



Attorney Occupational Tax and Client Security Fund Fee

Purpose: This Informational Publication answers frequently-asked questions about the attorney occupational tax and the client security fund fee.

Effective Date: For calendar years beginning on or after January 1, 2016.

Statutory Authority: Conn. Gen. Stat. §§ 12-30, 51-81b, and 51-81d.

1. Who is subject to the attorney occupational tax?

Any person **admitted as an attorney** by the judges of the Connecticut Superior Court and who **engaged in the practice of law in Connecticut** during the preceding calendar year is subject to the tax and required to file **Form 472, Attorney Occupational Tax Return**.

2. What does admitted as an attorney mean?

For attorney occupational tax purposes, being **admitted as an attorney** means that you were sworn in as an attorney by a judge of the Connecticut Superior Court. Being admitted as an attorney also includes being admitted:

- On motion and temporarily permitted to practice law in Connecticut; **or**
 - *Pro hac vice* by the Superior Court, Appellate Court, or Connecticut Supreme Court to appear in a Connecticut state court proceeding.
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3. What does being engaged in the practice of law in Connecticut mean?

For attorney occupational tax purposes, being **engaged in the practice of law in Connecticut** means performing any act in Connecticut considered to be the practice of law, as defined in Connecticut Practice Book, Section 2-44A, *Definition of the Practice of Law*.

You are engaged in the practice of law if you are employed as an attorney, or employed by an employer that is not a law firm, such as an accounting firm or an insurance company, and being an attorney is a factor in your employment.

4. How do I report the attorney occupational tax and when is it due?

Use Form 472 to file and pay the attorney occupational tax. Form 472 must be filed and paid electronically through the Department of Revenue Services (DRS) **Taxpayer Service Center (TSC)** at www.ct.gov/TSC. The *TSC* allows taxpayers to electronically file, pay, and manage state tax responsibilities. You may select the *Log-In* for either *Businesses* or *Individuals*. On the left side of the page select *File/Pay Form CT-472, Attorney Occupational Tax Return*, and follow the onscreen instructions.

Only taxpayers that must file an amended return or receive a waiver from electronic filing from the DRS may file Form 472 on paper.

To request a waiver from the electronic filing requirement visit www.ct.gov/drs/TSCfiling and complete **Form DRS-EWVR, Electronic Filing and Payment Waiver Request**.

The return is due January 15 of each year whether or not the tax is owed. If the due date falls on a Saturday, Sunday or legal holiday, the return will be considered timely if filed by the next business day.

5. Can a firm, or other employer, file on behalf of its employees?

Yes. Employers paying the tax on behalf of employees may use the bulk filing option to file their Attorney Occupational Tax returns. The bulk filing option allows for multiple returns to either be “keyed in” or uploaded using the Dynamic Web Import; a file upload process that allows you to define your file type and layout. Visit www.ct.gov/TSC and select *Practitioners (Bulk Filers)*. On the left side of the page select *File/Pay Form CT-472, Attorney Occupational Tax Return*, and follow the onscreen instructions.

6. What if I pay or file late?

If you are subject to the tax and pay late with a paper return, the late payment penalty is \$50.

The following penalties will apply if you remit a late electronic funds transfer (EFT) payment:

- 2% of the required tax due for EFT payments not more than 5 days late;
- 5% of the required EFT payments more than 5 days but not more than 15 days late; **and**
- 10% of the required EFT payments more than 15 days late.

To be considered timely, an EFT payment **must** be initiated on or before the due date of such payment.

If you fail to file your return and remit payment electronically, DRS will impose a non-compliance penalty of 10% of the amount you were required to pay electronically.

Late payments are subject to interest at the rate of 1% per month or fraction of a month from the due date until the tax is paid in full.

If you are exempt from the tax but file a paper Form 472 late, a late filing penalty of \$50 may be imposed.

If you receive a waiver from electronic filing, your paper return will meet the timely filed and timely payment rules if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all services provided by these designated PDSs qualify. See **Policy Statement 2015(2), *Designated Private Delivery Services and Designated Types of Service.***

7. What is the amount of the attorney occupational tax?

The attorney occupational tax is \$565 per calendar year. If you were admitted as an attorney and engaged in the practice of law in Connecticut but not for the entire calendar year, the tax due is still \$565. **No proration** of the tax is authorized. If you were admitted as an attorney and engaged in the practice of law in Connecticut for the entire calendar year, and were subject to tax for part of the year and exempt from the tax for the rest of the year, the tax due is still \$565.

