



April 10, 2017

Chair John W. Fonfara
Chair Jason Rojas
Chair L. Scott Frantz
Committee on Finance, Revenue, and Bonding
Connecticut General Assembly

RE: Opposition to Section 13 of Raised Bill 7312

Dear Chairs Fonfara, Rojas, and Frantz:

On behalf of CTIA, the trade association for the wireless communications industry, I write to oppose Section 13 of Raised Bill 7312, which would require a person seeking a refund of a tax collected from a customer and remitted to the state to refund the money to the customer before seeking a refund from the state. This would change the longstanding practice of allowing the person who collected the tax from a customer to seek a refund from the state and then refund the money to the customer once the Commissioner approved the refund claim.

If this provision is enacted, it would put CTIA member companies in the untenable position of refunding money to customers without knowing whether the Department of Revenue Services will pay refund claims and, if approved, when those refund claims will be paid. Member companies serve as collection agents of the state and should not be put in the position of paying refund claims to customers out of corporate treasury funds without any guarantee that refund claims will be approved and paid.

In some instances, customers that do not agree that taxes were properly collected may seek redress in the courts either directly or through class action lawsuits. CTIA members should not be put in the middle of disputes between taxpayers and the Department of Revenue Services. Under current law, CTIA member companies pay refunds to consumers when they know the state will refund the taxes in question. There is no policy justification for changing this current practice.

In addition, Section 13 as currently written would apply this new law to refund claims pending on July 1, 2017. It would have the effect of retroactively terminating these pending refund claims because under current policy



companies that have pending claims did not have to pay the refunds to customers until the Department approved the pending claims. We have serious legal and policy concerns about legislation that retroactively invalidates pending refund claims.

For these reasons, we respectfully request that you strike Section 13 from Raised Bill 7312.

Sincerely,

Gerard Keegan
Assistant Vice President
State Legislative Affairs