheld and the Connecticut taxes paid are permitted as a credit against their home state taxes. Connecticut residents paying taxes to New York and Massachusetts are already required to report these amounts to the other states and are permitted to claim these other states' taxes as a credit against Connecticut income tax.

Adoption of **SB 1032** would eliminate the problem outlined above by permitting income tax withholding as required by other states. CBIA would greatly appreciate your support of this measure.

Thank you for your consideration of this matter.

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SENATE**

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Are there any points of personal privilege or announcements? Seeing none, we will be -- Senate will stand at ease.

(Chamber at ease.)

THE CHAIR:

The Senate will come back to order.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Thank you, Madam President.

We do have some additional calendar items to mark at this time. Some items to mark go, some referrals, and some items to add to our Consent Calendar and then we'll have some additional markings later, especially, probably some additional referrals.

Madam President, on Calendar page 9, under "Favorable Reports," Calendar page 9, the item -- the last item at the bottom of page 9, Calendar 93, Senate Bill 858, that item is marked go.

On Calendar page 10, Calendar 94, Substitute for Senate Bill 861, marked go; also Calendar page 10, Calendar 100, Senate Bill Number 273, marked go.

Moving to Calendar page 11, Calendar 110, Senate Bill Number 521, marked go; Calendar 111, Senate Bill Number 825, marked go.

Calendar page 13, the next item, Calendar page 13, Calendar 127, Senate Bill Number 927, marked go; the next item on Calendar page 13, Calendar 128, Senate Bill Number 1032, Madam President, move to place that item on our Consent Calendar.

THE CHAIR:

Seeing no objection so ordered.

SENATOR LOONEY:

Thank you, Madam President.

Continuing on that page, the next item on Calendar page 13, Calendar 132, is marked go; last item at the bottom of that page, Madam President, Calendar 137, Substitute for Senate Bill Number 837, Madam President, move to place that item on our Consent Calendar.

THE CHAIR:

Seeing no objection so ordered.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, moving to Calendar page 14, Calendar 139, Substitute for Senate Bill Number 158, that item is marked go; the last item at the bottom of that Calendar page 14, Calendar 145, Senate Bill Number 958, also marked go.

Moving to Calendar page 15, Madam President, the second item on Calendar page 15, Calendar 147, Senate Bill Number 1061, Madam President, move to place that item on our Consent Calendar.

THE CHAIR:

Seeing no objection so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Next item, two items down on that page, Calendar 149, Substitute for Senate Bill Number 909, Madam President, that item is marked go; the next item Calendar 151, Senate Bill Number 63, Madam President, move to place that item on our Consent Calendar.

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Mr. Clerk, call for a roll call vote, but will you do the proceedings and go through and read the vote on the -- on that Consent Calendar. Read the bills on the Consent Calendar and the machine then will be opened.

THE CLERK:

On page 1, Calendar 96, Senate Resolution Number 19, RESOLUTION CONFIRMING THE NOMINATION OF JASON E. BOWSA OF BROAD BROOK TO BE A MEMBER OF THE CONNECTICUT RIVER VALLEY FLOOD CONTROL COMMISSION, favorable report of the Senate Committee on Executive and Legislative Nominations.

Also on page 1 --

THE CHAIR:

Mr. Clerk, if you'd like you can just read the Calendar Number --

THE CLERK:

Okay.

THE CHAIR:

-- and the Resolution Number. Okay.

THE CLERK:

Great.

Page 1, Calendar 97, Senate Resolution Number 20.

On page 2, Calendar 98, Senate Joint Resolution Number 46; also on page 2, Calendar 99, Senate Joint Resolution Number 47; page 2, Calendar 130, Senate Joint Resolution Number 21; page 2, Calendar 131, Senate Joint Resolution Number 48; page 2, Calendar 136, Senate Joint Resolution 49.

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On page 3, Calendar 197, Senate Joint Resolution Number 50; also on page 3, Calendar 198, Senate Joint Resolution Number 51; page 3, Calendar 245, Senate Resolution Number 22; page 3, Calendar 246, Senate

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Joint Resolution Number 23; page 3, Calendar 247,
Senate Joint Resolution Number 52.

And on page 4, Calendar 316, House Joint Resolution
Number 72; page 4, Calendar 317, House Joint
Resolution Number 73; also on page 4, Calendar 318,
House Joint Resolution Number 74; page 4, Calendar
319, House Joint Resolution Number 75.

