

**State of Connecticut, Department of Revenue Services
Nonresident Member Income Tax Remittance Agreement**

Pass-Through Entity Name: _____
CT Tax Identification Number/Federal Employer Identification Number: _____

In accordance with Conn. Gen. Stat. § 12-2e, _____ (“PE”) and the Connecticut Department of Revenue Services (“DRS”) enter into this Nonresident Member Income Tax Remittance Agreement so as to simplify the income tax payment obligations of PE’s nonresident members and to simplify the tax collection and processing obligations of DRS.

WHEREAS, during its taxable year beginning in 2018, certain of PE’s individual members were not residents of Connecticut (“Nonresident Members”).

WHEREAS, during its taxable year beginning in 2018, PE made guaranteed payments to certain of its Nonresident Members.

WHEREAS, a portion of the guaranteed payments paid to Nonresident Members were derived from or connected with Connecticut sources (“CT Source Guaranteed Payments”).

WHEREAS, the Nonresident Members who received CT Source Guaranteed Payments are required to file Connecticut income tax returns and pay any associated tax due to DRS.

WHEREAS, the requirement that certain Nonresident Members file Connecticut income tax returns creates significant administrative burdens on PE, the Nonresident Members, and DRS.

THEREFORE, PE and DRS have entered into this agreement for administrative convenience so as to alleviate the significant administrative burdens imposed on the parties and agree as follows:

1. For its taxable year beginning in 2018 only, PE will remit income tax to DRS on behalf of each of its Nonresident Members (regardless of whether such Member received CT Source Guaranteed Payments) with respect to each Nonresident Member’s distributive share of the PE’s Connecticut source income, as properly reported for such Nonresident Member on Part VI of PE’s Form CT-1065/CT-1120SI, including CT Source Guaranteed Payments. The amount of income tax that PE will remit on behalf of each Nonresident Member shall be calculated by multiplying the Nonresident Member’s Connecticut source income from PE by a tax rate of 6.99%. PE will reduce the amount it must remit on behalf of each Nonresident Member by the PE Tax Credit properly reported for such Nonresident Member on Part IX of PE’s Form CT-1065/CT-1120SI.
2. To report the amount PE must remit to DRS on behalf of its Nonresident Members, PE will prepare and file with DRS a schedule, in a form similar to the attached exhibit, that sets forth the following:
 - a. Nonresident Member’s Name;
 - b. Member Number assigned to each Nonresident Member on Form CT-1065/CT-1120SI;
 - c. Nonresident Member’s Social Security Number;
 - d. Nonresident Member’s Connecticut source income from PE;
 - e. Nonresident Member’s Tax at 6.99% on Connecticut source income from PE (not less than zero);
 - f. Nonresident Member’s PE Tax Credit; and
 - g. Nonresident Member’s Balance Due (Tax minus PE Tax Credit, but not less than zero).
3. If PE does not request an extension of time to file its Form CT-1065/CT-1120SI, PE will file with DRS the schedule described in Paragraph 2 and PE will remit the total amount properly reported as due on such schedule to DRS, by check, by the due date of PE’s Form CT-1065/CT-1120SI.
4. If PE requests an extension of time to file its Form CT-1065/CT-1120SI:
 - a. PE will make a tentative payment, by check, of the amount that PE is required to remit under this agreement on behalf of its Nonresident Members on or before the due date of its Form CT-1065/CT-1120SI, without regard to any extension request (“Tentative Payment”); and

- b. PE will file with DRS the schedule described in Paragraph 2 by the extended due date of PE's Form CT-1065/CT-1120SI. If the Tentative Payment exceeds the total amount properly reported as due on the schedule, DRS will refund the overpayment to PE. If the Tentative Payment is less than the total amount properly reported as due on the schedule, PE will remit payment of the remaining balance due, plus interest at a rate of one percent per month or portion thereof from due date of its Form CT-1065/CT-1120SI, without regard to any extension request, to DRS by check.

5. The schedule and check(s) required to be submitted under Paragraphs 3 and 4 must be mailed to DRS at:

Department of Revenue Services
450 Columbus Boulevard – 11th Floor
Hartford, Connecticut 06103
Attn: Legal Division/Guaranteed Payment Agreement

- 6. Each Nonresident Member will be excused from the requirement to file a Connecticut income tax return with DRS to report and pay tax on his or her Connecticut source income, if such Nonresident Member's only income derived from or connected with Connecticut sources is from PE. Nothing herein shall prohibit a Nonresident Member from filing a Connecticut income tax return to report his or her Connecticut source income and to claim the Nonresident Member's PE Tax credit and the payment remitted on the Nonresident Member's behalf by PE. PE will issue a statement, which will be attached to the Form CT K-1 that PE issues to each Nonresident Member, that informs the Nonresident Member of the amount of tax that PE paid on such Nonresident Member's behalf and that the Nonresident Member is excused from filing a Connecticut income tax return with DRS, if such Nonresident Member's only income derived from or connected with Connecticut sources is from PE. If the Nonresident Member is required or otherwise chooses to file a Connecticut income tax return, the payment made on his or her behalf should be reported by the Nonresident Member on Schedule CT-PE.
- 7. Other than a refund of the Tentative Payment in accordance with Paragraph 4, PE will not request a refund of any payment made to DRS in accordance with this agreement. Any overpayment may only be claimed by the Nonresident Member on whose behalf the overpayment was made.
- 8. Nothing in this agreement excuses or otherwise impacts PE's requirement to file Form CT-1065/CT-1120SI and to pay any Pass-Through Entity tax due.
- 9. If PE fails to remit on behalf of its Nonresident Members the full amount due under this agreement, DRS may issue an assessment of tax, plus penalty and interest thereon, to PE as if such amount was a tax due from PE under 2018 Conn. Pub. Acts 49, §§ 1 through 6.
- 10. This agreement shall be binding on the parties hereto, and their predecessors, administrators, successors, heirs and assigns, if any.
- 11. This agreement sets forth the full and final terms of the agreement between PE and DRS and shall not be modified except by further writing signed by both parties.

Accepted and Agreed By: _____

By: _____

_____ Date signed

Name & Title

Accepted and Agreed By: Commissioner of Revenue Services

By: _____

_____ Date signed

Name & Title