8. Is a person who is an authorized house counsel under Connecticut Practice Book Section 2-15A, *Authorized House Counsel*, subject to the attorney occupational tax?

Yes. A person who is an authorized house counsel is subject to the attorney occupational tax and is required to file Form 472 because he or she is both certified as house counsel in Connecticut under Section 2-15A by the Superior Court and engaged in the practice of law in Connecticut. Under Section 2-15A, a person who wishes to be certified as authorized house counsel is required to file an application with the Bar Examining Committee. Upon recommendation of the Bar Examining Committee, the Superior Court may certify the applicant as authorized house counsel.

9. Is a person who is authorized to provide legal services on a temporary basis in Connecticut under Connecticut Practice Book, Rules of Professional Conduct, Rule 5.5 subparagraph (c)(3) or (4), *Unauthorized Practice of Law*, subject to the attorney occupational tax?

No. Although a person authorized to provide legal services on a temporary basis in Connecticut under Rule 5.5, subparagraph (c)(3) or (4) is engaged in the practice of law in Connecticut, he or she is not admitted as an attorney by the judges of the

Superior Court and, therefore, is not subject to the attorney occupational tax and is not required to file Form 472.

A person wishing to obtain the privileges described in subparagraph (c)(3) or (4) of Rule 5.5 is required to notify the Statewide Bar Counsel.

10. Who is exempt from the attorney occupational tax?

Even if you were admitted as an attorney and were engaged in the practice of law in Connecticut, you may be exempt from the tax if one of the following exemptions applies to you. Form 472 must be filed on or before the due date even if you claim one of the following exemptions.

A. Your name was removed from the roll of attorneys maintained by the Clerk of the Superior Court for the Judicial District of Hartford. If your name was removed from the roll anytime during the calendar year, even on December 31, you are exempt from the tax for that year.

Attorneys who die are considered to have had their names removed from the roll as of the date of death and are exempt for the calendar year during which their death occurs.

Attorneys who are disbarred are considered removed from the roll and exempt for the calendar year disbarment occurs. A disbarred attorney who is subsequently readmitted to practice law in Connecticut is subject to the tax for the year the readmission occurs.

Attorneys suspended from the practice of law for a definite period are not considered removed from the roll and are subject to the tax.

B. You were not engaged in the practice of law as an occupation, and received less than \$1,000 from the practice of law in Connecticut. The requirements of this exemption are conjunctive. You must not have been **engaged in the practice of law in Connecticut as an occupation**, and the compensation you received from the practice of law in Connecticut must have been less than \$1,000 during the calendar year.

Not being *engaged in the practice of law as an occupation*, means you were unemployed or primarily engaged in an occupation other than law and being an attorney was not a factor in your employment. For example, you may have been employed as a school teacher, physician, or law enforcement officer while admitted as an attorney in Connecticut. If you were employed in an occupation other than law and you received less than \$1,000 from performing legal work, you qualify for the exemption.

If you engaged in the practice of law in Connecticut as an occupation, you do not qualify for this exemption even if you received less than \$1,000 during the calendar year from the practice of law in Connecticut.

C. You were a judge, senior judge, referee or magistrate and did not otherwise engage in the practice of law in Connecticut. This exemption applies to all Connecticut state court judges including family support magistrates authorized

under Conn. Gen. Stat. § 46b-231, magistrates appointed under Conn. Gen. Stat. § 51-193l et seq., magistrates appointed by the Claims Commissioner under Conn. Gen. Stat. § 4-142b, probate court judges, and federal judges who worked exclusively as judges or magistrates and did not otherwise engage in the practice of law in Connecticut during the calendar year.

D. You were a Connecticut state employee employed as an attorney and did not otherwise engage in the practice of law in Connecticut. This exemption applies only if you were a Connecticut state employee employed as an attorney for the entire year, or for the entire portion of the year during which you were admitted to practice in Connecticut, and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you worked as a contractor or vendor to the State of Connecticut, such as a per diem advocate for the Juvenile Court or a special public defender, you were not a state employee for purposes of this exemption. Employees of the Probate Court Administrator are state employees for purposes of this exemption. Employees of a Connecticut Probate Court, see Exemption G, below.

If you were employed by the State of Connecticut, but not as an attorney, you do not qualify for this exemption.

E. You were a federal government employee employed as an attorney and did not otherwise engage in the practice of law in Connecticut. This exemption applies only if you were a federal government employee employed as an attorney by the federal government for the entire calendar year, or for the entire portion of the year during which you were admitted to practice in Connecticut, and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you were employed by the federal government, but not as an attorney, you do not qualify for this exemption.