On page 5, Calendar 320, House Joint Resolution Number
76; also on page 5, Calendar 321, House Joint
Resolution Number 77; page 5, Calendar 322, House
Joint Resolution Number 78; on page 5, 323 is the
Calendar, House Joint Resolution Number 79.

And on page 6, Calendar 324, House Joint Resolution
Number 80; also on page 6, Calendar 325, House Joint
Resolution 81; page 6, Calendar 326, House Joint
Resolution Number 82; page 6, Calendar 327, House
Joint Resolution Number 84.

HJR 83
Calendar 328-HJR 84

On page 7, Calendar 329, House Joint Resolution Number
85; page 7, Calendar 330, House Joint Resolution
Number 86; page 7, Calendar 331, House Joint
Resolution Number 87; and on page 7, Calendar 332,
House Joint Resolution Number 88.

On page 13, Calendar 128 --

THE CHAIR:

Mr. Clerk, would you also check page 11, Calendar
Number 1 -- 0111.

THE CLERK:

I think that was referred to the Consent Calendar.

THE CHAIR:

It is the Consent Calendar, sir.

THE CLERK:

Oh, yes, yes, yes, you're right. Sorry about that.

On page 11, Calendar 111, Senate Bill Number 825.

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And on page 13, now, Calendar 128, Senate Bill --

THE CHAIR:

Mr. Clerk, would you look at 127, also, please, 127,
Calendar 127.

THE CLERK:

Okay.

Calendar 127, Senate Bill Number 927; also on page 13,
Calendar 128, Senate Bill 1032; and on page 13,
Calendar 137, Substitute for Senate Bill Number 837.

On page 8 --

THE CHAIR:

-- 15.

THE CLERK:

-- 15, Calendar 151 --

THE CHAIR:

Senator, would you look at Calendar 147, please.

THE CLERK:

-- Calendar 147 --

THE CHAIR:

Thank you.

THE CLERK:

-- Senate Bill Number 1061; also on page 15, Calendar
1 --

THE CHAIR:

-- 49.

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THE CLERK:

-- 49, Substitute for Senate Bill Number 909; on page 15, Calendar 151, Senate Bill Number 63.

And, now, on page 16, Calendar 156, Senate Bill Number 1004; also Calendar 157, Senate Bill Number 1006.

And on page 18, Calendar 173, Substitute --

THE CHAIR:

-- Mr. Clerk, can you look at 168 first, please.

THE CLERK:

I'm sorry.

Calendar 168, Substitute for Senate Bill Number 880, and Calendar 173, Substitute for Senate Bill Number 874.

On page 19; Calendar 183, Substitute for Senate Bill Number 853.

And on page 20, Calendar 187, Senate Bill Number 953; also on page 20, Calendar 191, Senate Bill Number 704.

On page 22, Calendar 206, Substitute for Senate Bill Number 950.

On page 23, Calendar 213, Substitute for Senate Bill Number 826.

On page 24, Calendar 221, Senate Bill Number 946.

And on page 29, Calendar 25 --

THE CHAIR:

Sir, on page 28, first.

THE CLERK:

I'm sorry.

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Page 28, Calendar 250, Substitute for Senate Bill
Number 1010.

And on page 29, Calendar 258, Substitute for Senate
Bill Number 1073.

On page 37, Calendar 306, Senate Bill Number 111.

And I think that's it.

THE CHAIR:

Yes, I think so.

This time I'll ask everybody to please vote. The machine is open, and we're voting on the Consent Calendar.

Do you -- would you please announce it again, Mr. Clerk.

THE CLERK:

Immediate roll call has been ordered in the Senate,
voting today's Consent Calendar. Immediate roll call has been ordered in the Senate.

THE CHAIR:

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

Mr. Clerk, will you please call the tally.

THE CLERK:

On today's Consent Calendar.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

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The Consent Calendar passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, a couple of additional items. First of all, on a matter adopted earlier today, Calendar 344, Substitute for House Bill Number 6648, would ask for a suspension for immediate transmittal of that item to the Governor.

THE CHAIR:

Seeing no objection so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, for a couple of -- of items for recommittals on the last -- near the end of the Calendar, Calendar page 52, under "Favorable Reports and Resolutions," Calendar 34, Senate Resolution Number 8, I would move to recommit that item to the Appropriations Committee.

THE CHAIR:

Seeing no objection so ordered.

SENATOR LOONEY:

And also, Madam President, Calendar 212, Senate Resolution Number 14, I move to recommit that item to the Education Committee.

THE CHAIR:

Seeing no objection so ordered.

SENATOR LOONEY:

Thank you, Madam President.