

Q&A: The 1999 Connecticut Sales Tax Rebate

PURPOSE: This Informational Publication is intended to answer commonly-asked questions about the 1999 Connecticut Sales Tax Rebate.

EFFECTIVE DATE: Effective June 23, 1999.

STATUTORY AUTHORITY: 1999 Conn. Pub. Acts 173, §§ 3 and 4.

WHAT IS THE 1999 CONNECTICUT SALES TAX REBATE? The Connecticut General Assembly enacted and Governor John G. Rowland signed legislation that will return a portion of the state's budget surplus to Connecticut residents in the form of a sales tax rebate. Under this year's legislation, it is estimated that over 2.1 million Connecticut residents will be eligible to receive sales tax rebates. The Department of Revenue Services (DRS) is administering the 1999 Connecticut Sales Tax Rebate Program.

WHO IS ELIGIBLE FOR THE 1999 CONNECTICUT SALES TAX REBATE? For purposes of the 1999 Connecticut Sales Tax Rebate, an "eligible individual" is:

- A resident of Connecticut who is required to file and files a resident income tax return (either a **Form CT-1040** or **Form CT-1040EZ** in paper or electronic format, including Telefile) for the taxable year beginning January 1, 1998.
- A resident of Connecticut who is **not** required to file a resident income tax return for the taxable year beginning January 1, 1998, but is required to file and files a federal income tax return for the taxable year beginning January 1, 1998. For purposes of this section, an individual shall be deemed a resident of Connecticut provided such individual was a resident on December 31, 1998.

- A resident of Connecticut who is **not** required to file a resident income tax return for the taxable year beginning January 1, 1998 but is a recipient of a federal earned income tax credit for the taxable year beginning January 1, 1998. For purposes of this section, an individual shall be deemed a resident of Connecticut provided such individual was a resident on December 31, 1998.
 - A resident of Connecticut who received benefits for the taxable year beginning January 1, 1998 under Title II of the Social Security Act as a retiree, survivor or disability insurance beneficiary and was **not** required to file either a resident income tax return or a federal income tax return for the taxable year beginning January 1, 1998. For purposes of this section, an individual is deemed a resident of Connecticut provided such individual was a resident on December 31, 1998.
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HOW MUCH WILL MY SALES TAX REBATE BE? Each eligible individual will receive a rebate in the amount of \$50 under the 1999 Connecticut Sales Tax Rebate Program. Most eligible individuals who filed joint returns will receive joint rebates in the amount of \$100.

WHEN WILL I RECEIVE MY SALES TAX REBATE? Eligible individuals can expect the first mailing of 1999 Connecticut Sales Tax Rebate checks at the end of September. Those eligible individuals who do not receive a rebate check in late September are likely to receive their checks in late November or early December.

NOTE: The DRS will continue to mail rebate checks to eligible individuals through the end of the year.

DO I NEED TO CONTACT THE DEPARTMENT OF REVENUE SERVICES?

No. The DRS has access to most of the information it needs to issue eligible individuals their sales tax rebates. Over the next few months, the DRS will compile the state and federal data necessary to identify eligible individuals.

HOW IS THE 1999 CONNECTICUT SALES TAX REBATE DIFFERENT FROM THE 1998 REBATE?

Unlike the 1998 rebate, which was based on the payment of income and property taxes, the 1999 Connecticut Sales Tax Rebate is a rebate of sales and use taxes paid by eligible individuals during 1998.

WILL MY SALES TAX REBATE BE SUBJECT TO CONNECTICUT INCOME TAX?

No. The 1999 Connecticut Sales Tax Rebate is a rebate of sales and use taxes paid by eligible individuals during income year 1998 and as such is **not** subject to Connecticut income tax.

WILL MY SALES TAX REBATE BE SUBJECT TO FEDERAL INCOME TAX?

No. Because the 1999 Connecticut Sales Tax Rebate is a rebate of sales and use taxes paid by eligible individuals during income year 1998 and sales tax is not deductible for federal income tax purposes, the DRS is not reporting the sales tax rebates to the Internal Revenue Service as income.

WILL MY SALES TAX REBATE BE SUBJECT TO OFFSET?

Yes. Your rebate may be reduced by other taxes you may owe the DRS or debts you may owe to other Connecticut state agencies.

NOTE: If only one spouse owed a debt to a Connecticut state agency, a nonobligated spouse must complete **Form O-AR 164, Nonobligated Spouse Sales Tax Rebate Form** to claim his or her share of a joint sales tax rebate. To request **Form O-AR 164**, contact the DRS Forms' Unit at **860-297-4753**.

DO NONRESIDENTS QUALIFY FOR THE 1999 CONNECTICUT SALES TAX REBATE?

No. Only residents of Connecticut who qualify as "eligible individuals," as defined in this Informational Publication, will receive a sales tax rebate.

EFFECT ON OTHER DOCUMENTS: None affected.

EFFECT OF THIS DOCUMENT: An Informational Publication is a document that addresses frequently asked questions about a current Department position, policy or practice, usually in a less technical format.

FOR FURTHER INFORMATION: Please call the Department of Revenue Services during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- 1-800-382-9463 (toll-free from within Connecticut), or
 - 860-297-5962 (from anywhere).
 - **TDD/TT** (Telecommunications Device for the Deaf) users **only** call 860-297-4911 during business hours.
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FORMS AND PUBLICATIONS: Forms and publications are available all day, seven days a week:

- **Internet:** preview and download forms and publications. Visit the DRS web site at: **www.state.ct.us/drs**
 - **DRS TAX-FAX:** call **860-297-5698** from the handset attached to your fax machine and select from the menu; or
 - **Telephone:** Call **1-800-382-9463** (toll-free from within Connecticut) and select **Option 2** from a touch-tone phone, or **860-297-4753** (from anywhere).
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