F. You were an employee of a Connecticut political subdivision employed as an attorney and did not otherwise engage in the practice of law in Connecticut. This exemption applies only if you were a Connecticut political subdivision employee employed as an attorney for the entire year or for the entire portion of the year during which you were admitted to practice in Connecticut and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you worked as a contractor or vendor to a Connecticut political subdivision, you were not an employee of a Connecticut political subdivision for purposes of this exemption.

A Connecticut political subdivision is any Connecticut city or town, any tax district within a Connecticut city or town, or any district comprised of two or more Connecticut cities or towns.

If you were employed by a Connecticut political subdivision, but not as an attorney, you do not qualify for this exemption.

G. You were an employee of a Connecticut Probate Court, employed as an attorney, and did not otherwise engage in the practice of law in Connecticut. This exemption applies only if you were a Connecticut Probate Court employee employed as an attorney for the entire year, or for the entire portion of the year during which you were admitted to practice in Connecticut, and did not otherwise engage in the practice of law in Connecticut during the calendar year.

If you worked as a contractor or vendor to a Connecticut Probate Court, you were not an employee of a Connecticut Probate Court for purposes of this exemption.

H. You engaged in the practice of law exclusively outside Connecticut. This exemption does not apply if you performed any act in Connecticut that is considered to be the practice of law, as defined in Connecticut Practice Book Section 2-44A, during the calendar year. This is true whether or not you received remuneration for the act or the act was connected with your employment as an attorney outside Connecticut.

Examples of acts considered to be the practice of law in Connecticut include, but are not limited to:

- Entering an appearance in a case in Connecticut court or Connecticut federal district court;
- Meeting with a client in Connecticut; **or**
- Witnessing a document or taking an acknowledgment as a Commissioner of the Superior Court in Connecticut.

This exemption does not apply to any person authorized to provide legal services on a temporary basis in Connecticut under Connecticut Practice Book, Rules of Professional Conduct, Rule 5.5 subparagraph (c)(3) or (4), *Unauthorized Practice of Law*. Any such person is not subject to the attorney occupational tax and is not required to file Form 472. See *Question 9* on Page 2.

I. You were on active duty with the U.S. armed forces for more than six months during the calendar year. You may claim this exemption even if you were otherwise engaged in the practice of law in Connecticut during the portion of the calendar year when you were not on active duty.

J. You retired from the practice of law. This exemption applies if you were placed on retirement status **at any time** during the calendar year and filed a written notice of retirement with the Statewide Bar Counsel. For example, if you were placed on retirement status on December 31, you may claim the exemption for the entire calendar year if you notified the Statewide Bar Counsel of your retirement in writing. You have the option to request retirement with the right of revocation, or permanently.

To request retirement status, complete Form JD-GC-24, Attorney Revocable Retirement Written Notice, **or** Form JD-GC-26, Attorney Permanent Retirement Written Notice.

For more information visit the Statewide Grievance Committee website at:

<http://www.jud.ct.gov/SGC/retirement.htm>

The Statewide Bar Counsel will notify you of the decision on your request and the effective date of your retirement if the request is granted.

To obtain Form JD-GC-24 or Form JD-GC-26:

1. Download from the Internet by visiting the Connecticut Judicial Branch website at <http://www.jud.ct.gov/SGC>;
or
2. Call:
 - Statewide Grievance Committee: **860-568-5157**,
 - Office of the Client Security Fund Committee: **860-568-3450**, or
 - Office of the Clerk of the Superior Court for the Judicial District of Hartford: **860-548-2700**.

You are not required to file a written notice of retirement when you retire from the practice of law; however, if you do not do so, you do not qualify for this exemption.

11. If I am otherwise exempt from the attorney occupational tax, does performing pro bono legal services affect my exempt status?

If you are otherwise exempt from the attorney occupational tax, performing pro bono legal services in Connecticut for no consideration, rather than for reduced consideration, does not change your exempt status.

For example, an attorney who is admitted as an attorney in New York and Connecticut, and who is engaged in the practice of law exclusively in New York except for performing pro bono legal services in Connecticut, is not subject to the tax.

Providing free legal services to friends or relatives is not considered pro bono work.

12. What if my address changes?

If your address changes, you should notify both DRS and the Statewide Grievance Committee. Notifying only DRS does not constitute compliance with Connecticut Practice Book Section 2-26 or 2-27(d).

To change your address with DRS, fax a written notice of the change including your Connecticut Tax Registration Number (not your juris number or Social Security Number) as it appears on Form 472 to **860-297-4797**, or mail the notice to:

Department of Revenue Services
IND Teams, 6th Fl
450 Columbus Blvd STE 1
Hartford CT 06103-1837

You may also change your address using the *TSC* at www.ct.gov/TSC. Enter your Connecticut Tax Registration Number and follow the prompts to complete the process.

To change your address with the Statewide Grievance Committee, make the changes online through Judicial Branch E-Services or download Form JD-GC-10, Attorney Registration Change of Information, from the Judicial branch

website at www.jud.ct.gov. Form JD-GC-9, Attorney Registration, which is sent to you annually by the Statewide Grievance Committee, also contains space to indicate your change of address. Contact the Statewide Grievance Committee with questions about Form JD-GC-9 by:

- **Email:** attorney.registration@jud.ct.gov; **or**
- **Telephone:** Call the Statewide Grievance Committee at **860-568-5157**.

13. How do I obtain a juris number?

The Judicial Branch assigns and mails your juris number to you after you have been sworn in to the bar. You can inquire about your juris number by:

- **Internet:** Visit the Judicial Branch website at <http://www.jud.ct.gov> (Select *Attorneys*, then *Look-up (Attorneys & Cases)*, then *Attorney/Firm Look-up*);
- **Telephone:** Call the Statewide Grievance Committee at **860-568-5157**; **or**
- **Email:** Statewide.Grievance@jud.ct.gov.

Do not call DRS to obtain your juris number.

14. What is the Client Security Fund?

The Client Security Fund was established by the judges of the Superior Court to promote public confidence in the judicial system and the integrity of the legal profession. This fee is **not** collected by DRS. The fund reimburses clients for losses resulting from dishonest conduct, as defined in Connecticut Practice Book Section 2-69, of attorneys practicing law in Connecticut. Each attorney admitted to practice law in Connecticut and each judge, judge trial referee, state referee, family support magistrate, family support referee, and workers compensation commissioner must pay an annual fee to finance the Client Security Fund. See Connecticut Practice Book Section 2-70.

The fee amount is established by the judges of the Superior Court based on the analysis and recommendation of the Client Security Fund Committee. Currently, the fee is \$75.00. The fee may be paid online by attorneys registered with the Judicial Branch with access to E-Services at www.jud.ct.gov.

For more information, contact the Office of the Client Security Fund Committee by:

- **Email:** Security.Fund@jud.ct.gov;
- **Telephone:** **860-568-3450**; **or**
- **Internet:** *Frequently Asked Questions:*
www.jud.ct.gov/CSF/FAQ.htm#FundFee

15. If I am exempt from the attorney occupational tax, am I exempt from the Client Security Fund fee?

No. You may be exempt from the attorney occupational tax but not exempt from the Client Security Fund fee.

You are exempt from the Client Security Fund fee if during the calendar year for which the fee is assessed you:

- Served on active duty in the armed forces of the United States for a period of more than six months;
- Retired from the practice of law by filing the notice, with the Clerk of the Superior Court for the Judicial District of Hartford, required by Connecticut Practice Book Section 2-55;
- Resigned from the bar; **or**
- Were disbarred.

If during the calendar year for which the fee is assessed you do not engage in the practice of law in Connecticut as an occupation and receive less than \$1,000 in legal fees or other compensation for services involving the practice of law in Connecticut, you are partially exempt from the client security fund fee and you are required to pay one-half of the fee amount. To claim the full or partial exemption, file Form JD-GC-22, Claim of Exemption Client Security Fund Fee. You may download this form from the Judicial Branch website at www.jud.ct.gov.

16. Is a person who is an authorized house counsel under Connecticut Practice Book Section 2-15A subject to the Client Security Fund fee?

Yes. See **Connecticut Practice Book** Section 2-15A(d)(3).

17. Is a person who is authorized to provide legal services on a temporary basis in Connecticut under Connecticut Practice Book, Rules of Professional Conduct, Rule 5.5 subparagraph (c)(3) or (4), subject to the Client Security Fund Fee?

No.

Effect on Other Documents: This **Informational Publication 2016(9)**, *Attorney Occupational Tax and Client Security Fund Fee*, modifies and supersedes **Informational Publication 2014(13)**, *Attorney Occupational Tax and Client*

Security Fund Fee, which may no longer be relied upon on after the issuance date of this publication.

Effect of This Document: An Informational Publication issued by the DRS addresses frequently-asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

For More Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Paperless Filing/Payment Methods (fast, easy, free, and confidential):

Business and individual taxpayers can use the *TSC* at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the *TSC* to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the *TSC*. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-News Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-News Alerts** provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *e-alerts* from the left navigation bar.